



PROJECT

EARTH

REPORT

2022



SELFRIDGES&C^o

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INTRODUCTION

1.1 From Our Managing Director



In 2020, amidst the uncertainty of a global pandemic we took the bold step of launching Project Earth, our evergreen sustainability strategy that builds on more than ten years of retail activism at Selfridges. Project Earth underpins our commitment to reinvent retail for a sustainable future and we left little doubt of our intentions when we emblazoned the words “Let’s change the way we shop” across the front of our Oxford Street store.

Two years on, I am very proud to be sharing our first report detailing the progress we’ve made, the challenges we’ve faced and the future we see. Our aim is to be reflective and honest, but also optimistic - qualities that we believe are essential to making the world brighter. For us, reinventing retail means asking – and responding to – challenging questions about how we want to live our lives. We can’t talk about the future of retail without keeping the future of our planet at the heart of the conversation.

We know we not only have a responsibility to drive change in our business, but also our industry and the wider world. That’s why in 2021, we signed the Climate Pledge accelerating our commitment to achieving net-zero carbon emissions from 2050 to 2040. To achieve this, we are focusing on material transformation, building low carbon stores and workspaces both physically and digitally. We are curating a brand and product portfolio that exemplifies social and environmental best practice. And we are also evolving new retail models that provide exceptional services and experiences with minimal impact. Perhaps most importantly, we are challenging our own mindsets and that of our customers to create an inclusive retail culture where all our communities can thrive, leading with purpose and embracing the diversity and the differences that make us stronger.

Following a period of experimentation and exploration, we are excited to move into a new phase of embedding and accelerating. This is particularly evident in the rapid evolution of Reselfridges, our flagship circular initiative which brings together resale, rental, repair, refill and recycle. We are so confident in the opportunity Reselfridges presents that we are making a bold commitment to 45% of our transactions coming from these circular products and services by 2030. Currently less than 1% are generated in this way so the scale of our ambition

cannot be underestimated. Our commitment to imagine and create a sustainable future for our customers and teams is real.

The achievements and progress outlined in this report are a reflection of the incredible passion and commitment amongst our teams that makes Project Earth so much more than a strategy. As you read, consider our 300 Green Warriors turning words into action and championing change across our business. I’m proud that our Project Earth edit now features more than 9,000 products, accounting for more than 12% of our own-bought revenue. These statistics are a reflection of the dedication of everyone from our Buying and Merchandising Teams to our Beauty Concierge. Our people really are the beating heart of our brand and there is no sustainable future without them.

Today, more than ever, we need to take big, bold decisions. The future of retail is circular, which means leaving behind our linear, transactional ways - customers on one side of the counter and us behind it. As we work hard to lead an engaged community across the globe, we invite you to join us. Together, we can make the changes required. This report shows our progress so far, and we hope it inspires your next steps - small or big, public or private - in service to Project Earth.

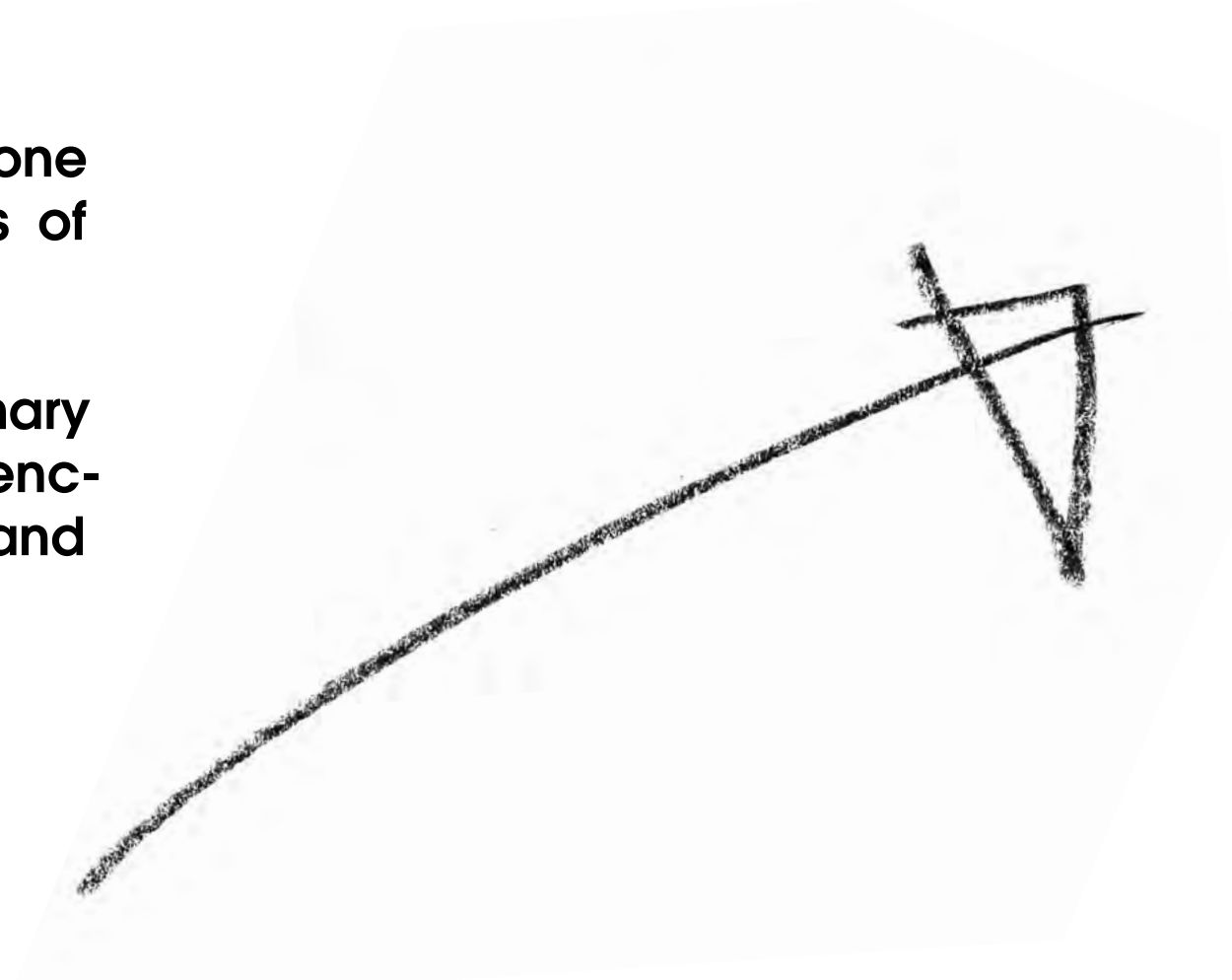
Andrew Keith,
Managing Director

1.2 Who We Are

We are more than a shop. We are a brand driven by our vision to reinvent retail. We are powered by imagination and innovation. Our customers and teams choose us to help them live brighter.

We are part of Selfridges Group – one of the world’s leading collections of luxury omni-channel retailers.

We offer our customers extraordinary products, destinations and experiences across our four physical stores and digital platform.



¹ Figures relate to FY 2020-2021.
² As of 31 January 2022. We do not operate our distribution and call centres but work closely with our third-party partners who do, to ensure seamless customer experience.
³ Our people and supply chain figures are as of 31 January 2022.

Our business¹

176.4 million visitors to our stores, website and app

£1.07 billion sales

1.1 million products

4 physical stores,
1 digital store,
2 offices,
1 distribution centre,
1 returns centre,
3 call centres²

Our people³

Approximately
3,000
team members

People in our supply chain

In addition to those people who work directly for us, we have extensive supply chains which consist of millions of workers across their length and breadth, across three supply chain areas:

80
Private label and own-brand consumable suppliers – we have a small range of products and items which carry our name which we sell or use.

3,000
Third-party brand partners – the majority of products we sell in-store and through our digital platforms are from our third-party brand partners.

1,900
Procurement suppliers – these are suppliers we directly engage with to provide the products and services which we don’t sell but which keep our business going.

Over 7,500 people in our supply chain work alongside our team members on our sites. They include agency workers, contractors, concession staff and consultants. They aren’t directly employed by us but are managed by the brand partners and suppliers we contract with.

1.3 Project Earth

Since we first opened our doors in 1909, Selfridges has been reinventing the retail experience. Project Earth was an expression of our commitment to reinvent retail once again, this time with people and planet front and centre. We built on the legacy of retail activism established through Project Ocean, working closely with our teams and a group of critical friends including Greenpeace and WWF to consider how Project Earth could be truly transformative. Our aim is to pioneer a new approach to business and leverage the Selfridges platform to engage our customer community.

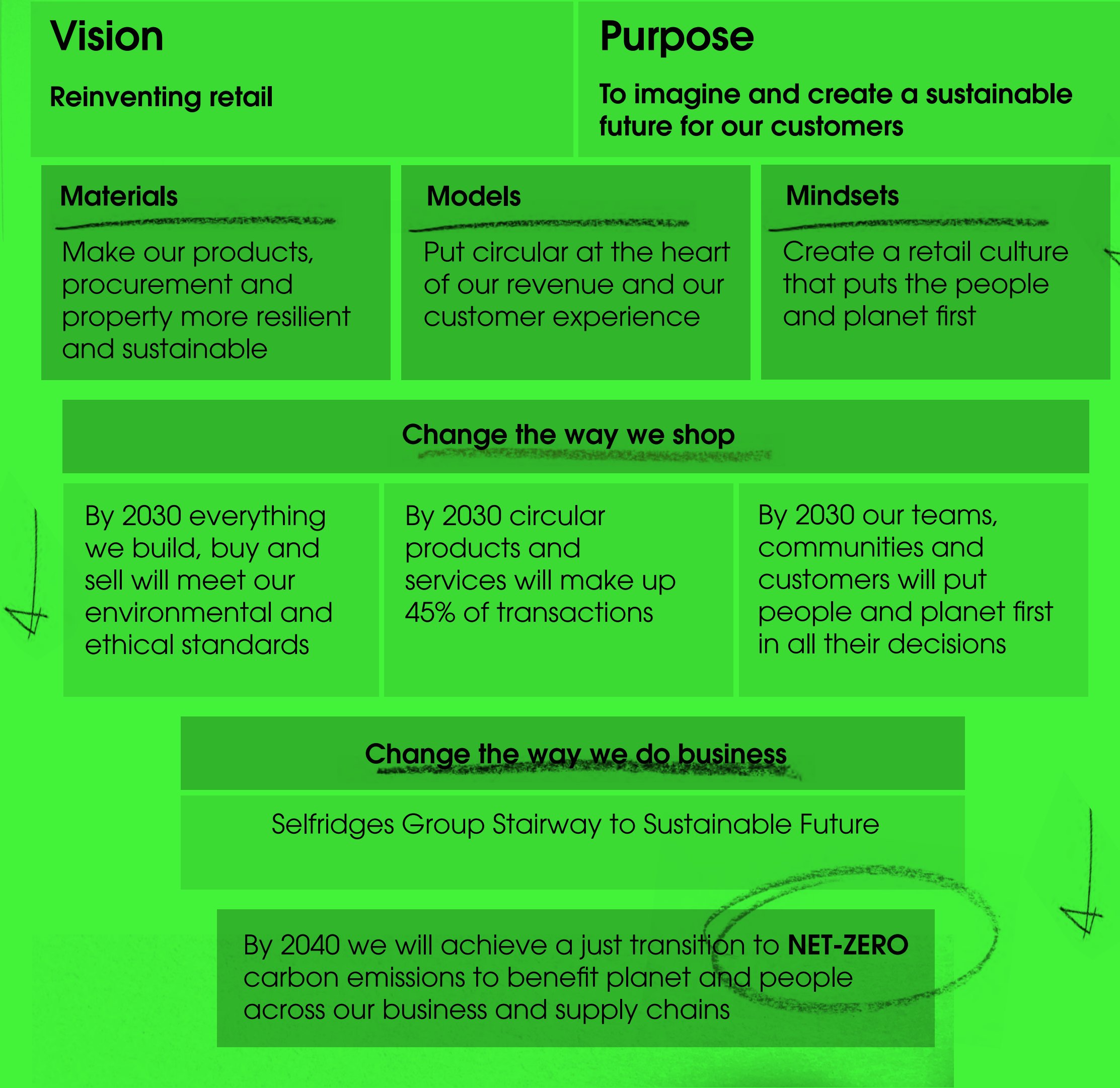
Project Ocean launched in 2011 and was impactful because it connected the creative flair and sense of irreverent fun that abounds at Selfridges with the personal passion that runs through the teams. Project Earth was designed to apply that same alchemy to issues more material to Selfridges operations and customer experience.

It took three years of development but by the time Project Earth launched in 2020 it had become a fully-fledged strategy, building on Project Ocean and the Buying Better Inspiring Change initiative, which guided the first ten years of sustainability at Selfridges. The intention was and is to move beyond incremental change and drive a genuine transformation through three key pillars:

- 1. **A shift to a new MATERIALS culture one in which brands and suppliers are transparent and responsible in their sourcing practices**
- 2. **An investment in alternative shopping MODELS all of which focus on extending the life of existing products and packaging through rental, resale, repair, refill and recycle**
- 3. **Changing the MINDSETS of teams, communities, and customers to create a truly inclusive retail culture in which people and planet come first in every decision**

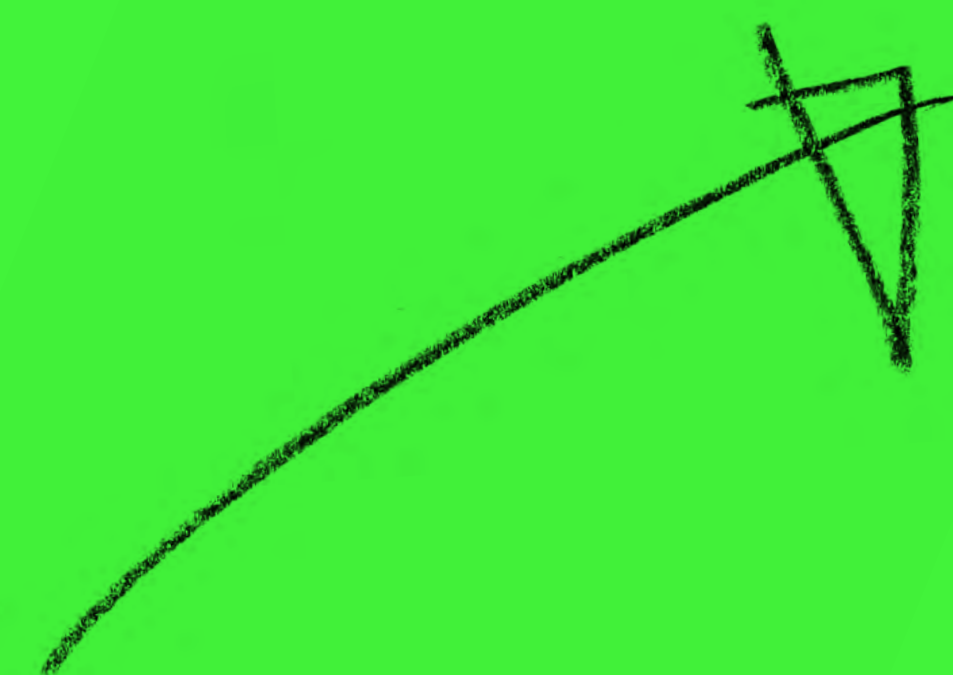
Together these three pillars contribute to and are underpinned by a commitment to achieve net-zero carbon emissions by 2040. Project Earth is our route to achieving our vision of a sustainable future for our teams and customers. It is an evolving approach informed by regular assessment of our material issues and the most effective tactics to address those issues.

Our 2030 Project Earth Strategy



Our Material Issues⁴

In 2021, Selfridges Group carried out a materiality assessment through an analysis and benchmarking of ESG reporting standards, best practice sustainability reports and industry trends. A full range of topics were identified before defining a set of priority sustainability issues for the group, the extended value chain and the outside world. These issues are now framed as five imperatives that drive the group sustainability strategy. Building on this work Selfridges carried out a series of interviews with both internal and external stakeholders, to stress test the relevance of these five imperatives, the interviews confirmed a clear alignment between the group imperatives and the stakeholder feedback.



Climate
Materials
Livelihoods
Workplace
Circular

⁴ See the Annex for more information on our Materiality Assessment.



1.4 Our Commitments

Models

45% of our transactions will be circular by 2030⁵

Net-zero

We will achieve net-zero carbon emissions across the business by 2040

Materials

Everything we build, buy and sell will meet our environmental and ethical standards by 2030

Mindsets

We will build an inclusive retail culture in which our teams, our communities and our customers put people and planet first in all their decisions by 2030

⁵ A circular transaction includes at least one resale, rental, refill, repair or recycled product and excludes home, food and restaurants.

1.5 Highlights

Changing the way we shop and the way we do business

Materials

Ensuring everything we build, buy and sell lives up to our environmental and ethical standards

- Our Project Earth edit featured over 55,000 more sustainable products and accounted for over 12% of all own-bought sales in 2021
- We mapped the materials coming into our business
- We added two new Material Commitments to our 2025 material transformation roadmap
- 950 suppliers have completed our comprehensive sustainability assessment process to date

Models

Making circular models a core part of our customers' experience and our business

- We increased sales of pre-loved items through Reselfridges by 240% compared to 2020
- We facilitated over 28,000 repairs
- We rented more than 2,000 items
- We sold more than 8,000 refills

Mindsets

Creating an inclusive retail culture that engages our teams, communities and customers

- Customer awareness of sustainability initiatives at Selfridges grew from 11% - 52% in the last five years
- 80% of our team members believe they can contribute to sustainability through their role
- 56% of our Directors and Heads of functions are women
- Over 500 managers have participated in inclusive leadership training

Net-zero

Driving down emissions from our stores, operations and products

- All our directly operated stores are powered by 100% renewable electricity and gas
- We achieved a 13% reduction in scope 1 and 2 carbon emissions in 2021 compared to our 2018 baseline year
- We've retained the Carbon Trust standard for carbon, water and waste since 2014
- We signed the Climate Pledge accelerating our net-zero carbon commitment by ten years

1.6 Our Governance

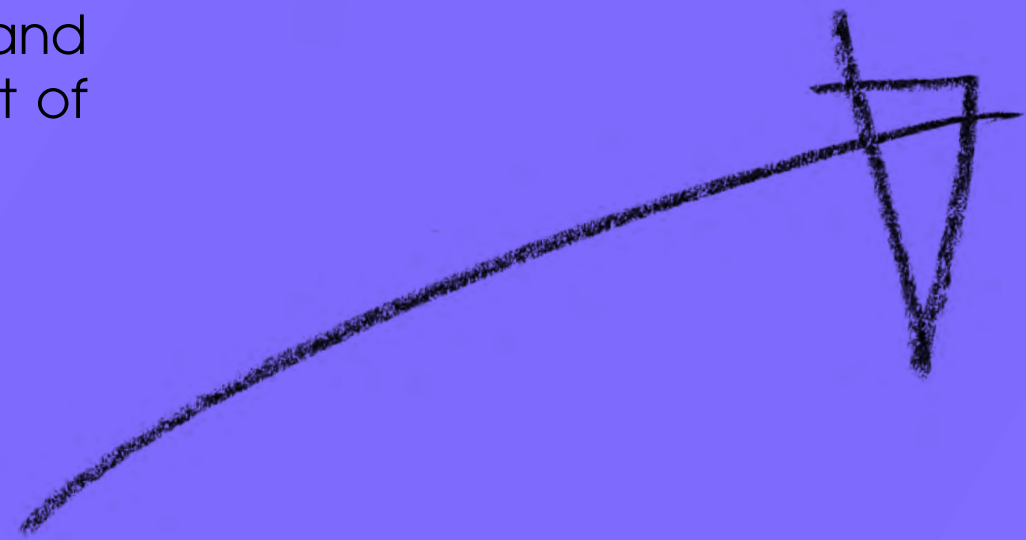


Our approach to sustainability is governed and managed by a number of groups and people across the business. These are committees made up of our senior leaders, who set strategic direction and help integrate sustainability across the business; working groups, who develop and implement plans; and team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

These groups monitor key measures to help evaluate whether our approach is effective, to identify and tackle risks and issues, and to direct our future action including determining areas of potential improvement.

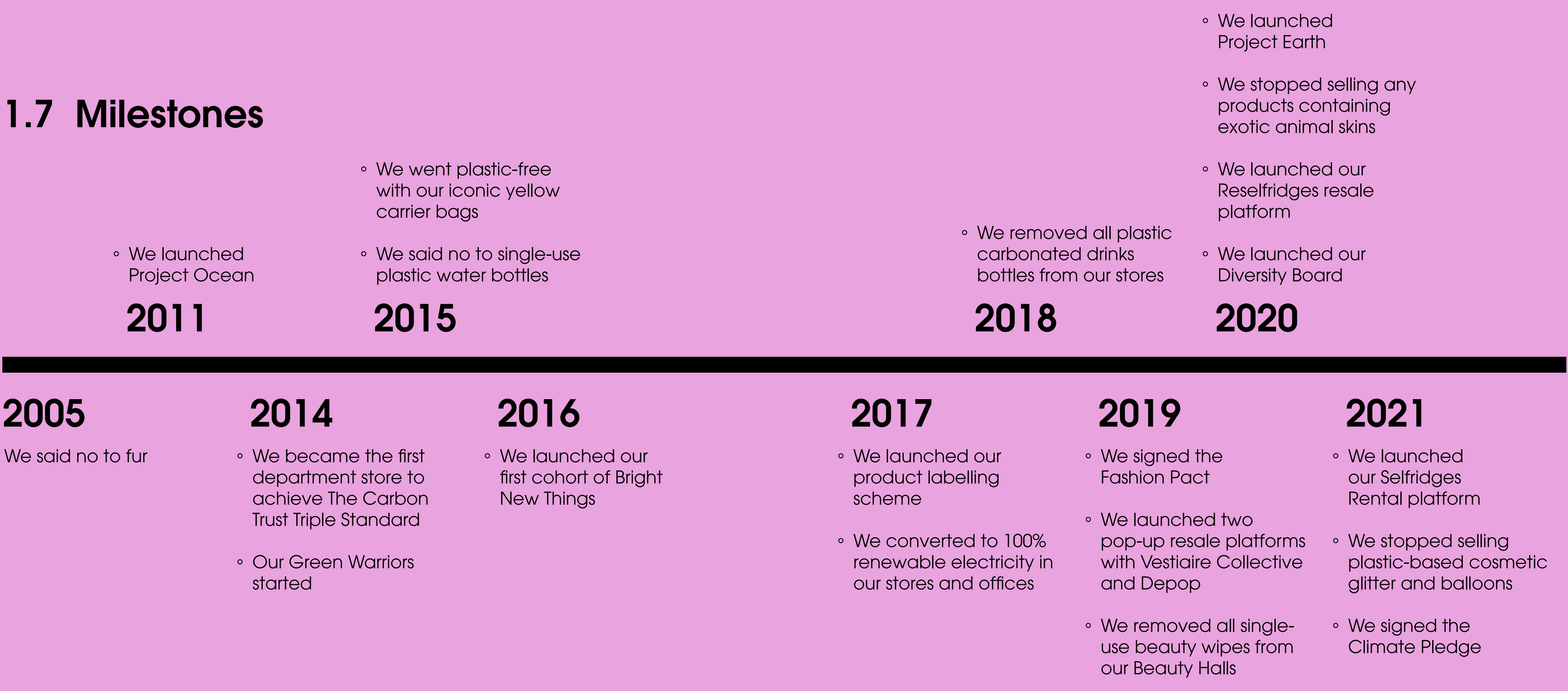
Our External Partners

We also collaborate with external experts, other organisations and collaborative forums to supplement our knowledge and capacity, to further the development of our approach.



The Climate Pledge
Carbon Trust
Textile Exchange
Oxfam
Sedex
Stronger Together
Diversity in Retail
Exceptional Individuals
Code First Girls

1.7 Milestones





2.0



MATERIALS

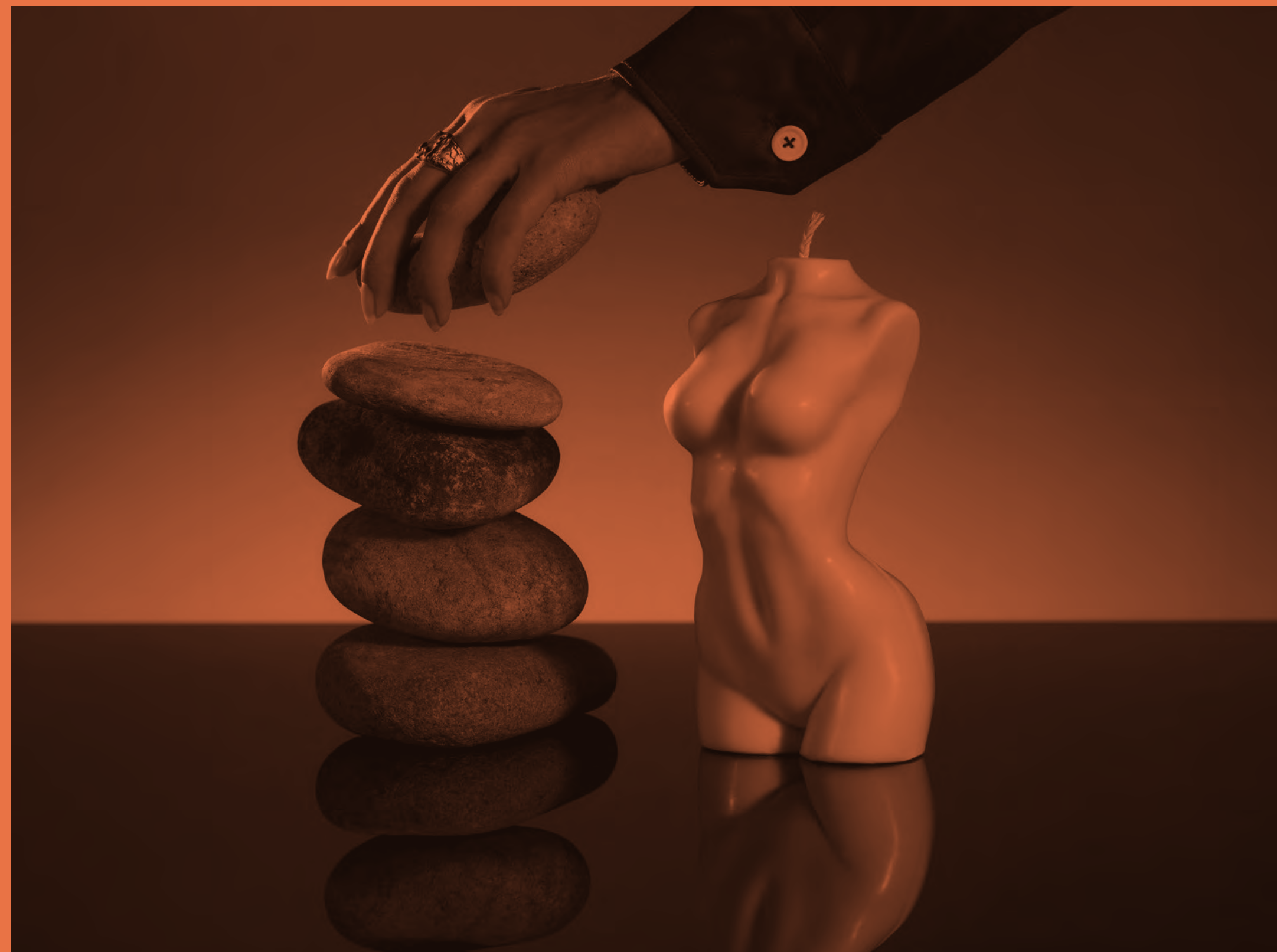
2.1 Why Materials?

Materials matter! From the products we sell, to our shop fits and packaging, the materials used across our business are responsible for a significant percentage of our overall environmental impact.

That's why we're calling for a materials revolution to accelerate our drive towards a net-zero future. We are committed to changing what and how we buy, procure and build so that by 2030 our stores along with every brand and product that we offer will meet our exacting environmental and ethical standards⁶. This transition requires us to redesign our systems, find new ways of working across every function of our business and embed a culture of transparency that retail has not seen before. We've got a lot to do in a short amount of time but we're facing the hurdles head on and encouraging our partners to embrace meaningful material change.

By 2030 our stores and every product that we offer will meet our environmental and ethical standards through our material commitments and supplier and brand self-assessment framework

⁶ As set out by our Material Commitments, Ethical Trade Requirements and Self-Assessment Questionnaire.



Highlights

We mapped the baseline volume of our 9 priority materials for our own-bought⁷ product

We launched our Sustainable Build Guidelines

950 of our 4900 brand partners and suppliers have completed our comprehensive self-assessment questionnaire

⁷ Own-bought refers to Selfridges bought-in merchandise and does not include product sold through concessions which are managed by brand partners.

2.2 Our Progress

In 2020, we announced our commitment and five-year roadmap to ensure the most impactful and widely used materials in our products, buildings and packaging come from certified sustainable sources. Working in consultation with our NGO partners and internationally recognised certification bodies we identified 9 priority materials and developed a rigorous set of criteria addressing key environmental and social issues including carbon, water, land use, biodiversity, animal welfare and waste⁸. From 2025, we will no longer stock products that do not meet the criteria that underpin our existing material commitments.

⁸ Our Material Commitments Criteria (for Cotton, Leather, Feathers, Forest Fibres, Plastics, Paper & Wood, Meat, Cocoa, Palm Oil, Polyester and Nylon) are publicly available on our website. Polyester and Nylon were added to our Material Commitments in 2022.

Our Material Commitments Cover

Cotton
Leather
Feathers
Forest Fibres
Plastics
Paper & Wood
Meat
Cocoa
Palm Oil
Polyester
Nylon

To meet our material commitments, we need a comprehensive understanding of the materials used across our business, how they are made and where they come from. In 2021, we tracked and mapped the materials coming into our business to establish a baseline volume of products that include any of the 9 priority materials. We discovered 58%⁹ of our own-bought products contain one or more of these materials, with cotton representing the most widely used material across the business. We also learnt, 33% of our own-bought products lack the relevant composition information needed to accurately classify them, meaning our data is incomplete. As a multi-



brand retailer, we knew product transparency would be a major hurdle, but the true scale of this challenge has been revealed - and to effect change we must redesign our buying processes and our systems.

Our Materials Transformation project is bringing together the people, processes and technologies needed to capture material composition and certification information at the point of entry into our business. This would allow

our buying and procurement teams to make informed decisions and give us a detailed view of the materials used across our business, from the cocoa in our chocolate to the wood used to build our

shopfits. We have completed an extensive proof of concept for an innovative tool we are implementing with our digital wholesale and technology partner, JOOR, designed to capture and enable the flow of detailed material information for every own-bought fashion product that comes through our doors. We will be rolling out the tool with the first of our fashion buying teams later this year, as we continue discovery to identify solutions for non-fashion divisions and our concession brands. With the second phase of material commitments launching in 2023, our enhanced systems will help us properly track and report our progress not just towards our 2025 targets but towards our longer-term 2030 vision.

⁹ This figure includes food and beauty data where it was available but does not include restaurants.



2 New Material Commitments - Polyester and Nylon

It took 12 months to gather the data needed to establish our materials baseline, encountering many hurdles and lessons along the way. One key finding was identifying synthetic fibres as the second to most used fibres in the products we sell, only behind cotton. Recognising the impact of this and urgent need for action we set ourselves 2 additional material commitments:

- By 2025 50% of polyester used across our business and in the products we sell will come from certified recycled sources
- By 2027 50% of nylon used across our business and in the products we sell will come from certified recycled sources

Our 2025 Material Commitments were developed in consultation with a network of external partners:



- Textile Exchange
- World Wildlife Fund
- Rainforest Alliance
- Marine Conservation Society
- Soil Association
- Better Cotton Initiative
- Forest Stewardship Council
- Leather Working Group
- Roundtable on Sustainable Palm Oil
- Fairtrade

Our Project Earth edit

50% of our customers want to make more sustainable choices but they also feel they need support in making the right choice¹⁰. Project Earth labelling has been showing our customers better ways to shop since 2017. The Project Earth edit is our dedicated online and in-store platform for championing brands who put sustainability at the heart of their business and highlighting products that demonstrate better environmental and social practices. Underpinned by a rigorous eligibility process, each brand must complete our self-assessment questionnaire and every product must meet the criteria of at least one of our nine Project Earth labels, defined by internationally recognised standards and industry best practice. Our in-house sustainability team assess brands and products against our Project Earth labelling criteria, which is publicly available [here](#). Project Earth products can be found in-store and online by looking for the recognisable green icon.

9 Project Earth Labels

For Nature
For Communities
For Animals
For Vegans
Refillables
Reselfridges
Reusables
Rental
Repair

Our Project Earth edit has grown significantly year on year and in 2021, over 1200 of our 3000 brands were eligible for labelling¹¹. Last year, Project Earth products accounted for over 12% of our total own-bought sales and we are on track to almost double this percentage in 2022. Our labelling system is a way to educate and engage our customers in active choice making but it is also an important lever that will help us meet our Material Commitments and our longer-term goal that every one of our products meets our environmental and ethical standards.

Our Project Earth Edit makes it easier for customers to shop more sustainable products

In 2021¹²



1221 brands featured

55 000 labelled products

**Grew by 71% from
£52 million in 2020
to £89 million**

**Accounted for over 12%
of all own-bought sales**

¹⁰ Selfridges Sustainability Customer Research November 2021.

¹¹ As of 31 January 2022.

¹² Between 1 February 2021 - 31 January 2022.

Engaging our partners

We are changing how we buy but the reality is we can't transform our material systems alone. Meeting our goals requires the collective action of our trusted brand partners and suppliers. This is why we are interrogating our buying practices, enhancing our ethical trade programme and investing in building capacity across our supplier network.

Our material commitments are supported by our Ethical Trade Requirements which apply to all brand partners and suppliers as part of our standard Terms and Conditions. These outline our zero-tolerance of modern slavery, prohibited materials (including fur, exotic skins and exotic feathers) and our expectation that a living wage and worker wellbeing are prioritised across the supply chain.

We have implemented a risk assessment process, using location and sector relevant considerations to identify and respond to modern slavery risks in our business and supply chains. Where we identify a medium or high risk with a supplier we proactively carry out further due diligence and where appropriate we offer training to help mitigate the risk. In 2021, we developed a suite of e-learning modules with our partner Stronger Together to educate our team members and brand partners on modern slavery. Mandatory for all store leadership and management teams, the module highlights what modern slavery is, what the indicators are and provides scenarios demonstrating where and how it might present itself. By the end of 2022, 80% of our store leadership and management teams will have completed our modern slavery training. Further details on our measures and progress can be found in our latest Modern Slavery Statement.

¹³ As of July 2022.

In 2020, we developed and launched a new in-depth self-assessment questionnaire (SAQ) through which our brand partners and suppliers must disclose information on their practices and the measures they have in place to meet our Ethical Trade Requirements, our material commitments and our Science Based Targets (SBTs). Each new partner is required to complete our SAQ and we have been working to capture this information from our existing partners too, so that by 2030 every one of our brand partners and suppliers will be approved through our SAQ scoring system, currently under works.



So far, **950**¹³ of our total 4900 brand partners and procurement suppliers have completed our SAQ, and this year we aim to ensure our top 300 own-bought and concession brands representing over 70% of our business have all completed the process. To date, we've held dedicated calls and in-depth one-to-one conversations with over **150** brand

partners, to understand how they are mitigating any ethical trade risks and how they are positioned to deliver on our long-term commitments. We've created bespoke training and guidance, and where issues arise, we work with our suppliers to develop an action plan for improvement or signpost them to peer networks and further resources.



Our packaging

Selfridges branded carrier bags are 100% plastic free and recyclable.¹⁴ Our iconic luxury yellow bags are made using responsibly sourced, Forest Stewardship Council (FSC) certified paper and our standard yellow kraft bags are made using recycled coffee cups collected from our stores. Our local UK partner, Cropper's paper mill uses a CupCycling process to create fully recyclable kraft bags made with 20% recycled coffee cups mixed with FSC certified pulp¹⁵. Our delivery packaging is also made using recycled and FSC certified board. We are committed to ensuring that all of our paper and board packaging is recycled or FSC certified and we are working with our suppliers to ensure this is achieved well in advance of our 2025 target.

Our destinations

Our landmark stores across London, Birmingham and Manchester are our creative playgrounds where we bring ideas to life through experiences that surprise, amaze and inspire. But we believe that creating the extraordinary means putting sustainability at the heart of the design and build process. Whether it's a new build, retrofit, pop-up or one of our iconic window installations, our material commitments apply to fixtures, fittings and anything else we might use to create our amazing destinations.

In 2020, we developed our Sustainable Build Guidelines to support our design and construction teams in sourcing sustainable materials and identifying best practices to reduce waste and energy consumption. With the easing of Covid-19 restrictions we began trialling our guidelines with selected partners through a series of projects at our Oxford Street store, including the new Selfridges Bakery, designed using recovered marble and lighting from previous shopfits. With learnings in hand we are rolling out an updated version and developing a practical assessment scorecard tool for use across all sites, including for the design of our new semi-automated distribution centre and destination for sustainability influence and education, scheduled to open in 2025. Over the next year our team will be tracking the performance of our strategic and brand build projects against our Sustainable Build targets.

¹⁴ With the exception of our garment carriers which are made using rPET and does not include private label product packaging. Note cotton handles must be removed from luxury carrier bags before recycling.

¹⁵ Our large yellow kraft bags are made using PEFC certified pulp.

Materials In Action

Pizza Pilgrims Selfridges



Putting our Sustainable Build Guidelines to the test, we worked with Pizza Pilgrims to design and build the pizzeria of the future and their most sustainable restaurant yet at our London Oxford Street store. From interiors to ingredients, every element of the restaurant was considered as an opportunity for sustainable innovation. The seating has been upholstered with Pinatex, a vegan leather alternative made from pineapple waste, while the terrazzo style table tops were made using reclaimed plastic waste. The menu focuses on local and ethically sourced ingredients, starting with the dough which uses Wild Farmed regenerative UK wheat, all the way to the basil garnish which is sourced from the 3 metre hydroponic basil tunnel fitted by Harvest London at the pizzeria's entrance. It doesn't get more local than that.

Materials

What we're working on now



We are setting category specific targets to deliver our material transformation roadmap and working with our concessions to find a solution for tracking their material progress.



We are expanding our Project Earth edit and aiming to generate 20% of our own-bought revenue through the sale of more sustainable products in 2022.



We are working with the wider Selfridges Group, our brand partners and suppliers to scale the deployment of our SAQ alongside developing its scoring system.



We are developing phase two of our material commitments for 2030, which we will launch in 2023.



3.0


MODELS

3.1 Why Models?

When we emblazoned the words “let’s change the way we shop” across our London store in 2020 we knew the scale of business transformation needed to achieve our vision of a sustainable future for our customers.

These words writ large have served as a reminder that reducing the impact of our products and operations will only get us so far; we have to pioneer new business models if we are truly going to reinvent retail and achieve our net-zero goal. We need models that extend the life of our products, eliminate waste and ultimately work towards producing less. That is why by 2030, 45% of our transactions will be circular¹⁶. This bold target is a radical departure from business as usual and although we’ve seen growth across our circular initiatives and there’s a lot we are proud of, we must face the reality that right now less than 1% of our transactions qualify as such. We have a challenging journey ahead of us.

¹⁶ A circular transaction includes at least one resale, rental, refill, repair or recycled product and excludes home, food and restaurants.



By 2030 45% of
our transactions
will be circular



Highlights

In 2021 **We sold 17,771 preloved items**

We rented 2,163 items

We sold 8,574 refills

We facilitated 28,493 repairs

3.2 Our Progress

We’ve been engaged in circular activity for the last 20 years, but the launch of our Project Earth commitments took this to a new level with Reselfridges, our dedicated platform for exploring alternative models that reimagine the very act of shopping. Through Reselfridges, we have developed a comprehensive offer of circular models including resale, rental, refill, repair and recycle, each working to enhance the active life of our products, drive down waste and promote better shopping habits.



In its discovery phase we saw a genuine appetite for our offer and although we’ve experienced challenges in process and ways of working we’ve learnt a lot through testing and customer feedback. This year, we’ve been expanding our resale and rental offer across all stores and channels, developing easier ways for customers to buy, sell and rent, and activating creative campaigns to increase customer engagement. We’re also experimenting with additional circular solutions focused on repair, refill and recycling. To help deliver our ambitions we have assembled a Reselfridges Innovation Hub with a dedicated team focusing solely on finding, embedding and scaling solutions that can accelerate the growth of and engagement with our circular offer.

What do we mean by circular?

Resale	A product that has been owned by someone else in the past
Rental	A one-off hire of a product for a period of time
Refill	A product that refills a previously sold or customer’s own container
Repair	A service or product to restore an item to a good condition
Recycled	A product made with pre or post-consumer waste according to our material commitments criteria

- Interfaith Charity Shop Pop-Up

2018

- Depop Partnership In-Store and Online
- Vestiaire Collective Pop-Up
- The Restory Launch

2020

- Oxfam Pop-Up
- Reture Upcycling Partnership
- The Restory Preimieres - Clothes Repairs Services
- Bespoke Sourcing Service Powered by Mon Vintage
- Selfridges Rental Platform Launch
- Reselfridges: The Wedding Pop-Up
- Reselfridges: The Great Outdoors

2017

- Vestaire Collection Pop-Up
- Elizabeth and James Vintage Pop-Up

2019

- Beyond Retro Pop-Up
- Oxfam Pop-Up
- Vintage Concessions
- The Repairs Concierge Launch
- Barbour Pre-Loved Launch
- 'Reselfridges' Pre-Loved Powered by Luxclusif
- HURR Collective Launch
- Refill / Reuse Initiative Launch
- Sneakers ER Launch

2021



Resale

Resale has been our fastest growing circular model, but in its inaugural year customer feedback told us that many found the luxury focus inaccessible, so we've broadened our offer with new categories and a wider range of price points. We now curate an offer of vintage and pre-loved products which includes over 30 brands, from Chanel and Rolex to young innovators like Marine Serre and Peterson Stoop. Customers can find our pre-loved products online, at our in-store concessions and via our very own Reselfridges white-label, through which we source every item and authenticate them with our partner Luxclusif. With better access to more products, in 2021 we sold over 17,000 pre-loved items, 2.5 times the previous year.

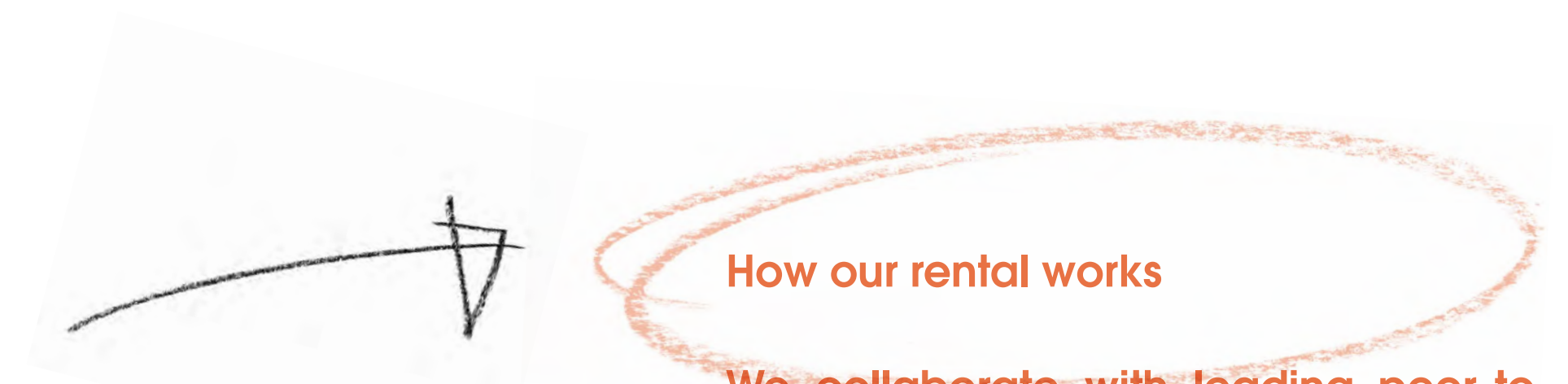


It's not just about offering more, it's about curating extraordinary products and experiences that are true to our brand. Over the last year, we delivered a programme of exclusive collaborations and creative campaigns including Reselfridges: The Wedding, The Great Outdoors edit and Oxfam's Second Hand September. We've also been exploring the potential of products with a typically shorter life, partnering on pop-ups with the Kidswear

Collective and the TOY Project to bring pre-loved kidswear and toys to our customers. As a result of their success we are launching both kidswear and toys as a permanent part of our Reselfridges offer.

Rental

When we debuted our rental offer in the spring of 2021, it received unprecedented interest in the first 6 weeks. But while there was a clear enthusiasm for experience over ownership, actual uptake was limited. We needed to turn interest into action. Since then, we launched our dedicated online Rental platform and we've been working to expand and tailor our offer into a unique proposition of sought after brands and products. We've used the resurgence of a post-pandemic social calendar as an opportunity to present curated experiences around specific events and themes - such as our wedding edit and ski wear pop-up. As a result, we have seen over 2,000 items rented in the last year and we are expecting this to increase with the launch of new initiatives including kidswear and our accessories rental subscription service. We know there are more hurdles to overcome in establishing our rental model but we are working to improve our process and make it even easier and more appealing for customers to rent over buy.



How our rental works

We collaborate with leading peer-to-peer rental platform, HURR Collective to power our in-store and online rental offer. Once rented, items are biked to and from our distribution centre in Battersea and hygienically cleaned by our dry-cleaning partner, Oxwash using innovative low impact laundry technologies. We will be sharing more about Oxwash's sustainable dry-cleaning solutions later this year through a pop-up at our Oxford Street store.

Models In Action

Reselfridges: The Wedding



Our Oxford Street Corner Shop plays host to a monthly rotation of pop-up concepts and last summer as pre-pandemic events started to re-emerge, Reselfridges: The Wedding took centre stage. A curation of one-of-a-kind vintage and pre-loved dresses, tailoring, jewellery and accessories were sourced by our network of esteemed collectors including Mon Vintage, Bay Garnett and Jennifer Gibson, for brides, grooms and guests to purchase or rent. By bringing our resale and rental models together around a complete wedding wardrobe, we were able to offer our customers a unique fashion experience that couldn't be found elsewhere. We're now curating new themes that can help enhance our circular models throughout 2022.

Refill

Our customers have been purchasing refillable products from us for some time now. We have 900 different refillables available from 48 brands, the majority of which can be found in our beauty halls. But what we are interested in is what comes next - refilling the original container. This is the action that counts towards reducing our waste and overall footprint. Despite availability of almost 1,000 different refills, interaction with our offer has been limited. While many of our beauty partners offer refills, the lack of a dedicated counter space and visible signposting in-store and online means customers remain unaware of how to access this service. We are working with our beauty hall concessions to better highlight their offering and to ensure refill stations are given prominent counter space.

Repair

We're on a mission to make new ways to shop a core part of the customer experience and sometimes this means simply enhancing what you already own. Repair is all about embracing long-term style and ensuring that every product we sell lives its longest possible life. We believe a strong repair and restoration service is a vital part of our circular model and we are proud to have carried out over 28,000 repairs in 2021.



Customers have been repairing their shoes with our in-store partner, Timpson's for over twenty years. Since 2019, customers have also been repairing their loved bags, shoes and accessories through our in-store and online partnership with luxury aftercare specialists, The Restory. We've been testing and learning how our customers interact with our broader offer through our Repairs Concierge, a team of experts and one-stop shop for direction on any repair needs available virtually and across all of our stores. Through this service, we've gained insight on how we can drive better engagement with our repair offer by embedding it through our customer's shopping experience.

We know there are many more repairs being carried out across the business by our brand partners but gaining visibility on these is an ongoing challenge. Over the coming year we will assess our existing repair partners and review opportunities to enhance our offer.

Recycle

In 2021, over 13,000 products in our Project Earth edit were verified for including at least 50% recycled materials. But we know much more recycled content can be found across the business, which is why we are working to put systems in place that can track the materials used in the products that we sell. This year we also introduced two additional material commitments to help increase the use of certified recycled polyester and nylon in our products – see the [Materials](#) section for more detail.

Models In Action

Sneakers ER



We noticed our customers have a particular need for repairing their sneakers. Seeing this as an opportunity to extend the life of a high volume, typically non-recyclable product, we partnered with the Sneakers ER to launch a dedicated cleaning and restoration service in our Oxford Street menswear department. In 2021, after relocating the Sneakers ER to a larger space in the heart of our men's shoe room we repaired 11,150 pairs of sneakers, compared to 726 the year before. That's over 15 times more repairs in just one year, proving location is everything. Following this success, we're expanding Sneakers ER to our Birmingham and Manchester stores, and we are exploring other dedicated repair hubs, including a new denim repair service launching in our Oxford Street store in the second half of 2022.

Engaging our customers

We will be making Christmas 2022 our most circular yet. Taking over the Oxford Street Corner Shop, Reselfridges will host a curated cross category offering of pre-loved, vintage and rental fit for the festive season, and our iconic Christmas windows will play home to an extraordinary series of installations. One of our main creative schemes for 2023 will also be centred on Reselfridges.

To make a meaningful shift in our business model we need to build a movement, one which our customers are excited to join. Every year we carry out customer research on our sustainability initiatives and in 2021, we focused specifically on our circular models so we could track awareness and perception, uncover motivations and barriers to engagement and understand the customer experience both in-store and online. Our findings suggest there is a growing appetite for circular initiatives, most actively with resale and repair. Currently, 7 out of 10 customers are aware of at least one of our circular models, but we know we can do more to engage customer participation.



Models

What we're working on now



We are setting long-term roadmaps for each of our Reselfridges R's to help us achieve our bold commitment.

We are creating a Reselfridges destination in every store and integrating Reselfridges products across all campaigns and trends.

We are upgrading our signposting in-store and online for a more seamless experience which allows customers to buy or rent the same item.

We are expanding our repair offer and developing new specialist hubs.



4.0



MINDSETS

4.1 Why Mindsets?

Selfridges exists to make the world brighter, we are convinced the power of collective optimism can kick start radical change towards a sustainable future for our people, our communities and our customers.

But we also acknowledge that optimism must go hand in hand with a healthy dose of realism. We have committed to reinvent retail and we believe that challenging our mindsets and our culture will be the catalyst for that reinvention. Can we truly say that we are creating a sustainable future until we level the gender pay gap in our business and ensure that all under-represented groups feel heard and seen? Are we investing enough in the knowledge, skills and most importantly the passion of our people to allow us to co-create a net-zero business model by 2040? Are we effectively engaging our communities and our customers in relevant narratives that bring everyone on the journey? Our mindsets agenda is all about asking the difficult questions, listening to the answers that come back, and acting on what we hear, no matter how uncomfortable that may be.

We will build an inclusive retail culture in which our teams, our communities and our customers put people and planet first in all their decisions by 2030



Highlights

80% of our team members believe they can personally contribute to sustainability through their roles¹⁷

Over 500 managers trained in inclusive leadership

We introduced Fertility at Work, Pregnancy and Neonatal Loss policies

Over 20% of our content across all channels contained a sustainability message¹⁸

¹⁷ Selfridges March 2022 Pulse Report with data from 1961 respondents.

¹⁸ As of 2022.

4.2 Our Progress

We believe in the power of our collective optimism but to create a movement every team member must feel a sense of purpose and meaning when they come to work. A strong vision requires strong values, and research with our team members told us that our values were not bold enough to help us deliver our vision. They needed to evolve not only so they represent the essence of Selfridges but so they can guide and inspire our people to reinvent retail. Throughout 2021, we undertook a review and facilitated 20 workshops with team members across the business to identify and understand the core traits that make Selfridges unique and aligned these with the principles of our Reinventing Retail strategy to develop our new values: Embrace Every Self, Create the Extraordinary, and Lead with Purpose. We've rolled out a Values Led Behaviours Framework workshop to help embed these across the business, and our Values Ambassadors are our community of advocates helping inspire others to live our values from the inside out.

Over the years we have woven sustainability into our DNA. We have changed our decision-making processes, we have held ourselves accountable and integrated sustainability into the heart of our governance structure. We know we must embed a responsible mindset throughout the entire business to achieve our goals, it must live in every team member's day-to-day work. That's why we are proud that 80% of our team members believe they can personally contribute to sustainability through their role¹⁹. We've ensured our reward mechanisms, including our executive compensation framework, align with our vision and incentivise the delivery of our Project Earth targets.

We look to inspire and inform our teams through continuous learning and debate. We provide Project Earth workshops to all newcomers and offer a range of sustainability masterclasses, expert talks and events focused on generating discussion and building knowledge for all team members. Our Green Warriors have also been helping build a movement at the grassroots level since 2014. With over 300 passionate team members from across all areas of the business, our Green Warriors champion our Project Earth commitments, raise awareness of our initiatives and actively contribute ideas to make our business more sustainable. Now, every department has at least one Green Warrior in post.

¹⁹ Selfridges March 2022 Pulse Report with data from 1961 respondents.

Our Values

Embrace Every Self:

We embrace diversity and the differences that make us stronger. We actively work together to build and maintain inclusion and belonging for ourselves and our customers.

Create the Extraordinary:

We celebrate creativity in all forms and perspectives. We bring ideas to life that help us create extraordinary experiences.

Lead with Purpose:

We make sustainable decisions that contribute to a better future. We are unafraid to act differently and boldly lead the way forward.

Communities

We are reshaping culture inside and outside our business. Our network of communities inspire a sense of purpose and belonging. They are integral to our success as we reinvent retail together. Representing different interests and causes, they enable our team members to bring their whole selves to Selfridges, to live our values and create positive change for the benefit of all. Our network is made up of local charity partners who we support through dedicated projects and programmes, national charity partners who we work with to help drive our Project Earth strategy, and our internal communities founded and driven by our team members.

On a local level, we create impactful partnerships with charities who share our values and can support us making lasting change. We play an active role in supporting our communities where our shops and offices are located, in London, Birmingham, Manchester and Leicester. This year, we’ve streamlined our community-giving strategy to focus on 3 key areas, where we believe we can make real impact: Environment, Social Mobility and Wellbeing. We offer all team members up to five volunteer days each year to use with our dedicated partner organisations, who participate in a range of volunteering work including, sleeping out in aid of the homeless, collecting rubbish at beach clean-ups, and carrying out interior repairs and improvements. We are proud that despite the ongoing effects of Covid-19, last year over 10% of our employees participated in our volunteering scheme, and with the help of our Volunteering Squad we are aiming to boost participation throughout 2022. By offering our time, support, and donations to our charity partners we hope we can help brighten our local communities and truly make a difference. Read more about our community projects on our [charity partnerships page](#).



Values Ambassadors Our values advocates empowering others to drive positive change within and outside our business	Green Warriors Our sustainability champions inspiring change and raising the profile of our sustainability initiatives	Wellbeing Community Our community of team members helping to embed a wellbeing culture across the business
Diversity Board & Squad Our architects for creating a diverse and inclusive environment in which everyone can bring their whole selves	Volunteering Squad Our community of team members inspiring others to participate in our volunteering scheme	The Fun Community Our collective of team members helping to bring some Selfridges magic to our day-to-day
Thinking Differently Our community of neurodivergent team members exploring neurodiversity in themselves or in their relationships	Be Yourself Our community of LGBTQIA+ team members helping to ensure every team member is supported and recognised for who they are	Women in Tech Our community of team members driving greater diversity in the technology and digital industry

- We will close the gender pay gap by 2025
- We will ensure 50% of all director roles are held by women by 2025
- We will increase our ethnic minority representation at senior leadership level to 16% by 2025²⁰



²⁰ Senior leadership includes executive, heads of and director positions.

Diversity, Equity and Inclusion

Every person is unique and to embrace every self we must actively engage with and learn from our colleagues, customers, partners and communities. For the first time we are publishing our diversity commitments and our data, and we’re planning to take this further with a robust Diversity, Equity and Inclusion (DE&I) strategy, built on 3 key themes:

1. **Governance and accountability**
– creating a company-wide governance framework and embedding accountability across senior management;
2. **Inclusive talent management** – designing equality into every HR process and developing programmes to nurture a diverse talent pipeline; and
3. **Building communities** – working with our teams and brand partners to drive change inside and outside Selfridges.

In 2021, we launched our first ever Cultural Assessment, a survey and review of our policies alongside a series of open conversations with our teams. A phenomenal 84% of our team members responded to the call to share demographic data, which is more than double the industry-standard response rate. This gave us a clearer view of our cultural stress points and the unique challenges of under-represented groups. Our Cultural Assessment has given us a more informed understanding of our data, and we gained invaluable insights into where we need to do better to really ensure every person feels able to bring their whole self to work. We asked the questions, now we’re acting on the answers.

Our People Data²¹

We know we are at the start of our DE&I journey but we want to be held accountable for delivering on our commitments and we believe this means going further than simply being transparent. We’re shining a light on intersectional data to unlock the unique challenges experienced by our people and to understand the more nuanced ways we should be addressing DE&I across our business.

Levelling the gender pay gap

- All 4 of our stores are led by women
- 65% of all our team members are women
- In 2021 50% of our executive director roles were filled by women
- In 2021 women held 54% of roles in our highest earning bracket
- In 2021 women held 61% of roles in our second to highest earning bracket, 2% up from the previous year

We are proud of the significant role women play across our business, which is why it is critical we urgently close our gender pay gap and foster a workplace which supports female development across all areas of the business. Read more about how we are working towards this in our latest [Gender Pay Gap Report](#).

We are pleased to see that our actions are driving positive change and that our Gender Pay Gap has reduced since our 2021 report. We look forward to sharing further detail on our progress in our 2022 Gender Pay Gap Report.

²¹ Data as of July 2022, inclusive of all Selfridges team members and executives in the UK. Results also include team members and executives based in London who work for Selfridges Group.

Gender by Level

	Female	Male
Executive Director	57%	43%
Head of / Director of Functions	56%	44%
Senior Manager	64%	36%
Manager	63%	37%
Team Member	66%	34%
Grand Total	65%	35%

Ethnicity & Level

	Ethnic Minority	White
Executive Director	8%	92%
Head of / Director of Functions	13%	87%
Senior Manager	12%	88%
Manager	26%	74%
Team Member	52%	48%
Grand Total	41%	59%

Talent

Creating an inclusive workplace for all means more than simply opening our doors and hoping change will come. It means investing in strong and diverse talent pools and ensuring the right people access the right opportunities at the right time.

We're shining a spotlight on our talent, because how we recruit, appraise and develop our team members is a key lever for reducing our gender pay gap and ensuring representation of under-represented groups at senior levels. We have changed recruitment processes for shortlisting talent using skill-



based assessments, and by October 2022, 100% of our hiring managers will have taken part in Inclusive Hiring training to ensure decisions are fair and unbiased. We're also working with our recruitment partners to identify diverse talent and our goal is to ensure 50% of candidates on hiring manager shortlists for all senior leadership roles will be made up of people from under-represented groups.

All of our managers are required to take part in our Inclusive Leadership training, a workshop designed to equip managers with the skills and attributes needed to have confident, open, honest conversations

around equity at work. To date, over 500 managers have taken part in the training and we are developing additional programmes to roll out across our teams, with the vision of evolving an inclusive performance management system that recognises individual attributes. In 2021, we also launched a broad range of learning opportunities to advance talent at all levels within our business. With the role of tech continuing to grow at Selfridges, we're broadening our access to diverse talent by partnering with Code First Girls, a non-profit organisation, training women to become software developers. We're sponsoring three individuals to complete a 12-week Nanodegree, which would provide graduates with the relevant skills to join Selfridges as an entry level software engineer. Our Selfridges Women in Tech community have also provided virtual workshops for women in and outside the business on how to grow a career in tech and digital.

Diversity in Retail

One of the measures we have put in place to enhance development opportunities is our Diversity in Retail talent programme, where team members who identify as being part of an ethnic minority are partnered with members of our executive team as their active mentors. We work closely with Diversity in Retail and have participated in several of their DE&I programmes including Ethnic Future Leaders, Ethnic Senior Leaders and Global Female Leader programmes. Our Head of Recruitment, Head of Food Technical and Security Manager were also recognised as part of the inaugural Diversity in Retail 'Role Models for Inclusion in Retail Index 2022', championing individuals who have made a significant impact in creating a diverse and inclusive workplace in retail.

Embedding DE&I

For diversity and inclusion to be more than the sum of our parts it should play a genuine role in how we operate, how we build relationships with customers and how we create extraordinary experiences.

Increasing the diversity of our curation is a key part to bringing our commitments to life through the experiences we provide. Having a more inclusive offer is about actively making space across our stores for and engaging with brands owned and run by under-represented groups. But we've learnt that this requires more than just onboarding brands through business as usual – we need a different approach. In 2022, we will be working with our finance teams to provide more flexible terms of trade and drawing on our long history of mentoring emerging brands to provide support and guidance that will help young businesses thrive longer term.

Beyond the brands and products we sell, we are using our imagination to create different types of shopping experiences for our diverse customers. For example, this year we introduced quiet hour every Wednesday at all of our stores and head office, during which music and screens are switched off to create an environment that supports customers with autism spectrum conditions, sensory sensitivities and mental health conditions such as anxiety. Quiet hour was announced in March 2022, as part of our Neurodiversity Celebration Week, which also marked the launch of our Thinking Differently community and partnership with Exceptional Individuals, a social enterprise dedicated to supporting neurodiverse individuals in the workplace.

Our Diversity Board

In 2020, we established our Diversity Board to help shape a more inclusive and equitable future at Selfridges. Playing a key role in listening to and sharing feedback with team members, the Diversity Board is made up of 12 individuals with a real passion for driving change and is built on three pillars:

Everyone is Welcome:

Everyone is Welcome is the foundation upon which we build an inclusive and future focused culture, where we are enabled to embrace every self. Through this, we will reinvent retail with a diverse and accessible view, ensuring a truly inclusive team member and customer experience.

The Yellow Curriculum:

There is a lack of diverse talent as you climb the career ladder at Selfridges. We will ensure minority or marginalised team members see 'people like them in senior positions and understand what is attainable for them in terms of career progression.

Broadening Our Buy:

Commit to purpose-led partnerships and collaboration to build a network of brands and suppliers that are diverse in their thinking, their approach and their teams.

With the help of our Diversity Squad, a community of 94 team members from across the business, the Diversity Board supports the DE&I Strategy with initiatives and programmes that will lead to meaningful change.

Mindsets In Action

Juici Jerk



In August 2021, emerging black-owned business Juici Jerk was selected as one of the exciting up and coming brands to feature in The Foodhall at Selfridges London Pop Up Kitchen. Over the initial one-month residency our teams supported Juici Jerk in growing their brand of new age Caribbean cuisine and in turn saw a new demographic of customers coming into the store. As a result of its success, we invited Juici Jerk to extend their residency through 2022, during which our teams continue to provide guidance and support in navigating their next phase of development. We are excited by the role we can play in helping a young business flourish and look forward to working with more young brands in the future.

Employee wellbeing

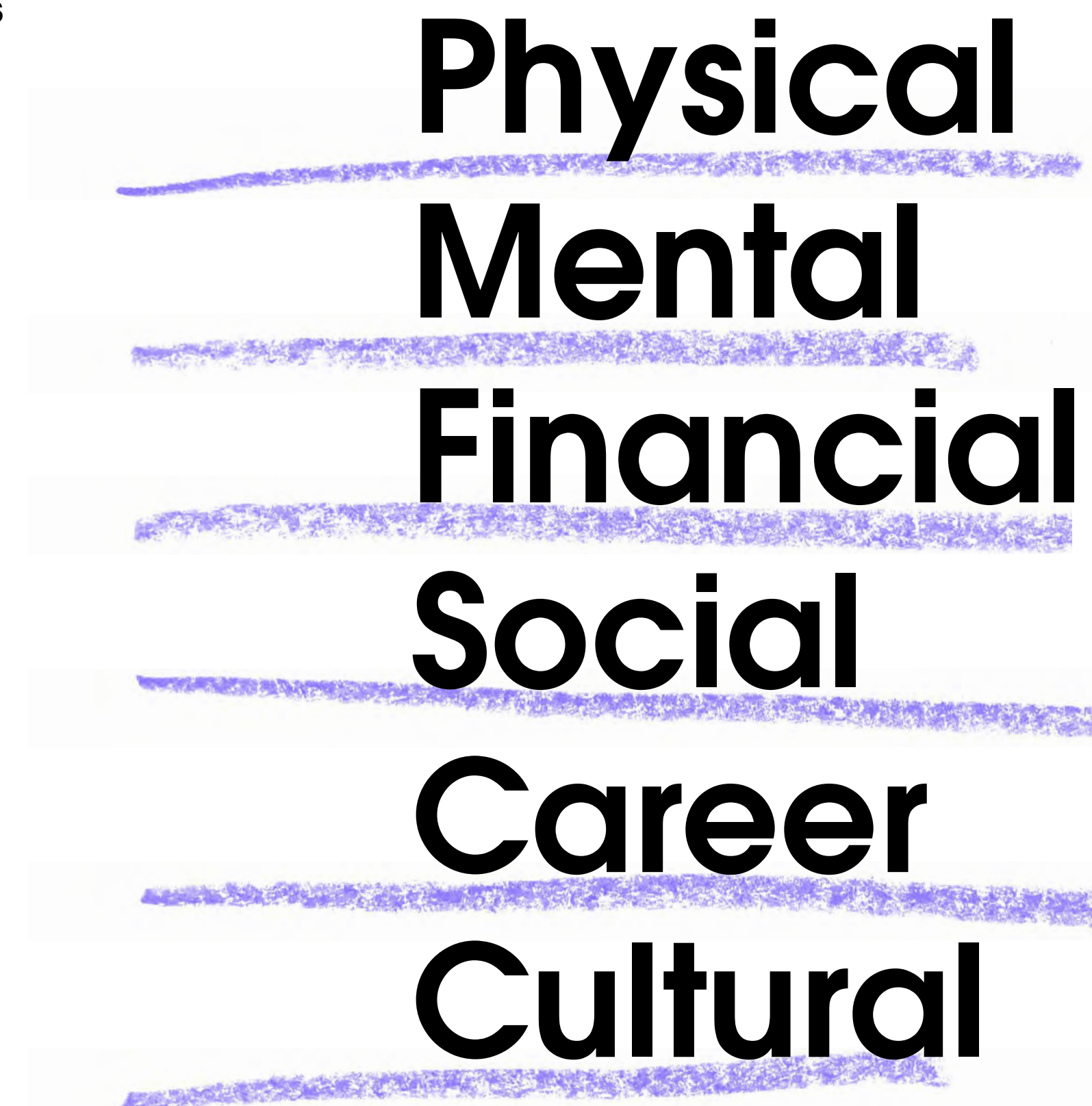
Our goal is to cultivate a culture that promotes health and wellbeing, and our 2021 Employee Opinion Survey highlighted opportunities for us to improve employee wellbeing through work life balance, reward and recognition and professional growth and development. So, we have been developing a range of policies and programme of initiatives underpinned by our 6 key wellbeing pillars.

In 2021, we achieved a living wage minimum for every team member, in line with the Living Wage Foundation guidance²². We are working on ensuring all of our contractors are paid a living wage minimum, and we are reviewing and will be encouraging our third-party suppliers to do the same. International Women's Day 2022 was a moment to be proud of at Selfridges, we introduced new policies on Fertility at Work, Pregnancy and Neonatal Loss, and we announced our partnership with Fertility Matters at Work. We also hosted panel events, providing opportunities to open up conversations around

fertility journeys, lived experiences of loss and LGBTQ+ paths to parenthood.

With the seismic events of the last two years a newfound focus on individual and collective wellbeing has unfolded. During the 2021 lockdown we digitally hosted seven wellbeing masterclasses, with over 100 team members tuning into each live event. We hosted three sessions for line managers specifically focusing on wellbeing in leadership and developed a toolkit to help them in turn deliver wellbeing sessions to their teams. In May 2022, we promoted Mental Health Awareness Week with a series of live digital events and launched all-year-round support through a range of online programmes for team members and line managers. Building on this, we are partnering with The Self Space, a contemporary mental health service, to deliver leadership and manager training workshops throughout the second half of 2022. The pandemic may have turned a corner but our work to enhance wellbeing continues.

Our wellbeing pillars



Physical
Mental
Financial
Social
Career
Cultural

²² This does not include agencies and concessions operated by third-parties.

Mindsets In Action

Centrepoint



We've partnered with youth homelessness charity Centrepoint for the last 8 years. In 2021, we took on two of their biggest fundraising campaigns – STAY:UP and Sleep Out and together with our corporate donations we raised over £174,000. But it's not just about the financial contribution we can make. Our team members hosted a series of virtual game evenings and volunteered their time to help ensure every young person felt valued and cared for at Christmas, using their visual merchandising and creative skills to transform five Centrepoint sites and cheering up the homes of 82 residents in the process. Our DE&I team also provided diversity and inclusion training to help Centrepoint open up a meaningful conversation across their departments.

Customers

wellness. This year, we launched Superfutures, our creative theme for 2022 exploring innovative ways to reinvent retail in response to challenging questions about how we want to live. From an experimental Supermarket to sensory-reality pods, we are co-creating possible futures with our customers and delving deeper into how Mindsets, Materials and Models can help us change the way we shop and live.

When we launched Project Earth in 2020, we put our collective creative experience behind ten weeks of in-store and online events and the levels of engagement were truly extraordinary. So how do we keep our customers inspired and effectively engaged once the initial excitement has worn off? Our answer to this was 'Good Nature', Selfridges' creative theme for 2021, celebrating the mystical, healing wonders of the natural world. This was brought to life through a year-long programme of virtual and in-store campaigns, pop-ups, panel discussions and interactive events all focused on forging meaningful connections with nature. Our Hot Air podcast also produced a six-part series exploring the relationship between nature and



We've been conducting customer sustainability research since 2017 as a way to understand behaviour change taking place in response to everything from our window displays, to our in-store and online campaigns, pop-ups and events. Over the last 5 years we have seen customer awareness of our sustainability initiatives grow from 11% to 55% with a clear spike coinciding with the Project Earth launch, which we have since managed to maintain. Our latest customer survey tells us 1 in 2 customers are aware of Project Earth and our mission to change the way we shop and 67% believe we are taking action to be sustainable²³. We're now exploring how we can turn awareness into action and setting ourselves internal benchmarks to track how many customers are actually making more sustainable choices.

Customer awareness of our sustainability initiatives

2017 – 11%
2018 – 25%
2019 – 24%
2020 – 55%
2021 – 52%



Our growing customer awareness is directly linked to how we speak about sustainability and we've set ourselves a baseline that at least 20% of our content across all of our channels contains a sustainability message. We are achieving this minimum, and we are developing better metrics to track and improve this rate even further. We are also developing a dedicated 'always on' sustainability content franchise which we can use to voice consistent messages and amplify our creative content and innovative campaigns. Alongside our own communication channels, we have set targets on our voice in the media. We aimed for 5% of our media coverage to specifically talk about Sustainability at Selfridges and in 2021, we reached 7%. So, this year we've increased our target to 10%. Read more about how we are engaging our customers in [Materials](#) and [Models](#).

²³ Selfridges Sustainability Customer Research November 2021.

Mindsets In Action

Good Nature

Good Nature was our year-long campaign for 2021, designed to encourage a reconnection with the great outdoors and create a feeling of optimism during a time of restoration. This marked a move away from seasonal campaigns in favour of reconnecting with customers and communities and exploring the many joys nature has to offer. Through this 12-month activation we hosted a series of in-store and online experiences, including inner-city orienteering, nature talks, art exhibitions, and our very own garden centre. It also featured The Great Outdoors in-store pop-up and online edit of the best pre-loved and vintage outdoor clothing and accessories ready to be worn on any journey of exploration. Exploring the seasons through the lens of nature instead of the fashion calendar, we were able to inspire our customers to embrace the outdoors, live more sustainable lifestyles whilst championing products that are better for the planet.

Mindsets

What we're working on now



We are defining our DE&I roadmap to achieve an inclusive culture, with diverse representation at every level of our business.



We are developing our sustainability communications targets and an 'always on' Project Earth content franchise to help drive customer engagement.



We are creating extraordinary in-store and online experiences to help shift customer attitudes towards our circular models.

5.0

SELFRIDGES&CO



NET-ZERO

5.1 Why Net-Zero?

At Selfridges we believe in the power of dynamic collisions. Is it possible to make the world brighter and at the same time acknowledge and act on escalating climate crisis?

We think so and it is this very challenge that inspires our vision to reinvent retail and ignites our purpose to create a sustainable future for our customers. The Project Earth strategy is underpinned by our ambitious goal to reach net-zero carbon emissions, a goal that we have moved forward from 2050 to 2040 as a signatory of the Climate Pledge. This accelerated timeline demands nothing less than radical transformation. We must be flexible, innovative and inclusive in our Mindsets, we must transform the Material make up of everything from our properties to our products and we must imagine and evolve low impact circular business Models. In this way we will create both the culture and the conditions for concerted action to drive down emissions from our stores, our operations and from the products we sell.



We will reach
net-zero carbon
emissions by 2040



Highlights

We source 100% renewable electricity and gas²⁴

We've retained the Carbon Trust Triple Standard for reductions in carbon, water and waste since 2014²⁵

We achieved a 13% reduction in scope 1 and 2 emissions in 2021 compared to our 2018 baseline year


We're a signatory of The Climate Pledge

²⁴ At sites where we have direct control of procurement.

²⁵ The Carbon Trust Triple Standard has now been replaced with the Carbon Trust Route to Net-Zero Standard.

5.2 Our Progress

In 2020, we set science-based targets (SBTs) for our scope 1, 2 and 3 emissions under the Science Based Targets initiative (SBTi). This was an important first step on our path to net-zero, but now that we have accelerated our commitment by ten years we know our current reduction targets are not enough to get us to our 2040 goal - we must rethink our roadmap. Over the next year, we will be reviewing the SBTi's Net-Zero Standard published in October 2021, and new sector level guidance to begin developing updated SBTs that can deliver our long-term commitment.

- 
- Scope 1: are direct emissions created from our stores and offices²⁶**
 - Scope 2: are indirect emissions generated from the purchase of electricity for our stores and offices**
 - Scope 3: are all other indirect emissions generated through our value chain**

Our Science Based Targets

Selfridges commits to reduce absolute scope 1 and 2 greenhouse gas emissions by 64% by 2030 from a 2018 base year²⁷

Selfridges commits to reduce absolute scope 3 greenhouse emissions from purchased goods and services by 30% by 2030 from a 2018 base year

Selfridges commits that 10% of our suppliers by emissions covering logistics and capital goods will have SBTs by 2024

²⁶ Scope 1 and 2 apply to our four stores and Leicester offices.
²⁷ Our SBTs are tracked using the market-based methodology.

GHG Emissions²⁸ (tCO2e)²⁹

2018 Baseline Footprint



Scope 1 & 2 Results³⁰



Total Energy Use



²⁸ The data and reporting aligns with the SBTi requirements for our scope 1&2 carbon reduction targets (our four stores and Leicester). This differs from the data in our Streamlined Energy and Carbon reporting (SECR) as the government legislation for this report requires a different scope (inclusive of leased offices and emissions from owned vehicles). For the SECR for Selfridges’ 2021/22 financial year, please veiw the Selfridges Retail Limited Annual Report and Financial Statements 2021/22.

²⁹ All GHG emissions are measured in metric tonnes of carbon dioxide equivalent (tCO2e) using a market-based approach. Full reporting including location-based results can be found in the Annex.

³⁰ All results are compared to the 2018 baseline and use a market-based approach.

³¹ Reduced emissions in 2020-2021 reflect Covid-19 closure restrictions.

³² Reduced energy in 2020-2021 reflect Covid-19 closure restrictions.

³³ According to market-based calculations.

This year, we publish our carbon footprint for the first time. We partnered with global climate change experts Carbon Trust to assess and set our 2018 baseline footprint for scopes 1, 2 and 3 following the Greenhouse Gas Protocol. This was a vital part in understanding our impact and setting a roadmap for the first phase of reductions. The daily running of our four stores and Leicester office generates scope 1 and 2 emissions through their use of natural gas, electricity and refrigerants and in 2021, we reduced these emissions by 13% against our 2018 baseline³³. Although Covid-19 restrictions and store closures lowered our energy use in the first quarter, the overall result demonstrates that we are on our way to meeting our current target. In 2021, we also developed our scope 1 and 2 reduction roadmap, which we have started implementing and will help accelerate our progress over the next few years.

We recognise that our impact extends far beyond our own operations, and we have been working closely with our brand partners and suppliers to reduce scope 3 emissions that are generated throughout our supply chain. However, with gaps in our supplier-specific data, measuring our scope 3 emissions accurately and absolutely is an ongoing challenge. Whilst we work with a small number of suppliers to create our private label product, we buy from over 3000 brand partners and 1900 procurement suppliers, through which we have limited ability to affect the supply chain. We are collaborating with our supplier network on improving data quality and updating our carbon accounting methodology so that we have an improved picture of our impact and progress towards a net-zero future.

Over the last year we have made meaningful progress towards our commitments:

Energy & Operations

Our stores and offices are powered 100% by renewable electricity and gas³⁴. In 2017, we made a complete transition to renewable electricity, sourcing only from Renewable Energy Guarantees Origin (REGO) suppliers, then in 2020, we made the switch to renewable green gas covered by the Green Gas Certification scheme.

We were the first British department store to be awarded the Carbon Triple Trust Standard, the world’s leading independent certification for reductions in carbon, water and waste - an award we are proud to have retained since 2014. But we have continued to analyse each of our landmark stores in London, Manchester and Birmingham to see how we can further improve their day-to-day operations. In 2021, we made progress on our programme to convert our conventional lighting systems to LED alternatives, we optimised timer and control settings for all energy using systems and installed

timer control and motion sensors across every destination. All of these measures have helped us reduce our energy consumption and our overall scope 1 and 2 emissions in 2021, by 13% against our 2018 baseline.

To meet our targets, we are building on our scope 1 and 2 roadmaps and developing a fully costed delivery plan for each location. This includes working on the next significant phase of electrification, to remove gas burning from our stores entirely.

Packaging & Logistics

Our iconic yellow carrier bags along with our online delivery packaging is 100% plastic free,³⁵ but when packaging represents approximately 2% of our overall carbon footprint we know there is still work to do. Of course, it plays an important role in keeping our products safe and providing an excellent customer experience, but we know once it arrives at its final destination its life can be short lived. So, we have been looking for ways to eliminate or minimise our packaging without compromising the experience of purchase. In 2020, we trialled

a naked click and collect programme, where customers can collect their online purchases packaging-free. After pausing briefly during Covid-19 restrictions, in July 2022 we rolled out naked click and collect across all of our stores and we will be monitoring the monthly reduction in packaging as a result of this initiative.

In an effort to scale reductions across our global online business we are exploring automated packaging technology that will reduce the materials and emissions

associated with every single online transaction. Driving down the carbon impact of every order also requires the commitment of our trusted logistics partners, and we are working with them to reduce our UK transit emissions whilst improving our

international deliveries through Sustainable Aviation Fuel, electrifying the last-mile and investing in hydrogen technology.



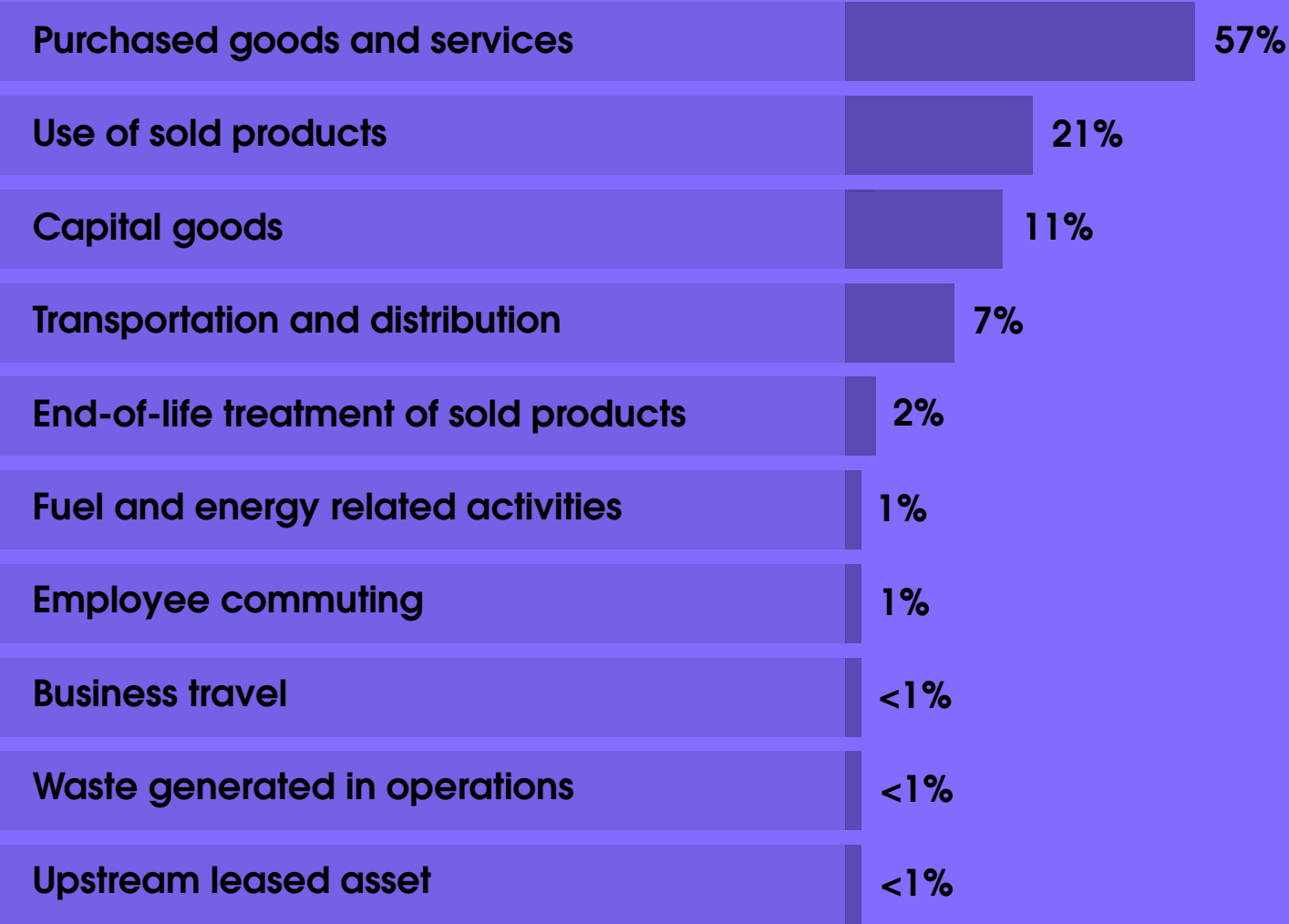
³⁴ At sites where we have direct control of procurement.
³⁵ With the exception of our garment carriers which are made using rPET and does not include private label product packaging.

Waste

Staying true to our retail activist roots, we have not been afraid to ban ubiquitous plastic items from our stores for fear of inconveniencing ourselves or our customers. Over the years, we have banned single-use plastic water and carbonated drink bottles, wet wipes, balloons and straws, not simply to reduce our own waste impact but to encourage a wider shift in our community’s reliance on plastic.

Our goal is to send 0% of our waste to landfill and at our flagship Oxford Street store we have achieved this. In 2021, 73% of our London store’s waste was recycled with the remaining 27% converted to energy. By implementing our own on-site waste sorting system, we were able to increase our recycling rate by 5% compared to 2018. At our Manchester and Birmingham destinations we are currently working in partnership with our landlords to implement weighing stations so that we can capture data on our regional waste. With a better understanding of our waste streams we can continue to identify solutions that help close the loop and reduce our waste footprint.

2018 Baseline Scope 3 Emissions



Product Impact

Over the next year we will be defining our scope 3 roadmap. The biggest change we can make is through what and how we buy and sell and we are not letting incomplete data delay our progress. We know over 95% of our entire footprint is generated through our value chain, and although

most of these emissions are not under our direct control we believe we can and must embed a culture of transparency and engage our brand partners and suppliers on a journey to transform Selfridges - starting with the materials used and sold across the business. Materials represent the biggest impact in our products, which is why

in 2020 we announced a series of five-year commitments focused on material transformation. We believe this, together with our bold circular ambition will significantly reduce our scope 3 emissions. Read more about this progress in the [Materials](#) and [Models](#) sections.

Net-Zero in Action

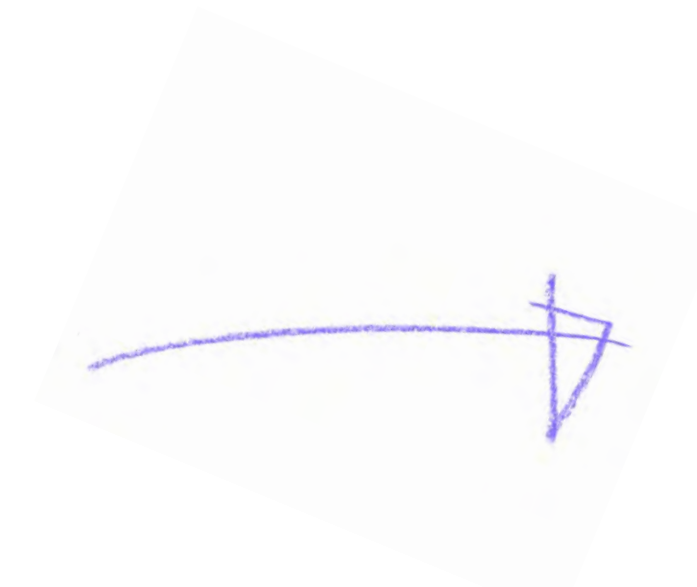
Packaging Recycling Scheme



Polybags and other clear plastic films used behind the scenes to protect and transport product in distribution have long been a challenging waste hurdle. In 2021, we collaborated with our waste management partner, Veolia to pilot a plastic packaging recycling scheme at our Oxford Street store. The scheme targets the recovery of polybags and other plastic-based films whilst separating out contaminants, including some types of bio-based or compostable plastics which can disrupt the recycling process. After a successful trial with our 3rd floor womenswear department, we extended the pilot to our menswear and kidswear departments and to date we have saved 1.2 tonnes of plastic from the general waste stream. We're now working on training and engaging teams in preparation of expanding the programme across the business.

Net Zero

What we're working on now



We are developing a robust methodology for measuring our scope 3 footprint and a roadmap that will get us to net-zero by 2040.



We are mapping our suppliers' SBTs, focusing on our biggest brand partners who together represent over 70% of our business and carbon impact.



We are strengthening and expanding our initiatives to drive down emissions from our stores, operations and products.

6.0



ANNEX

Data Tables

Data refers to our reporting year, 1 February 2021 - 31 January 2022, unless otherwise stated.

Materiality Assessment

The content in this report responds to the Selfridges Group materiality assessment completed in 2021, and a further materiality assessment completed by Selfridges in 2022. In 2021, Selfridges Group carried out an initial desk-based assessment using the criteria of six prominent ESG raters or standards bodies. A series of material issues were identified, consolidated into themes and then reviewed through a series of one-to-one conversations with 30 internal and 10 external stakeholders. Through this assessment five imperatives were defined.

Consolidated expectations ranked by overall priority

	Business of Fashion	SASB	S&P Global	MSCI	Sustainalytics	The Fashion Pact	
Climate	Emissions	Energy management	Operational eco-efficiency	Product carbon footprint	E&S impact of products and services	Implementation of SBTs	
Materials	Materials	Product, sourcing, packaging and marketing		Raw material sourcing		Implementation of Science Based Nature Targets (biodiversity)	
Supply chain	Worker's rights		Supply chain management	Supply chain labour standards	Human rights – supply chain		
People & Culture		Labour practices and workforce diversity & inclusion	Talent attraction & retention	Labour management	Human capital		
Other issues	Water & chemicals		Chemical safety				
	Waste					Reduce negative impact on oceans (plastic)	
		Data security		Privacy and data security			
			Corporate governance	Governance	Corporate governance		
	Transparency						
							Selfridges Group's material issues
							Non-negotiables

In 2022, Selfridges carried out an additional materiality assessment, by identifying a range of material issues and assessing them against an axis of priority and level of influence. This initial analysis was then reviewed through a focus group of internal stakeholders from across the business, and a series of one-to-one conversations with six key external stakeholders. Based on these discussions, topics were consolidated into five material issues, which align with the Selfridges Group Five Imperatives.



Project Earth Edit Revenue

Total Sales £/million	2020	2021	Annual Difference
Concession and Own-Bought	52 million	89 million	+ 71.1%

2021 Circular Transactions in Units

Resale	Rental	Refill	Repairs	Total Circular
17,771	2,163	8,574	28,493	57,001

2021 Circular Transactions in Revenue

Resale	Rental	Refill	Repairs	Total Circular
1,962,685	135,447	562,186	797,286	3,457,603

Selfridges People Data

Gender in Selfridges

Male	65%
Female	35%

Gender data refers to employees that have self-identified.

Ethnicity of Population in Selfridges

Ethnic Minority	41%
White	59%

Sexual Orientation of Population in Selfridges

LGBTQ+	12%
Heterosexual	88%

Disability of Population in Selfridges

No	88%
Yes	12%

Gender identity of Population in Selfridges

Cisgender	99%
Non-binary/transgender	1%

Gender Pay Gap

Year	2017	2018	2019	2020	2021
Median Pay Gap	8.2%	7.7%	5.5%	7.7%	9.7%
Mean Pay Gap	17.4%	13.7%	19.9%	19.6%	25.4%

Carbon Emissions

GHG Emissions (tCO2e)	Baseline 2018	2019	2020	2021
Scope 1	Location 2,440 Market 2,440	Location 2,700 Market 2,700	Location 1,903 Market 1,903	Location 2,116 Market 2,116
Scope 2	Location 15,631 Market 0	Location 12,100 Market 0	Location 8,049 Market 0	Location 8,515 Market 0
Total Scope 1 & 2 Versus 2018 Baseline	Location 18,071 Market 2,440	Location 14,800 -18% Market 2,700 +10.6%	Location 9,952 -45% Market 1,903 -22%	Location 10,631 -41% Market 2,116 -13%
Scope 3	257,391	N/A	N/A	N/A

Scope 3 Categories

Emissions Source (tCO2e)	Baseline 2018	
1a: Own Bought	32,589	
1a: Concessions	79,645	
1b: Packaging related	4,566	
1b: Purchased goods and services (non-product)	29,567	
2: Capital goods	29,334	
3: Fuel and energy related activities	3,358	
4: Upstream transportation and distribution	18,171	
5: Waste generated in operations	112	
6: Business travel	565	
7: Employee commuting	908	
8: Upstream leased assets	49	
9: Downstream transportation and distribution	N/A	
10: Processing of sold products	N/A	
11: Use of sold products	54,342	
12: End-of-life treatment of sold products	4,185	
13: Downstream leased assets	N/A	
14: Franchises	N/A	
15: Investments	N/A	
Total	257,391	

Energy Consumption at our four stores & Leicester locations

Source	Unit	2018	2019	2020	2021
Electricity	kWh	49,360,543	47,339,017	34,525,946	40,104,526
Gas	kWh	10,641,272	10,797,154	6,816,568	8,561,761
Total	kWh	60,001,816	58,136,171	41,342,514	48,666,287

Waste & Recycling at Oxford Street

Source	Unit	2018	2019	2020	2021
Recycling	Tonnes	2,680	3,176	1,277	1,510
Total waste generated	Tonnes	3,950	4,292	1,836	2,055
% of total waste recycled	%	68%	74%	70%	73%

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For any comments or queries in relation to this report, please contact us at sustainability@selfridges.co.uk

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