Data in this report refers to data for the 52 week period ending 28 January 2023 for Selfridges Retail Limited (Selfridges), unless otherwise stated.
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1.0 INTRO
Welcome to the second Project Earth report charting the ongoing evolution of sustainability at Selfridges as we look to imagine and create a better future for both people and planet. We launched Project Earth three years ago with the promise to ‘Change the way we shop’ and that is exactly what we are doing, challenging ourselves to explore and re-define our business model with sustainability and circularity as our North Star.

First and foremost, I want to say thank you to all our teams who are ensuring that actions really do speak louder than words. There is no doubt that across every level of the business there is a true passion and commitment to reinvent retail and make the world brighter. But it is important that we all consider and see the tangible value of our contribution. That is why every team member has a tailored sustainability goal, connecting back to the business strategy, embedded in their personal performance objectives.

The first Project Earth report released in 2022 celebrated the successes we had achieved and introduced our long-term commitments including our ambitious goal that 45% of our transactions will be circular by 2030. This year’s report highlights areas of significant progress and the positive difference we are collectively making, whilst also acknowledging the systemic challenges we are facing and will continue to face in making our long-term vision a reality.

This is not to say that we are any less determined, excited or energised by the opportunities and task ahead – far from it. Rather we believe that a brighter world is one in which we are open and honest with each other and our communities, learning, adapting, and collaborating to build the sustainable future we all want to be part of and so urgently want to see.

Andrew Keith
Selfridges CEO

This cross functional engagement and collaboration towards sustainable and responsible business is evident in many areas, from the 17% reduction we have achieved in our direct carbon emissions to the make-up of our senior leadership. More than 50% of director level roles are now held by women.

In 2022 we continued to use our platform and creative programming to elevate our vision for the future of retail. The SuperFutures campaign allowed our teams and our customers to really consider, discuss, and explore the connection between our individual wellbeing and the wellbeing of our planet.
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.

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.

Our business

191.4 million visitors to our stores, website and app
£1.7 billion sales
26.3 million products
4 physical stores, 1 digital store, 2 offices, 1 distribution centre, 1 satellite returns centre, 1 call centre

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.
- **2,800** Third-party brand partners – the majority of products we sell in-store and through our digital platforms are from our third-party brand partners.
- **2,000** 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 9,300 people in our supply chain work alongside our team members on our sites. They include agency workers, contractors, concession team members and consultants. They aren’t directly employed by us but are managed by the brand partners and suppliers we contract with.

1 We have changed the way that we calculate this figure to provide better context and clarity of the size and scope of our business.
2 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 supply chain and people figures are as of 28 January 2023.
Project Earth is our bold sustainability strategy, setting out our vision to reinvent retail and change the way we shop and how we do business. Launched in 2020, it is our ten-year plan to drive a genuine transformation through three pillars:

1. A shift to a MATERIALS culture 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 an evolving approach informed by ongoing assessment of our material issues and the impact of our initiatives.

Selfridges Group carried out a materiality assessment in 2021, through which five imperatives were developed, to drive the group sustainability strategy. In 2022, we conducted a series of internal and external interviews to ensure both the five imperatives and our Project Earth strategy were focused on the ESG issues most relevant to our business. We will continue to regularly review our strategy and roadmaps to ensure we are on track to changing the way we shop and the way we do business.

Our 2030 Project Earth Strategy

<table>
<thead>
<tr>
<th>VISION</th>
<th>PURPOSE</th>
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<tbody>
<tr>
<td>Reinventing retail</td>
<td>To imagine and create a sustainable future for our customers</td>
</tr>
<tr>
<td>Materials Make our products, procurement and property more resilient and sustainable</td>
<td>Models Put circular at the heart of our revenue and our customer experience</td>
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<tr>
<td>Mindsets Create a retail culture that puts people and planet first</td>
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Change the way we shop

- By 2030 everything we build, buy and sell will meet our environmental and ethical standards
- By 2030 circular products and services will make up 45% of transactions
- By 2030 our teams, communities and customers will put people and planet first in all their decisions

Change the way we do business

- Selfridges Group Stairway to Sustainable Future - 19 goals driving progress against the five imperatives
- By 2040 we will achieve a just transition to NET-ZERO carbon emissions to benefit people and planet across our business and supply chains
Our Governance

Our approach to sustainability is governed and managed by a number of groups and team members 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.

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

Our External Partners
Carbon Trust
Centrepoint
Code First Girls
Diversity in Retail
Exceptional Individuals
Oxfam
Science Based Targets initiative
Sedex
Shout
Stronger Together
Textile Exchange
The Climate Pledge

Risk Management Committee:
Ensures the business risk management framework is effective, including monitoring activity in relation to the most significant corporate risks.

Executive Committee:
Has ultimate accountability for ensuring we are a sustainable and responsible business.

Executive Sustainability Committee:
Ensures sustainability is considered within strategic decisions, and that the business is delivering on its commitments.

Sustainability Steering Committee:
Agrees our strategic direction for sustainability and monitors progress against our 19 annual sustainability goals reported monthly in our Sustainability Dashboard.

Modern Slavery Committee:
Added in 2022, this committee monitors performance against our targets to tackle modern slavery.

Sustainability Working Groups:
Oversees activity, engages wider stakeholders, ensures plans are developed and realised effectively.

Sustainability Team:
Helps set direction, works to develop and embed sustainable practices, collaborates and engages key internal and external stakeholders, and monitors progress against the Stairway to a Sustainable Future.

Selfridges Group Businesses:
Shares resources and ideas and aligns approach where appropriate.
Highlights

Materials

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

- We developed our wholesale buying platform for tracking fashion product material compositions with our technology partner, JOOR
- Our Project Earth edit accounted for over 14% of all own-bought\(^4\) sales
- Over 1,450 brand partners and suppliers have completed our comprehensive sustainability assessment process to date

Models

45% of our transactions will be circular by 2030\(^5\)

- We founded The Innovation Hub, our team dedicated to scaling our circular offer
- Reselfridges, our ecosystem of circular products and services, grew its revenue by 280% against the previous year
- Resale and Refill, our fastest growing circular models, have more than quadrupled in revenue since 2021

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

- Sustainability embedded into every team member’s personal performance objectives
- More than 50% of our director roles are held by women
- 51% of our customers are aware of Reselfridges and our circular models\(^6\)

Net-zero

We will achieve net-zero\(^7\) carbon emissions across the business by 2040

- We achieved a 17% reduction in scope 1 and 2 carbon emissions\(^8\) in 2022 compared to our 2018 baseline year
- All our directly operated stores are powered by 100% renewable electricity and gas
- We rolled out our Naked Click & Collect service, reducing our transit packaging and saving an estimated 7.7 tonnes of carbon emissions

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4 Own-bought refers to Selfridges bought-in merchandise and does not include product sold through concessions which are managed by brand partners.
5 A circular transaction includes at least one resale, rental, refill, repair, or recycled product and excludes home, food and restaurants.
6 Based on Selfridges Sustainability Customer Research 2022 with 2,025 respondents.
7 Across Scopes 1, 2 and 3.
8 Our carbon emissions are tracked using the market-based methodology.
Behind the shop floor with David Moreland
Facilities Manager

Can you tell us about what you do at Selfridges and how sustainability plays into your day-to-day job?

My role at Selfridges is Facilities Manager for our Trafford store. I am responsible for maintaining and improving the store for our customers and team members through our cleaning and maintenance contracts. My connection to the Project Earth strategy is managing our energy and waste targets, ensuring we have a good handle on our electricity, gas and water usage and always looking for initiatives to reduce our carbon emissions. For example, with maintenance works we always look to repair or reuse before buying new. I am also the Project Earth store representative, which means part of my role is to support building awareness and engagement across our store divisions.

What’s been the most inspirational part of Project Earth for you?

Although I am biased towards our commitment to net-zero and delivering our science-based targets, I really enjoyed our recent Worn Again scheme and how this played out in store through its curation and event activations. I have also found it inspiring to chair a monthly meeting with our divisional leads to review sales and data with the goal of driving progress towards our targets.

In your experience what have been the challenges in bringing Selfridges’ Project Earth strategy to life?

Sustainability was one of Trafford’s highest scoring categories in the latest employee survey, which is fantastic. However, I think there is still work to do in developing the depth of knowledge that we need. Teams know about our Project Earth initiatives, but don’t always know how to confidentially talk to customers about them. Through training, resources and enhanced reporting tools we can better inform and encourage our customers to make more sustainable decisions.

What’s one thing you think Selfridges could do better to help make progress on Project Earth?

Strip it back and keep it simple for our team members. What do we need our teams to know and tell our customers about? And how can this be done in the simplest of ways? Sometimes it is about not trying to do too much at once.
Whether indulging in Selfridges Selection confectionery or investing in a once-in-a-lifetime watch in the Wonder Room, the choices we make and the choices our customers make have a material impact.

We are addressing that impact by catalysing a transformation in the make-up of our business, sourcing more sustainably in every area from product to procurement and property. In 2022, we committed to ensuring that our stores and all the brands and products we sell in them would meet our environmental and ethical standards by 2030. As a staging post on that journey, since 2020 we have been focusing on ten key materials that have a significant social and environmental footprint and are used in volume across our business. Our priority is engaging our brand partners and suppliers in sharing more and better data, because we need a newfound level of transparency to drive our material transformation and progress towards a net-zero future.

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.
We launched our materials tracking buying platform with our wholesale and technology partner, JOOR.

Over 1,450 brand partners and suppliers have completed our comprehensive Self-Assessment Questionnaire to date.

We launched our Sustainable Build Scorecard to support implementation of our Sustainable Build Guidelines.
Our Progress

We have been on a challenging journey to reform our systems and embed new ways of working across every function of our business and to embed a culture of transparency with our brand partners and suppliers. The materials coming through our doors are here to stay. We are giving products longer and multiple lives through our circular models, so we are committed to making the best possible material choices from the start.

Our environmental and ethical standards are underpinned by our Material Commitments, Ethical Trade Requirements, and Self-Assessment Questionnaire (SAQ), and in 2022 we have been focused on developing the tools and processes critical to ensuring these standards are met. Our teams have been working collaboratively to face the challenges of implementing these at scale. It has been a year of testing, pivoting, learning, and trying again, as we delve deep into the complexity behind this transformation.
Our Material Transformation Project

Our Material Transformation project is the driving force behind our transition to more sustainable materials. After an extensive proof of concept, we launched our new buying platform with our digital wholesale and technology partner, JOOR. This innovative wholesale platform, supports our data tracking by capturing detailed material information on all own-bought fashion product. Launching first with Womenswear Accessories at the beginning of 2023, the platform has now rolled out across men’s and women’s fashion. With training and guidance provided by our Change team, buyers can use the platform to access more detailed product information from material composition to country of origin.

With increased data visibility, in 2022 we continued to build our materials baseline report, gaining a clearer picture of products containing a priority material (as outlined in our Material Commitments). Our revised data tells us that the top three materials being sold across our own-bought business based on impact and volume are cotton, leather and polyester. We are seeing the highest percentage of certified content in our cocoa supply chains, and the lowest in product containing polyester. Alongside this data, we have been working with our biggest brand partners to identify which are on track to meet our material commitments. From the data we have gathered through our SAQs and conversations with brand partners, five of our top ten cotton brands, seven of our top ten leather brands, and two of our top ten polyester brands are on track to achieving the relevant material target. This improved reporting has allowed us to refine and confirm where our biggest sustainability impacts lie, and it is key to gaining a more accurate view of our Scope 3 carbon footprint. We will continue to evolve this data as we map the materials coming through our concessions, restaurants, and cafes.

The task at hand cannot be underestimated, and its progress to date is the outcome of an impressive collaborative effort between our Buying, Merchandising, Technology, Change, and Sustainability teams. Whilst the buying platform is a valuable enabler, its long-term success relies on our team’s determination to engage our brand partners and for our brand partners to actively share information. Over 90% of the brand partners using our buying platform are supplying material compositions, and as we gather more data we will continue to evaluate how we can better use the platform to inform our buying decisions.

In 2022, we explored the JOOR buying platform’s application to non-fashion divisions such as food, beauty and technology, but concluded these products require an alternative solution. We also expanded the Material Transformation project to procurement and property, prioritising our most purchased items such as our iconic yellow bag. In 2023, we will roll out a new tool for our goods not for resale, designed to capture both information on materials certification and in relation to our SAQ. We will also begin developing a bespoke tool to track the material data for our non-fashion products with the aim of launching it in 2024.

Our Material Commitments

Our Material Commitments outline a set of detailed criteria against ten priority materials used in our products, buildings, and packaging. The criteria were developed in consultation with our NGO partners and internationally recognised bodies to ensure our priority materials come from verified sustainable sources that will help drive down emissions across our supply chains.9

Cotton
Leather
Feathers
Forest Derived Fibres
Synthetic Fibres
Plastics
Paper & Wood
Meat
Cocoa
Palm Oil

In 2023, we will roll out a new tool for our goods not for resale, designed to capture both information on materials certification and in relation to our SAQ. We will also begin developing a bespoke tool to track the material data for our non-fashion products with the aim of launching it in 2024.

9 Our Material Commitments Criteria are publicly available on our website.
Our Project Earth Edit

Changing the way we shop starts with showing our customers how they can make more sustainable choices. The Project Earth Edit, now in its seventh year, is our online and in-store curation of brands and products that have a lower impact on people and planet. To be eligible for selection and carry our recognisable green icon, each product must meet the criteria of at least one of our nine Project Earth labels, built on the latest internationally recognised standards and industry best practice. Alongside providing evidence to verify a product meets our criteria, a brand is required to complete our SAQ. Our in-house sustainability team assess brands and products against our criteria, which are publicly available here.

In 2022, Project Earth products accounted for over 14% of our total own-bought sales. We fell short of our ambitious target to reach 20%, but we continued to increase the proportion of more sustainable products on offer, with 182 exciting brands (some new to Selfridges and others we have partnered with for years) joining our Project Earth family across food, beauty, fashion and home. The challenge is to keep pace with an ever-growing volume of products requiring assessment. Over the coming year we will review our teams and processes to enable the edit’s next phase of growth.

We are continuously evolving the Project Earth Edit’s online journey to make it easier for our customers to shop more sustainably. In 2022, we started trialing more detailed sustainability information on approximately 400 product pages, developing our internal processes and information flows. In 2023, we will review our labelling system to make it even easier for our customers to engage with.

9 Project Earth Labels

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

In 2022

500 brands featured
20,607 labelled products
Grew by 44% from £72 million in 2021 to £104 million
Accounted for over 14% of all own-bought sales

10 Originally launched as part of the Buying Better Inspiring Change initiative in 2017.
11 Reselfridges label includes pre-loved products and products made with at least 50% upcycled materials.
Engaging Our Partners

We developed our SAQ in 2020 as a way to ensure we work with brand partners and suppliers who meet our Ethical Trade Requirements and are able to support our journey towards our Material Commitments and Science Based Targets (SBTs). Every new partner is required to undertake our SAQ, and we are capturing this information from existing partners too, so that by 2030 every brand partner and supplier is approved through our SAQ scoring system.

To date, over 1,450 of our 4,800 brand partners and suppliers have completed our SAQ. In 2022, we set ourselves a target to complete the process with our top 300 own-bought and concession brands, representing over 70% of our overall business. Although we failed to meet our ambitious goal, through the combined efforts of our sustainability and buying teams, dedicated working sessions with our biggest group partners and hundreds of one-to-one conversations with brands, we have completed the SAQ process with 176 of our biggest brands. In 2023, we continue to work towards achieving our target.

Over the last year we have continued to embed our SAQ process across our buying teams and brand touchpoints, from onboarding, to trade conversations and seasonal buy appointments. When a brand fails to meet our baseline SAQ score, we work closely with them to improve their environmental or social policies and practices. We are pleased with the openness with which many of our brand partners are embracing these conversations.

Our Ethical Trade Requirements apply to all brand partners and suppliers across all tiers of our supply chain. They outline our zero-tolerance of modern slavery and align with International Labour Organisation Conventions to ensure we treat those who work for and with us fairly. In 2022, we continued to develop our due diligence programme to mitigate the risk of modern slavery and enhance ethical practice across our supply chains. We put our incident and crisis management process to the test through a simulated modern slavery scenario run by our Business Resilience team in collaboration with our third-party partner. The learnings have helped us shape a clear step-by-step response plan that works.

We have been expanding our modern slavery training programme, with our partner, Stronger Together. Our partnership provides us with the resources, tools, and trainings to better evaluate our suppliers and identify where there are ethical trade and modern slavery risks. 70% of our leadership and management teams have now been trained through our modern slavery e-learning modules and we are targeting wider uptake in the next year. In 2023, we will develop training and guidance for onsite visits and determine the minimum due diligence required for suppliers in high-risk sectors. Read more about the measures and progress we have made in our latest Modern Slavery Statement.
Our Destinations & Packaging

Our landmark stores are where we imagine and bring new shopping experiences to life, and we are on a mission to make them low-carbon destinations. Our Material Commitments apply to the materials we use to build, retrofit and create installations, or pop ups. On top of this we launched our Sustainable Build Guidelines (SBG) in 2020 to help us minimise the environmental footprint of our design and construction projects drawing on the latest technologies and industry best practice. The SBGs apply to all Selfridges and in-store brand partner property projects. In 2022, we developed our Sustainable Build Scorecard, a practical tool to capture and score performance against our eight SBG goals. When we piloted the scorecard, we found it challenging to gather the data needed for scoring, especially for non-build materials.

In 2023, we are focused on aligning our build materials with our Material Commitments and further developing our scoring process in collaboration with an external partner.

Our iconic yellow bags and e-commerce paper and card packaging are made using 100% Forest Stewardship Council certified materials, aligning with our Material Commitments criteria. We are not only working to ensure all Selfridges procured packaging is made with certified sustainable materials, but we are also committed to reducing it full stop. Read more about our packaging projects in the Net-Zero section.

8 Sustainable Build Guidelines Goals

- Sustainably sourced timber
- Low-emitting products
- Prohibited raw materials
- LED lighting
- Local and European-made
- High recycled content
- Products with recyclability
- Diverted construction waste
Can you tell us about what you do at Selfridges and how sustainability plays into your day-to-day job?

My role at Selfridges is Senior Change Analyst, and my connection to the Project Earth strategy is to uncover the often-complex requirements of the Material Transformation project and turn it into a compelling story for our team members to understand and get behind. One of our big changes is a new buying platform for our buyers – JOOR – which will highlight product composition and allow our buyers to make a more informed decision on the products they are selecting for our customers. The platform is a big shift away from the usual way of working, so the transition to this platform will require a change to their knowledge and understanding, their technical abilities, and a willingness to keep using it.

In your experience what have been the challenges in bringing Selfridges’ Project Earth strategy to life?

My mantra is “culture eats strategy for breakfast”, and when it comes to Change Management, nothing could be more salient. A challenge I believe we face with the Material Transformation project is the need to change the culture of convenience over responsibility, inside our business, within our brand partners, and our customers’ habits. Asking our team members to source more sustainable products will only see results if there is a desire for it. It also presents the biggest opportunity – if we can create a culture of responsible sourcing, it will be a more reliable route to success.

What’s been the most inspirational part of Project Earth for you?

The bravery of the approach to changing the materials we use in the business. For a multi-brand luxury retailer to set out such bold targets is not something to be sniffed at. To offer transparency, gain visibility and commit to everything that we buy, use, and sell meeting our environmental and ethical standards by 2030? That’s an “Everest” of mountains to climb, and exactly the ambition needed in the face of the climate emergency.

What’s one thing you think Selfridges could do better to help make progress on Project Earth?

Being more confident to challenge brands on the sustainability of their products. If we can get more of our brand partners to join us on our sustainability journey (and help our buyers along the way with solutions like JOOR) we can really move the dial on meeting our Material Commitments.
Materials in Action

We have a long history of supporting emerging and established brands who are pushing the boundaries of sustainable and responsible production. In March 2022, we collaborated with FRAME to unveil PURE, their latest innovation in sustainable denim, with an exclusive 10-piece collection. Aligning with our Material Commitments, PURE denim is crafted with certified organic cotton and uses cutting edge technology to dramatically reduce the impact of the denim washing and finishing phase. PURE’s closed-loop manufacturing process uses just 1.25 litres of water (compared to the standard 80 litres), of which 98% is recycled. Each product featured a unique QR code, communicating its sustainable design features to customers. We celebrated this breakthrough collection with a pop-up and creative window installation at our Oxford Street store. By platforming the extraordinary achievements of our Project Earth brands, we continue to encourage a movement towards more sustainable shopping and a more sustainable future.
Materials

What we are working on

We are developing a data tracking tool for non-fashion products to help deliver our Material Transformation roadmap.

We are reviewing our priority materials and identifying key risks to meeting our 2025 Material Commitments.

We are continuing to test and learn from the roll out of our Sustainable Build Scorecard to minimise the environmental footprint of spaces across our stores and offices.
3.0

MODELS
Selfridges is and always has been more than a shop. Our customers expect us to offer unique experiences as much as unique products. We believe that Reselfridges, the umbrella name for circular products and services we offer in store and online, is a critical part of meeting that expectation.

In 2022, we publicly committed to making 45% of transactions circular by 2030. To do this we are building a new shopping culture. One in which our customers look to us for unique finds and exceptional experiences. One in which enjoyment is more important than ownership. Whether buffing up not so box fresh kicks at the Sneakers ER, or filling up at the Le Labo scent bar, over the last year more customers have resold, rented, repaired, refilled and recycled with us than ever before and this is just the start.

By 2030 45% of our transactions will be circular.
We sold 18,270 preloved items
We rented out 6,563 items
We sold 42,068 refills
We carried out 36,361 repairs
Our Progress

We are radically changing the way we do business to ensure 45% of transactions are circular by 2030. Reselfridges is our platform for exploring and scaling circular models, including resale, rental, repair, refills and recycle. Through our Materials pillar, we are working to improve the materials coming into our business, and through our circular models we are increasing the life of the products we sell, driving down waste and reducing our reliance on virgin materials. In 2022, less than 1% of our transactions were circular, and while this number might look small, we are in the process of revising our data collection so that we can accurately track our progress. Over the last year we have made great strides; Reselfridges sales almost quadrupled, from £3.5 million in 2021 to over £13 million in 2022. More importantly, we saw an increase in participation across each one of our circular models.

In 2022, we also expanded the Reselfridges footprint across our destinations and created new experiences both in-store and online including the Reselfridges Cornershop and the launch of Kids rental. Through Reselfridges we are developing long-term relationships with our customers and building deeper levels of engagement. 2023 is a big year for Reselfridges. We are upgrading our in-store hubs with exciting, permanent locations, we are rolling out bespoke Reselfridges training across our teams, and hosting Worn Again, an entire season of pop-ups, campaigns, events and unique in-store experiences for swapping, repairing, upcycling and trading. We are encouraging customers to explore our full range of services and latest innovations through an immersive world of circular shopping.

In 2022, Reselfridges revenue grew 4.5x
Resale revenue grew 4.5x
Rental revenue grew 3.1x
Refill revenue grew 4.6x
Repair revenue grew 1.4x

Selfridges Circular Models

Resale
Selling and buying pre-owned items.

Rental
Customers can hire designer clothes and accessories for a limited time.

Refill
Customers can replenish items again and again without buying new packaging each time.

Repair
Helps to extend the life of products by fixing or restoring.

Recycle
Materials that would not otherwise have been used or gone to waste are being turned into useful items and given new life.
Resale

Resale is one of our fastest growing circular models. Through our online and in-store offer, customers can shop pre-loved fashion, jewellery, accessories, and lifestyle products they won’t find anywhere else. In 2022, we continued to broaden our curation across categories and price points, embedding resale throughout the customer journey and making it more visible through unique pop-ups and activations. We launched Reselfridges pre-loved bags at our Trafford store, hosted the Reselfridges: Silverwear, Christmas Corner Shop and introduced highly curated and sought after edits such as Tom Ford x Gucci.

At our London flagship’s Wonder Room, we presented Reselfridges: Watches, a selection of rare and extraordinary pre-loved watches sourced in partnership with the Watch Guru. We couldn’t predict the level of customer appetite there would be around this offer, and working closely with our personal shopping clients, the results we saw in just three months were beyond our expectations. We are focusing on areas we know there is interest to help build a culture around pre-loved luxury, but there is a longer journey ahead of us to create the same excitement around other product categories. We are building a broad offer of products and price points and we are learning from our initiatives so we can help change shopping behaviour at scale.

In 2023, we are taking advantage of the momentum and piloting new resale offers. We will be driving excitement around the presence of Resale both in-store and online with upgraded hubs across our destinations and growing product categories. And working with our authentication partner, the Handbag Clinic, we are enhancing our Buyback service with new features including in-store trade-in and drop-off. Through Buyback we are creating a seamless experience for customers to sell us their pre-loved bags and accessories, so that we can keep them alive and kicking for longer.
Rental

We believe a circular future is one in which we all own less. We established our rental offer (powered by Hurr), in 2021 to test and scale an alternative model through which we could provide enjoyment to more customers with less product. Renting is still a novel experience, so we have been working to make it a more viable and attractive option for our customers to choose when they shop with us. With an assortment of over 1000 styles from 88 world-class brands and counting, in 2022, our rental revenue grew by 206%. Both online and in-store customers can discover the latest pieces from global and emerging brands including Prada, Stella McCartney, Burberry, Simone Rocha, and 16Arlington, all at a fraction of their usual cost. Over the last year we have created anticipation by launching exclusive drops and Kidswear rental.

We have seen a fantastic rise in the uptake of our refill offer over the last year. In 2022, we sold over 42,000 refills (not including the refillable container counterparts) compared to just over 8,500 in 2021. To help drive this uptake we have been focused on engaging our brand partners, training our retail teams, and building customer awareness through better visibility on the shopfloor and online. Some of our most popular brands, including Charlotte Tilbury, Estée Lauder, Chanel and Dihyqve now offer refills and the customer response is encouraging. For example, our data tells us that three out of four customers who purchase Hourglass products purchase one of their refillable or refill items. We are starting to see a genuine shift towards replacing conventional packaged products with reusable items, with more than 100 brands now participating in this model across beauty, home and food.

We also curated in-store pop-ups, such as the Canada Goose edit which featured some of the brand’s most sustainable styles. We are paving the way for greater success with the development of our rental roadmap. In 2023, we are launching a rent-to-buy feature and bag subscription service, and piloting exclusive rental perks through the newly launched Selfridges Unlocked membership programme. Read more about Unlocked in Mindsets.

Refill

For over three years we have been working with our brand partners to pioneer this space by co-creating refillable offerings. Over the summer, we collaborated with D’OTTO on their global debut with an extraordinary fragrance fountain available exclusively at Selfridges. Customers can bring their exquisite empty D’OTTO bottles in-store to be refilled by one of five fragrances in a truly unique multi-sensorial experience. In 2023, we will be increasing our refill offer by making refill a mandatory requirement for all of our beauty counters and working closely with our brand partners who have yet to introduce refill options.
Repair

The most sustainable choice our customers can make is to revive an item they already own. 92% of our customers consider buying less but better quality, which suggests a willingness to invest in products that have long-term style and functionality. From small touch-ups to heavy-duty mending, our network of repair experts can bring loved products back to life, and we are proud to have carried out over 36,000 repairs in 2022, almost 30% more than in 2021.

At our Oxford Street store, customers can book a complimentary appointment with our Repairs Concierge, for advice on how to access available repair services for a range of products including tech, shoes, bags, and watches. Our most popular and fastest growing repairs service is our Sneakers ER.

The team repaired and/or cleaned 25,556 pairs of sneakers in 2022, which is more than double the repairs they carried out in 2021. Learning from the success of our Sneakers ER, we have been making our repair makers more visible on the shop floor.

From Timpson’s shoe repair to Barbour’s Wax for Life service and Tiffany’s Cleaning & Repair service, we know there are many valued repair solutions offered by our concession partners, much of which we don’t have visibility over. In 2023, we will be mapping these services so that we can better highlight them to our customers. We see repair as an opportunity to establish life-long relationships with our customers, so we are determined to evolve both our in-store and online experience. While we are saddened by the closure of our luxury aftercare partner, The Restory, we look forward to announcing a new partnership that will help scale our repair model over the next year and beyond.

Recycle

We want to encourage a transition to recycled materials. In 2022, over 25% of the products featured in our Project Earth Edit were verified for including at least 50% recycled materials, which included a range of desirable products from 100% recycled-nylon puffer jackets to post-consumer recycled beauty packaging. But we know this is not enough. One of our biggest challenges is identifying and tracking the recycled content coming through our doors and this is something we are addressing through our Material Transformation project.

We are also working with our brand partners to drive down the number of products we sell that are made from virgin materials. Our aim is to close the loop on all products we offer, so not only increasing the recycled content wherever possible but ensuring that those products can themselves be recycled somewhere down the line. We are working towards establishing a take-back scheme with potential recycling partners so we can take an active role in stopping product we sell from going to landfill.
In 2022, we trialled our Kidswear rental offer, as a lower-impact alternative way to shop for children. The collection debuted with a broad assortment of carefully selected products from some of the most desirable brands, including Off-White, Kenzo, Burberry and Stella McCartney. Customers can rent any selection of items for four, eight, 10 or 20-day periods, with sizes ranging from six months up to 16 years and prices starting from £20 for a four-day rental. But despite an exciting curation of product, the uptake on this category was slow. The underwhelming response prompted a change in tactics, and we moved from a wide to a more focused assortment directed towards occasion wear and event-specific needs. Following the success of our adult skiwear rental, we introduced skiwear for kids, and since changing our approach we have seen some improvement. We believe in the potential of this model, however, we have still got work to do to better understand how our customers want to engage with kidswear rental. In the autumn of 2023, we will pause trade on this category as we rethink and reset our kidswear rental offer.
Can you tell us about what you do at Selfridges and how sustainability plays into your day-to-day job?

My role at Selfridges is to lead the Innovation Hub, a new team that was created in 2022. My connection to the Project Earth strategy is to oversee the development of our five-year plan for Reselfridges and to help scale Reselfridges with a focus on growing Resale and Rental in line with our circular commitment.

What’s been the most inspirational part of Project Earth for you?

Being here for the launch of our 45% circular commitment, seeing how this was received by the industry, and watching the business taking steps towards it. This includes dedicating an entire creative theme to circular, in Spring 2023. Worn Again was a whole brand takeover demonstrating Selfridges’ commitment to changing the way we shop. Beyond this, our customers and team members are a constant source of inspiration, providing feedback and new ideas for what we can do. They push us to be better!

In your experience what have been the challenges in bringing Selfridges’ Project Earth strategy to life?

I would say balancing a long-term, future commitment which involves a fundamental change in the ways of working with short-term, immediate priorities. We have a large number of strategic initiatives and finding the time and resource to do them all is a constant juggle.

What’s one thing you think Selfridges could do better to help make progress on Project Earth?

It isn’t so much doing better as it is doing more. This space is moving so quickly and there are amazing developments happening all the time. I’d love to see us experimenting more with technology to support the delivery of our goals.
Models

What we are working on

We are training our teams to increase understanding around our circular models and enabling them to engage our customers.

We are trialing new propositions across our circular models and building our roadmaps to help us reach our 2030 target.

We are working towards building an omnichannel Reselfridges destination where physical and digital circular experience is intertwined.
At Selfridges we have always believed in making everyone welcome. For us that means our customers, our partners and our teams can express their whole self when working or shopping with us.

But we also know that change and certainly reinvention can be daunting. It requires a willingness to take risks and explore new territories. Ultimately, it asks us to make a complete shift in our mindsets and our behaviour to create a business culture in which people and planet are at the forefront of all our decisions. What we know is that when we act with collective goodwill and a shared sense of purpose, things can change. For example, this year is the first time that more than 50% of our director level roles are filled by women. Culture change is not a quick fix, but it is a must if we are to truly reinvent retail.

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.
We launched the Inclusive Talent Management framework, embedding sustainability into every team member’s personal performance objectives.\textsuperscript{12}

We reduced our median pay gap to 6.7% in 2022 from 9.7% in 2021.

51% of our customers are aware of Reselfridges and our circular models.\textsuperscript{6}
Our Progress

We have put sustainability at the heart of our purpose, our strategy, and our governance structure, and now for the first time we have woven it into every team member’s role across the business. According to Selfridges March 2022 Pulse Report with data from 1,961 respondents.

80% of our team members believe they can personally contribute to sustainability through their role. In 2022 we launched My Selfridges Review, our Inclusive Talent Management framework, that ensures every team member has a defined sustainability objective connecting back to the business strategy, the Project Earth strategy and living our Values. To support this transformation, our Sustainability team will be working with team members to identify objectives that are relevant to their role in imagining and creating a more sustainable future for our customers and teams.
Our Teams

Our teams should reflect the world around us. We are committed to creating an inclusive culture that empowers our people to make lasting positive change. Over the last year we have been developing more transparent and fair processes, and building skills and opportunities that support diverse talent and drive internal mobility.

In 2021, we ran our first ever Cultural Assessment with a phenomenal response rate and in 2022, we used that data to launch our Diversity, Equity and Inclusion (DE&I) strategy. One of our central priorities is to create a companywide governance and accountability framework that drives equity and fairness. To achieve this, we have assigned Executive DE&I Champions to key areas of the strategy: ethnicity, accessibility, neurodiversity, gender, social mobility, LGBTQI+ and wellness. Our Executive DE&I Champions are tasked with activating teams, encouraging intersectional thinking, and challenging business decisions for under-represented groups.

Our Targets

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 group representation at senior leadership level to 16% by 2025

In 2022, we developed more transparent pay and reward processes and introduced a Remuneration Committee to ensure all pay decisions are rigorously managed. We continue to pay at or above the living wage to all our team members, and we have increased the starting rates of pay for entry level roles in retail and head office. On top of this we introduced new policies to support wellbeing with neurodiversity at Selfridges. Collaborating with our Thinking Differently community members and external partners at Exceptional Individuals, we introduced our Thinking Differently at Work policy, and we launched our Mental Health policy supported by a programme of face-to-face workshops in partnership with The Self Space. We also became the first retailer to partner with community interest company, Fertility Matters at Work, to provide internal events about fertility and loss, and alternative paths to parenthood for our LGBTQI+ community.

Our new agile performance and development process has brought sustainability into the heart of seasonal objectives with an emphasis on frequent, good quality conversations between managers and team members. In early 2023, we launched a monthly Yellow Careers Club, an internal service where every team member is welcome to come and speak to the Selfridges Recruitment experts. Through this service we are building opportunities for team members by providing access to career advice and practical support with their job application process. Our Diversity in Retail talent programme, now in its third year, also continues to provide tailored mentorship opportunities to team members who identify as being part of an ethnic minority.

In 2022, we expanded our learning and development offer by launching two new apprenticeship schemes for Future Managers and Leaders, and Sales Associates. These schemes are designed to grow confidence and provide a better understanding of the variety of different careers available in retail, and so far, in 2023, applications have already doubled since 2022. We have continued our commitment to inclusive learning and development, with all managers taking part in our Inclusive Leadership training and 606 managers completing Inclusive Hiring training to date. In 2023, we are updating our internal guides and launching more resources tailored to supporting our Project Earth commitments.
Our People Data

Gender by Level

<table>
<thead>
<tr>
<th>Role</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>Head of/ Director of Functions</td>
<td>58%</td>
<td>42%</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>Manager</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>Team member</td>
<td>64%</td>
<td>36%</td>
</tr>
<tr>
<td>Total</td>
<td>64%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Ethnic Diversity by Level

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<thead>
<tr>
<th>Role</th>
<th>Minority Ethnic Group</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Head of/ Director of Functions</td>
<td>13%</td>
<td>87%</td>
</tr>
<tr>
<td>Senior Manager</td>
<td>15%</td>
<td>85%</td>
</tr>
<tr>
<td>Manager</td>
<td>29%</td>
<td>71%</td>
</tr>
<tr>
<td>Team member</td>
<td>54%</td>
<td>46%</td>
</tr>
<tr>
<td>Total</td>
<td>43%</td>
<td>57%</td>
</tr>
</tbody>
</table>

In 2022, our median pay gap reduced to 6.7% from 9.7% in 2021 and our mean pay gap reduced to 13.1% from 25.4% in 2021.

Levelling the Gender Pay Gap

We are committed to closing the gender pay gap by 2025, and in 2022 we made significant progress towards our goal with an overall increase of women in our most senior positions. Our Executive team is now equally balanced between men and women, and we have met our target with women holding over 50% of director level roles across the business. At the same time, more men have joined in entry-level roles since 2021, improving the balance of representation across the business. Our Software Engineering team, a typically male-dominated field, has also seen a shift, with women now occupying 45% of our engineering roles. In 2022, we began working with the Black Girls in Tech network to provide opportunities and resources that help increase the number of black women working in the tech space. In 2022, we also began working with Code First Girls, a non-profit organisation training women and non-binary people across the UK to become software developers. Through this partnership we sponsored three women to complete a 12-week Software Development Nano Degree, who have since secured entry-level software engineer roles at Selfridges.

Our efforts over the last year have culminated in a decrease in both our median and mean gender pay gap.15 We are proud to say our 2022 mean pay gap is the lowest we have reported since the Gender Pay Gap regulations came into force. Read more about our progress in our latest Gender Pay Gap Report.

15 In 2022, our median pay gap reduced to 6.7% from 9.7% in 2021 and our mean pay gap reduced to 13.1% from 25.4% in 2021.
16 Our people data is as of July 2023.
17 Data refers to disclosed information and does not represent the total population.
Our Communities

We believe in the power of community, and that by coming together we can be greater than the sum of our parts. Our teams, our extended creative network, external partners and customers all play a part in our shared brighter future. We collaborate with local and national charities to create positive impact, and we take an active role in our local communities through our commitment to volunteering. At Selfridges every team member has the opportunity to make a difference with five paid volunteer days each year, and in 2022, 17% of our employees participated in our volunteering scheme, compared to 10% in 2021. Our work with communities focuses on three key areas: environment, social mobility and mental health, and in 2022, we raised £600,000 across eight national and local charity initiatives. Read more about our community projects on our charity partnership page.

Centrepoint

Our partnership with Centrepoint is empowering and supporting groups and individuals from disadvantaged backgrounds with access to housing, counselling and career development programmes. Over the last eight years we have raised over £1 million, but our partnership goes well beyond fundraising. Together we seek to provide inspirational experiences for young people with a behind the scenes look at what a career in retail and catering might be like. Our teams dedicate volunteering time each year, and in 2022, our Executive Team spent a day decorating Centrepoint’s Berwick Street Centre for its residents and workers. Over the Christmas period we also collaborated on a Christmas Feasting for Good campaign, in which the recipe of Centrepoint young person and budding chef, Cameron, was featured in the Selfridges Season’s Feastings cookbook.

Selfridges Community Groups

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 drive positive change for the benefit of all.

Values Ambassadors
Empowering others to drive positive change within and outside our business

Green Warriors
Inspiring change and raising the profile of our sustainability initiatives

Wellbeing Community
Helping to embed a wellbeing culture across the business

Diversity Board & Squad
Creating a diverse and inclusive environment in which everyone can bring their whole selves to work

Volunteering Squad
Inspiring others to participate in our volunteering scheme

The Fun Community
Helping to bring some Selfridges magic to our day-to-day

Thinking Differently
Neurodivergent team members exploring neurodiversity in themselves or in their relationships

Be Yourself
LGBTQI+ team members helping to ensure every team member is supported and recognised for who they are

Women in Tech
Driving greater diversity in the technology and digital industry

Centrepoint
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Our Customers

Since launching Project Earth in 2020, we have put sustainability at the heart of our creative vision. We have curated spaces that evoke thought and feeling through unexpected discovery, and we have challenged ourselves to provide extraordinary experiences that inspire our customers to change the way they shop. In 2022, our imagination conjured up SuperFutures, our creative theme and programme of events, campaigns, and pop-ups, all exploring possible futures in which we can live better and brighter. We challenged perceptions around health and wellbeing, beauty, food, and fashion to speculate what a more sustainable future might actually look like.

In 2023, we are launching Worn Again, our scheme to create the ultimate circular retail destination with an entire season dedicated to swapping, repairing, upcycling, and trading. Read more about how we are engaging our customers in Materials and Models.

2022 was a year of reflection as we continued to shape our approach to turning customer appetite into action. We carried out in depth customer research to help us understand how to better engage customers. In response to the insights we uncovered, we are developing new sustainability goals directed towards tracking and increasing the number of customers making sustainable choices when they shop.

Our 2022 data tells us we have maintained the status quo with one in two customers declaring awareness of Project Earth. And customer awareness of Reselfridges is up by 6% since 2021, reaching 51% in 2022. This rise reflects the efforts we have made to develop and promote our circular offer. There is growing awareness across all Reselfridges models, but the biggest increase can be seen in Resale, telling us that our in-store and online activations are having an impact.

Customer Awareness of our Circular Services

<table>
<thead>
<tr>
<th></th>
<th>Resale</th>
<th>Resale</th>
<th>Rental</th>
<th>Refill</th>
<th>Repair</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Buy pre-loved</td>
<td>Sell pre-loved</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>44%</td>
<td>29%</td>
<td>31%</td>
<td>26%</td>
<td>19%</td>
</tr>
<tr>
<td>2022</td>
<td>51%</td>
<td>34%</td>
<td>38%</td>
<td>28%</td>
<td>23%</td>
</tr>
<tr>
<td>2021 vs 2022</td>
<td>+7</td>
<td>+5</td>
<td>+7</td>
<td>+2</td>
<td>+4</td>
</tr>
</tbody>
</table>
Throughout 2022, we have been better integrating sustainability into our core communications across all our channels, working from a baseline that at least 20% of the content we produce contains a sustainability message. Whilst our mentions are up, we are still learning what resonates with our community. We are now focused on developing the right metrics to better understand and track audience engagement across our communications.

In 2022, we developed Selfridges Unlocked, our open-to-all membership community. Launched in May 2023, Selfridges Unlocked provides customers exclusive access to experiences, events, and content. For every purchase made using the Selfridges Key, we also donate to selected charity partners on the customer’s behalf. Selfridges Unlocked is an evolving programme and an opportunity to engage with our customer community on a deeper level. By opening more of a two-way dialogue, Selfridges Unlocked will allow us to better understand what our customers really care about and to encourage behaviours that can create a brighter future.

Alongside our own communication channels, we have challenged ourselves to raise our voice in the media around sustainability. In 2021, 7% of our media coverage specifically spoke to Sustainability at Selfridges, and in 2022, this increased to 18%, exceeding our internal target of 10%. In 2023, we continue to lead conversations around our sustainability goals and initiatives, with an aim for this to reach 20% of our media coverage.

In 2022, we developed Selfridges Unlocked, our open-to-all membership community. Launched in May 2023, Selfridges Unlocked provides customers exclusive access to experiences, events, and content. For every purchase made using the Selfridges Key, we also donate to selected charity partners on the customer’s behalf. Selfridges Unlocked is an evolving programme and an opportunity to engage with our customer community on a deeper level. By opening more of a two-way dialogue, Selfridges Unlocked will allow us to better understand what our customers really care about and to encourage behaviours that can create a brighter future.

SuperFutures

Our creative campaigns are a way in which we can boldly challenge how we want to shop and live. SuperFutures was our creative theme for 2022, through which we explored what a sustainable future might look like when we connect individual well-being to the wellbeing of our communities and our planet.
To create a more sustainable future for our teams and customers we must connect everyone to the journey. Our 2021 Cultural Assessment survey showed us that we needed to do more to support our team members with disabilities, so we have been working closely with our internal neurodivergent community to better understand their experiences. Our new Inclusive Talent Management programme is driving career equity and offers an agile and transparent approach to setting objectives that support the delivery of strategic priorities at Sustainability, DE&I, and putting our Values into practice, and we are already seeing positive impacts across our teams: “My Dyslexia has been big part of my life. Since starting for Selfridges in 2021, I have learnt to embrace my neurodiversity which has only had a positive impact on my work life. The changes Selfridges have implemented with the new performance and development process have helped level the playing field for the Thinking Differently Community. It allows us the creative freedom to play to our strengths and empowers us to go that one step further with our own sustainability objectives.” Charlie Jarrett, Project Manager and Thinking Differently Selfridges Community Lead.
Can you tell us about what you do at Selfridges and how sustainability plays into your day-to-day job?

My role at Selfridges is Director of Creative Brand Planning, which means that I activate our creative teams to operate strategically, ensuring that work is idea-led but customer informed. I shape and scope projects to ensure they are on brand and creatively robust, act as a brand guardian and oversee creative operations, facilitating key senior stakeholder alignment to engender cohesive cross-business planning. My connection to the Project Earth strategy is to ensure that we are keeping sustainability front of mind in our plans to bring the Selfridges brand to life.

What’s been the most inspirational part of Project Earth for you?

I was very involved in the original development of Project Earth and how we made it real for the customer via its launch in 2020. I’d like to think that, to the customer, it felt cohesive and accessible and therefore didn’t reveal the amount of deep and challenging thinking it took to get us there. So, for me, the most inspirational part has been our willingness, at Selfridges, to communicate bold, industry leading commitments and then commit to the hard work of getting there.

In your experience what have been some of the challenges in bringing Selfridges’ Project Earth strategy to life?

The key challenge for me is the depth of information versus the risk of apparent greenwashing. There is SO much work that goes into the strategy and its authenticity and rigour, but to communicate all of that to our customers can be overwhelming and – if we’re honest, in the energetic world of Selfridges – too serious and heavy. But go too light with our messaging, and it can seem that we’re ‘saying’ but not ‘doing’. It’s a fine line to tread.

What’s one thing you think Selfridges could do better to help make progress on Project Earth?

It’s the business-wide mindset, the ‘be the change you want to see’ mentality. We have impressive targets to meet, and we need to be radical to get there. We need to allow that radical thinking across the business, from IT to Merchandising, Finance to Marketing - and I think we can do more to encourage that in our everyday operations.
Mindsets

We have relaunched our Executive Committee for sustainability to help accelerate progress across Materials, Models, Mindsets and Net-zero.

We are developing targets and metrics for increasing the number of customers making sustainable choices when they shop with us.

We are delivering our biggest circular campaign yet with extraordinary in-store and online experiences to help drive engagement in our circular models.
5.0

NET-ZERO
At Selfridges we exist to make the world brighter not hotter! That is why we have committed to NET-ZERO carbon emissions by 2040. A simple statement but a complex task.

In many ways this commitment requires an existential analysis of our business model and makes reinventing retail a necessity not just a purpose. We are proud that in 2022 we made significant progress in reducing the direct carbon emissions generated by our owned operations. However more than 90% of our total carbon footprint comes from our suppliers and in particular the products we buy and sell. To go further and faster we need to ensure that we build ongoing relationships with progressive partners who strive for transparency and share our vision for a NET-ZERO future. We need to focus on offering circular models that extend the life of existing products and materials to reduce our dependency on virgin resources. Most importantly we need to reimagine the role we can play in driving a more considered approach to consumption.
We achieved a 17% reduction in scope 1 and 2 emissions\textsuperscript{8} in 2022 compared to our 2018 baseline year.

We source 100% renewable electricity and gas.\textsuperscript{18}

We rolled out Naked Click & Collect and saved over 39,000 boxes in transfers between our distribution centres and stores in its first six months.
Our Progress

Our Materials, Models and Mindsets targets are underpinned by our commitment, as a signatory to The Climate Pledge, to achieve net-zero carbon across scopes 1, 2 and 3, by 2040. In 2020, we set science-based targets for our scope 1, 2 and 3 emissions which were validated through the Science Based Targets initiative (SBTi). In 2022, we developed a robust transition plan to tackle our scope 1 and 2 emissions, and we took steps towards building our scope 3 pathway. We have made progress to be proud of and we have encountered new challenges on the way.

Selfridges commits to reduce absolute scope 1 and 2 greenhouse gas emissions by 64% by 2030 from a 2018 base year.8

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.

Our Science Based Targets

<table>
<thead>
<tr>
<th>Market-Based GHG Emissions (tCO₂e)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<tr>
<td>Scope 1 &amp; 2</td>
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<td>2,700</td>
<td>1,903</td>
<td>2,116</td>
<td>2,019</td>
</tr>
<tr>
<td>% Difference Versus 2018</td>
<td></td>
<td></td>
<td>+10%</td>
<td>-22%</td>
<td>-13%</td>
</tr>
<tr>
<td>Scope 319</td>
<td>257,391</td>
<td>NA</td>
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<td>NA</td>
<td>NA</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Energy Use (kWh)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td>2018</td>
<td>60,001,816</td>
<td></td>
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</tr>
<tr>
<td>2019</td>
<td>58,136,171</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>41,342,514</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>48,666,287</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>51,329,83820</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

19 Scope 3 data methodology is currently under review.
20 Energy consumption increased in 2022 compared to 2021 as it was the first full year of trading since Covid-19.
Scope 1 & 2 Emissions

Our scope 1 and 2 emissions are generated from the daily running of our four stores and Leicester office through their use of natural gas, electricity, and refrigerants. In 2022, we reduced our scope 1 and 2 emissions by 17% against our 2018 baseline year. Our progress since 2021 tells us we are on track and over the last year we developed a clear route to reducing the carbon emissions across our operations in line with our scope 1 and 2 science-based target. We have a long way to go but our roadmap is fully costed against each of our locations and prioritises transitioning from gas to electricity and other viable fuels, and replacing refrigerants contained within refrigeration and air conditioning systems with lower-impact alternatives. Since 2014, we have retained the Carbon Triple Trust Standard, the world’s leading independent certification for reductions in carbon, water, and waste. In 2023, we are extending our excellent track record with the Carbon Trust’s new Route to Net Zero Standard which will assess our carbon data and decarbonisation roadmaps in line with SBTs.

Energy & Operations

Our stores have been powered by 100% renewable electricity and gas since 2020, yet we still strive to minimise our energy consumption each year. In 2022, we reduced our energy use by 12% compared to 2019, the most recent previous year of full trading. We made further progress on converting our conventional lighting systems to LED alternatives, we switched end-of-life refrigerants to lower-impact models and ran overnight electrical surveys at all our stores to develop practical reduction plans. As part of our efforts to continually improve our daily operations, we installed three electric vehicle charging points at our Leicester offices, allowing up to six team members to simultaneously charge their vehicles at work. Together, these measures have helped drive down emissions across our stores and offices.

Scope 3 Emissions

We know our scope 3 reporting is only as good as the data we receive from our supply chain. In 2022, we reviewed our scope 3 data and started to develop a credible roadmap that will get us to net-zero by 2040. But the complexity of collecting and building credible data sets, and scale of this challenge for retail, means this work is ongoing. The majority of our scope 3 emissions are generated from our purchased goods and services, so our priority remains to encourage our 2,800 brand partners and 2,000 procurement suppliers towards more transparent data sharing. Our SAQ and Material Transformation project are helping us collect some of the data we need but there is a long way to go. We don’t anticipate being able to report comparable scope 3 emissions until at least 2025. In 2023, we are reassessing our scope 3 data improvement plan and provide a recommendation on when to resubmit to the SBTI, and with updated data we will work with our external partners to explore potential pathways that lead to net-zero.

Logistics

In 2020, we committed, through the SBTI, to ensuring 10% of our logistics and capital goods suppliers, by emissions, have science-based targets by 2024. Since then, we have been working with our logistics partners to drive down footprints in line with our science-based targets. In 2023, we will continue to work closely with our logistics partners to better understand where they currently are on their net-zero journey and further develop our internal tracking.
Packaging

Our aim is to minimise packaging that we are responsible for, and where possible influence our suppliers and brand partners to do the same. Where we do need packaging, we are committed to ensuring it is made from certified sustainable materials that can either be reused, recycled, or composted, in line with our Material Commitments. We are actively reducing the use of plastic in our Selfridges Selection and purchased packaging and exploring alternative design solutions that support end-of-life options. For example, in early 2023, we redesigned our gift box to remove the magnetic closure, which we found can disrupt the recycling process. The updated design offers customers the same exceptional experience with the added benefit of being fully recyclable.

Our Naked Click & Collect programme is now fully up and running, reducing the amount of packaging we use in transit as UK orders make their way from our distribution centres to our stores. In 2022, we also developed post-box sized packaging to further shrink the quantity of materials used for shipping our e-commerce orders and simultaneously reduce our delivery impact. Initial pilot research estimates that our post-box packaging increases the average number of orders per pallet by 10%, which in turn reduces our vehicle needs, saving 756 miles of travel and an estimated 0.3 tonnes of CO2 emissions over a three-month period. Our goal is to increase the use of post-box packaging from 5% to 15% by end of 2023.

Waste

We are diverting our Oxford Street store waste from landfill and working to minimise the waste we generate through our own operations. In 2022, we launched two new waste-saving initiatives. In our bakeries we swapped disposable delivery packaging with reusable boxes, saving approximately 0.3 tonnes of raw waste each month. We also introduced “mix-on-site” cleaning materials, replacing the need for plastic bottles, and removing approximately 0.1 tonnes of waste from our day-to-day operations.

We continued to implement our on-site waste sorting system at our Oxford Street store, increasing our recycling rate from 68% to 75% over the last 5 years. Following this success, we worked with our landlords to install weighing stations at our Manchester and Birmingham stores so that we can track our waste and recycling across all destinations.

In 2021, we began piloting a plastic polybag recycling scheme at our Oxford Street store. After establishing a recovery process with our waste management partner, Veolia, in August 2022, we expanded the programme to additional departments and began regular collections. In the six months that followed we collected 3.5 tonnes of plastic polybags for recycling. In 2022, we also trialled a new hanger recycling initiative, and after collecting 0.72 tonnes of hangers in a one-month period, we rolled it out as part of our regular recycling collections at the beginning of 2023. Over the next year, we will continue to partner with our suppliers to further reduce our transit packaging.

With the exception of our garment carriers which are made using rPET and does not include private label product packaging.
More Art, Less Waste

In the summer of 2021 we began major renovations to our Birmingham store. In partnership with our landlord, Hammerson, we transformed the iconic Bullring façade with a monumental art installation by Osman Yousefzada. The world’s largest canvas, stretching over 10,000 square metres and weighing over five tonnes, told a story of race, labour and migration with a hopeful sense of optimism and connectivity. This radical, public artwork commission was part of our long-standing commitment to supporting local creativity, and remained on display until the renovations were complete. When the installation was finally dismantled in the first half of 2022, we worked with TerraCycle, a world leader in recycling hard-to-recycle materials, to ensure 100% of the installation was properly recycled.

Less Food Waste

Since 2020, we have been donating our surplus food from our Oxford Street Food Hall and restaurants to local community organisations who need it. In 2022, we donated 4.13 tonnes of what could have been considered food waste to our three local charity partners, The Little Things UK, The Alexandra Wylie Tower Foundation Food Bank and Care 4 Calais. This helped feed over 10,000 people at a homeless outreach in Shoreditch through The Little Things UK, over 500 families at a food bank in North London and over 200 refugee families through Care 4 Calais. What’s more, redirecting our surplus food from landfill also resulted in an estimated saving of 2.6 tonnes of carbon emissions.
The best way to reduce our packaging impact is to simply reduce our packaging. In 2021, we trialled our Naked Click & Collect programme, reducing transit packaging from our distribution centres to our stores. In July 2022, we rolled out Naked Click & Collect to all stores, reducing the need for thousands of boxes each year. With our new pick and pack system, naked click trolleys allow the distribution centre to ship orders without additional packaging. Our distribution teams received dedicated training during which they provided valuable feedback to help improve and streamline the process. In the six months since we fully launched, we have saved approximately 39,210 boxes, and an estimated 7.7 tonnes of carbon emissions. Over the six-month period 52% of click and collect was naked and we are working to maximise this even more.
Behind the shopfloor with Annalysa Oliynik
Supply Chain Manager

Can you tell us about what you do at Selfridges and how sustainability plays into your day-to-day job?

My role at Selfridges is Supply Chain Manager in our distribution centre managing our third-party logistics provider. My connection to the Project Earth strategy aside from managing the day-to-day operations, is working with the DHL leadership team in delivering their sustainability campaign through pursing efficiency opportunities with customer and sustainability at the heart. Most recently, we transitioned our entire store fleet to biomethane (gas) powered vehicles to further reduce our CO2 emissions.

What’s been the most inspirational part of Project Earth for you?

We have such incredibly ambitious targets built into our strategy - Material Transformation by 2030, 45% of transactions from circular models by 2030, and net-zero by 2040 - these are just a few of them! What makes Project Earth so inspiring for me is how we have built such a stretching strategy laced with SMART objectives – this facilitates participation. Everyone really can get involved and make a difference, however small. For many organisations, sustainability is an added perk but for Selfridges it’s a driving force that unites all areas of the business in a relentless pursuit to do what’s right for us, our business, and our customers.

In your experience what have been the challenges in bringing Selfridges’ Project Earth strategy to life?

As part of our Material Commitments, we state that everything we build, buy and sell will meet our environmental and ethical standards by 2030. In my experience, working to improve environmental and ethical practices can be a difficult balance to achieve. I’ve observed that our biggest, most successful sustainability wins have come to fruition because we’ve looked at the bigger picture and considered all aspects – those are the initiatives that stick.

What’s one thing you think Selfridges could do better to help make progress on Project Earth?

For many of us when we think of Selfridges, we think of our jaw-droppingly beautiful stores but for most of our customers our name is synonymous with our iconic yellow bag. We have an opportunity to make our iconic yellow bag even more sustainable and this is something we are working on. We buy wonderful Project Earth labelled products to support our customers in making sustainable choices and we want those products to be carried home in a bag that represents our values at their best.
Net-zero

What we are working on

We are submitting our carbon data and decarbonisation roadmaps to be assessed by the Carbon Trust’s Route to Net Zero Standard.

We are working on delivering our scope 1 & 2 roadmap to drive down emissions from our stores and operations.

We are continuing to collate data and develop our scope 3 pathway to get us to net-zero by 2040.
6.0

ANNEX
Data Tables

Data refers to our financial year, unless otherwise stated.

Project Earth Edit Revenue (Amounts in GBP)

<table>
<thead>
<tr>
<th>Year</th>
<th>Resale</th>
<th>Rental</th>
<th>Refill</th>
<th>Repairs</th>
<th>Total Circular</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>1,962,685</td>
<td>135,447</td>
<td>562,186</td>
<td>797,286</td>
<td>3,457,604</td>
</tr>
<tr>
<td>2022</td>
<td>8,969,000</td>
<td>414,000</td>
<td>2,606,000</td>
<td>1,145,000</td>
<td>13,134,000</td>
</tr>
<tr>
<td>+/- %</td>
<td>+357%</td>
<td>+206%</td>
<td>+364%</td>
<td>+44%</td>
<td>280%</td>
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</table>

Gender Pay Gap

<table>
<thead>
<tr>
<th>Year</th>
<th>Median Pay Gap</th>
<th>Mean Pay Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>8.2%</td>
<td>17.4%</td>
</tr>
<tr>
<td>2018</td>
<td>7.7%</td>
<td>13.7%</td>
</tr>
<tr>
<td>2019</td>
<td>5.5%</td>
<td>19.9%</td>
</tr>
<tr>
<td>2020</td>
<td>7.7%</td>
<td>19.6%</td>
</tr>
<tr>
<td>2021</td>
<td>9.7%</td>
<td>25.4%</td>
</tr>
<tr>
<td>2022</td>
<td>6.7%</td>
<td>13.1%</td>
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</table>

Waste & Recycling at Oxford Street

<table>
<thead>
<tr>
<th>Source</th>
<th>Unit</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling</td>
<td>Tonnes</td>
<td>2,680</td>
<td>3,176</td>
<td>1,277</td>
<td>1,510</td>
<td>1,744</td>
</tr>
<tr>
<td>Total waste</td>
<td>Tonnes</td>
<td>3,950</td>
<td>4,292</td>
<td>1,836</td>
<td>2,055</td>
<td>2,321</td>
</tr>
<tr>
<td>% of total waste</td>
<td>%</td>
<td>68%</td>
<td>74%</td>
<td>70%</td>
<td>73%</td>
<td>75%</td>
</tr>
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</table>
### Carbon Emissions (tCO₂e)\(^{23}\)

<table>
<thead>
<tr>
<th>Scope 1</th>
<th>2018 Baseline</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>2,440 Market</td>
<td>2,700</td>
<td>1,903 Market</td>
<td>2,116</td>
<td>2,019 Market</td>
</tr>
<tr>
<td>Location</td>
<td>2,440 Market</td>
<td>2,700</td>
<td>1,903 Market</td>
<td>2,116</td>
<td>2,019 Market</td>
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<table>
<thead>
<tr>
<th>Scope 2</th>
<th>2018 Baseline</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<tbody>
<tr>
<td>Location</td>
<td>13,972 Market</td>
<td>12,100 Market</td>
<td>8,049 Market</td>
<td>8,515 Market</td>
<td>8,276 Market</td>
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<tr>
<td>Location</td>
<td>16,412 Market</td>
<td>14,800 Market</td>
<td>10,631 Market</td>
<td>10,293 Market</td>
<td>10,797 Market</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Scope 1 &amp; 2 Versus 2018 Baseline</th>
<th>2018 Baseline</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>16,412 Market</td>
<td>14,800 Market</td>
<td>10,631 Market</td>
<td>10,293 Market</td>
<td>10,797 Market</td>
</tr>
<tr>
<td>Location</td>
<td>257,391 N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
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</table>

### Energy Consumption at our four stores & Leicester locations

<table>
<thead>
<tr>
<th>Source</th>
<th>Unit</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity kWh</td>
<td>49,360,543</td>
<td>47,339,017</td>
<td>34,525,946</td>
<td>40,104,526</td>
<td>42,785,071</td>
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</tr>
<tr>
<td>Gas kWh</td>
<td>10,641,272</td>
<td>10,797,154</td>
<td>6,816,568</td>
<td>8,561,761</td>
<td>8,540,767</td>
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</tr>
<tr>
<td>Total kWh</td>
<td>60,001,815</td>
<td>58,136,171</td>
<td>41,342,514</td>
<td>48,666,287</td>
<td>51,329,838</td>
<td></td>
</tr>
</tbody>
</table>

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\(^{23}\) Carbon Trust Assurance Limited (CTA) have issued an independent, limited level of assurance based on ISO 14064-3:2018 for 2018, 2021 and 2022 Scope 1 & 2 location and market-based data sets.

\(^{24}\) This figure has been revised following CTA data assurance.