



MODERN SLAVERY STATEMENT

Harrods Group (Holding) Limited
Harrods Corporate Management Limited
Harrods Limited
Harrods International Limited
Harrods Beauty Limited

FY 2022–2023

Harrods

Modern Slavery Statement: Introduction

This statement is published in accordance with section 54(1) of the Modern Slavery Act 2015. It describes the steps that we, Harrods Group (Holding) Limited, have taken and continue to take, to prevent modern slavery and human trafficking within our business and supply chains.

This statement was approved by the board of directors of Harrods Group (Holding) Limited (the ultimate UK parent company of Harrods Corporate Management Limited, Harrods Limited, Harrods Beauty Limited and Harrods International Limited) on 12 May 2023.

Update from our Managing Director: Michael Ward

In this, our Modern Slavery Statement for FY 2022-2023 (ended 2nd February 2023), we set out the steps we have taken over the past year to ensure modern slavery is not taking place within our business or supply chains.

During the past year we have focused on developing our Code of Conduct to clarify and reinforce our expectations of partners and their suppliers relating to Human Rights, Labour and Workplace Standards and Environmental Management. Over the coming year we will continue to develop our approach to human rights and, alongside our partners and suppliers, work closely and collaboratively to prevent any form of modern slavery.

About Harrods: Our Business Structure, Supply Chain and Sustainability

Harrods is a leading luxury retailer with over 4,800 employees. Our Knightsbridge store is home to over 5,000 brands across eight floors. We also operate an online store delivering to over 100 countries, five UK based H Beauty stores, two UK airport stores, two business-support offices, a photography studio, distribution centre and have operations in the Middle East and China.

Our products span multiple sectors from food and fashion, toys and technology to jewellery and beauty and more and are all sustained by extensive supply chains and those working within them.

We have a range of own label products (HOL), for which there are 183 suppliers (Partners) across 20 countries. The majority of the products we sell come from our Own Bought and Concessions partners (Brand Partners). We have over 5,000 Brand Partners across all platforms.

Our Sustainability strategy, 'Harrods Path to a Sustainable Future' (Harrods Path), underpins our ambition for supply chains that are free from slavery and human trafficking. Harrods Path is our commitment to make responsible decisions for both people and the planet in every part of our business. From the way we operate our iconic Knightsbridge store, offices and distribution centre, to our ambition to source materials, produce products that are circular, regenerative and have the highest climate responsible standards. All whilst ensuring that they are produced in a way that respects the human rights and health and safety of all workers.

As such, we focus on our HOL partners with whom we have a close relationship and visibility of their supply chain and we continue to work together with our Brand Partners.

Our Approach: Expectation of Suppliers

Harrods condemns and prohibits all forms of modern slavery and is committed to preventing modern slavery in its business and across its supply chains.

During the past year we have worked to develop our processes, to continue to deliver the initiatives under Harrods Path and progress our membership with Sedex (Supplier Ethical Data Exchange) to allow us to better assess our HOL and Brand Partners and their ethical and responsible practices.

Specifically, we revised our Partner Code of Conduct to clearly set out our expectations of suppliers. In the event of suspected or known non-compliance, the Code of Conduct provides us with the ability to take remedial action which, in the most severe circumstances, includes terminating the relationship with that Partner. We are currently rolling out the implementation of the updated Code of Conduct beginning with the contractual terms for all new partners specifically referencing adherence to the Code and a full roll out over the coming year to all partners.

The key terms of the new Code of Conduct include:

- Harrods partners and related suppliers are strictly prohibited from using forced, bonded, or prison labour in any form, as defined by the International Labour Organisation (ILO) conventions, including but not limited to modern slavery and human trafficking. Harrods partners and their suppliers are prohibited from the use of child labour in any part of their operations in any country. Partners may not employ anyone below; 16 years of age, except if allowed by local law and such exception is consistent with ILO guidelines, the minimum working age specified by local laws or regulations or the age for completing compulsory education, whichever of the three is higher.
- Harrods requires its partners to uphold employees' rights to join or form trade unions, promote and protect freedom of association and collective bargaining, and foster an environment where staff can freely engage in open conversations with employers regarding work-related issues.
- Every employee, irrespective of gender, race or ethnicity, should receive fair remuneration sufficient to meet their basic needs, and in addition be provided with some discretionary income.
- To ensure sufficient rest and wellbeing for employees, partners must properly manage the total working hours, days-off, and leave of employees so that such working hours comply with the ILO conventions, and will not exceed the maximum limits stipulated by applicable laws and regulations of each country and geography.

- Partners and their suppliers must treat employees with respect and dignity.

Supply Chain: Due Diligence, Risk Assessment and Monitoring Effectiveness

SEDEX

Sedex's data insights and tools enable visibility into our partners and the sustainability performance of their respective supply chain. This year we have continued to work with Sedex, our partners and our teams to increase visibility across these supply chains. We have persisted in our request for all HOL partners to register for Sedex and continue to reach out to our other Partners to encourage Sedex sign up.

SUPPLIER ASSESSMENT

In acknowledgement of the many varying suppliers in our supply chains, for those unable to register with Sedex, this year we have developed a Supplier Assessment to assess those suppliers against our key social and environmental standards. We will also invite Brand Partners to complete this assessment over the coming year so we can increase transparency through a more detailed understanding of their policies, processes and commitments.

CONTRACTUAL TERMS

We include contractual terms in our commercial agreements with our HOL and Brand Partners and require them to comply not only with applicable legislation, but also with specific provisions regarding the treatment of individuals and this will now include our updated Code of Conduct.

MONITORING AND ASSESSMENT

Compliance with our standards for HOL and Brand Partners is monitored by:

- Risk-based reviews via Sedex or based on data collected from a Supplier Assessment.

- Manually requesting copies of audit reports and/or conducting audits for non-Sedex members.
- A Supplier Approval Questionnaire (SAQ) which is issued upon onboarding for all HOL Partners and, if the supply chain is considered higher risk, we will also request a copy of that Partner's most recent social compliance audit. Where the sourcing of goods is conducted through an agent, we will require such agent to provide evidence of a recent social compliance audit report from the relevant supplier. Where the results of the SAQ, an audit, or audit report (as applicable) are not satisfactory or in the event that any other factors come to our attention to indicate that an enhanced level of investigation is required for a specific Partner, this can be undertaken in the form of an audit or such other approach as we deem appropriate.
- Whilst we would always seek to work with our HOL and Brand Partners to address and remediate any concerns about their ethical practices, ultimately, if we are unsatisfied that a Partner is able to comply with our standards as set out in our Code of Conduct, we have the option to terminate the business relationship.

Key Developments, Ongoing Action & Looking Ahead to 2023-24

We continue to build on existing measures in place to prevent all forms of modern slavery. Over the past year we:

- Established an enhanced Code of Conduct (Code), as set out above. The revised Code firmly states our position in condemning and prohibiting all forms of modern slavery. It communicates clearly the principles and values that we embody and to which we expect our partners to adhere. Upholding the Code is a prerequisite for engaging in business with Harrods, in addition to adhering to all relevant national and local laws relating to corporate governance and environmental management.

- Created a Supplier Assessment to capture the key social, environmental and ethical data from those Partners unable to join SEDEX.
- Developed our existing governance mechanisms to embed sustainability across the business by reviewing the structure and incorporating a sustainability-focused executive committee to support and enable Harrods Path,
- Continued to work with Sedex and developed our relationship with the platform to build on our risk-based approach to our supply chains.

Our Colleagues:

We are committed to creating a working environment that is inclusive, supportive, that is based on mutual respect and trust and where everyone feels valued. We have a number of internal policies, from Business Ethics to Equal Opportunities, all of which showcase our commitment to uphold exemplary ethical standards and demonstrate our ambition for our staff to enjoy equal opportunity in an environment that is free from discrimination, harassment, bullying and victimisation.

We have robust internal processes and policies in place to uphold and protect the rights and working conditions of our staff. As well as our Equal Opportunities policy and policies covering matters such as hours of work, we maintain and publicise a whistleblowing policy which allows staff to identify and report any concerns.

Looking Ahead

- We will roll out the Supplier Assessment to all Brand Partners. This will align with our own standards and will provide better detail on our Brand Partner policies, processes and commitments.
- To support the increased due diligence we will develop our governance framework with a specific focus on modern slavery, this will include a dedicated Modern Slavery Working Group.

- We will further develop and enhance the standards expected from our suppliers in the areas of human rights, labour and workplace standards and modern slavery through our SAQs.
- With Sedex, develop a risk-based framework and process to periodically review and identify areas of focus.
- We will develop and formalise employee ethical and social training programme to focus on:
 - the changing needs of our business; and
 - different training needs in each product category.

Governance

This statement is made by Harrods Group (Holding) Limited (a non-trading UK parent company) on its own behalf and on behalf of Harrods Corporate Management Limited (a non-trading IP company), Harrods Limited (the primary trading company), Harrods Beauty Limited (which operates our H beauty stores) and Harrods International Limited (which operates our UK airport business). These are all private companies registered in England and Wales with registered company numbers 5990648 (Harrods Group (Holding) Limited), 8022049 (Harrods Corporate Management Limited), 30209 (Harrods Limited), 99442 (Harrods Beauty Limited) and 676533 (Harrods International Limited). This statement is made on behalf of the aforementioned companies in respect of FY 2022-2023 (ending 2 February 2023).

Conclusion

This statement reflects the steps Harrods Group (Holding) Limited, Harrods Corporate Management Limited, Harrods Limited and Harrods International Limited have taken during FY 2022-2023 to ensure that slavery and human trafficking are not taking place in our business or our supply chain. This statement has been approved by the board of directors of Harrods Group (Holding) Limited, the ultimate UK parent company of Harrods Corporate Management Limited, Harrods Limited, Harrods Beauty Limited and Harrods International Limited on 12 May 2023.

Signed by:

A handwritten signature in black ink, appearing to read 'Michael Ward', with a horizontal line extending to the right from the end of the signature.

Michael Ward

Director

Harrods Group (Holding) Limited

Date: 12 May 2023