



MODERN SLAVERY STATEMENT

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

FY 2018-2019

Harrods

Introduction

As a leading luxury retail business, we understand that our stakeholders – employees, customers, community and investors – expect us to conduct our operations in a responsible, transparent and ethical manner. We do this through our Corporate Responsibility programme, which aims to create a positive and long-lasting impact through our four Corporate Responsibility pillars of Ethical Trade, Environment, Community and Legacy. In particular, our “Ethical Trade” pillar is dedicated to transparency in our supply chain and articulates our commitment to ethical sourcing.

This statement is our third statement made pursuant to section 54 of the Modern Slavery Act 2015 (the “MSA”). This statement restates the commitments of our MSA statement for FY 2017-2018 and highlights the additional steps taken during FY 2018-2019 to ensure that human trafficking and slavery are not taking place within our organisation and supply chain. In particular, our key focus for FY 2018-2019 has been improving consistency and transparency across many of our own brand partners.

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) 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) and 676533 (Harrods International Limited). This statement is made on behalf of the aforementioned companies in respect of FY 2018-2019 (ending 2 February 2019).

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 and Harrods International Limited) on 2 August 2019.

Our Business: Structure and Supply Chain

As a leader in the global luxury retail marketplace, Harrods seeks to promote and protect the rights of individuals who work in our supply chains. Our suppliers consist of vendors providing Harrods’ own brand goods (“OB Partners”), other vendors and concession partners (together, “Partners”).

We host a wide and eclectic range of products from around the world in our famous Knightsbridge store, on our online platform and in our UK airport stores. Therefore, our supply chain is global and covers multiple sectors - from food to beauty products and from fashion to furniture. For our OB Partners specifically, our supply chain spreads over approximately 20 countries and a number of product categories. This requires us to work with a wide network of third parties at all stages in the supply

process, from sourcing of raw materials all the way to packaging and trading the finished products in store and online.

Many of our Partners are established and prestigious businesses operating within the global luxury retail marketplace with their own detailed social and ethical policies. We expect all Partners to maintain a supply chain that is free from slavery and human trafficking but have continued to focus on our OB Partners with whom we have a closer relationship to their supply chain.

During FY 2018-2019 we have worked to improve our existing processes, by introducing a new Corporate Responsibility strategy to allow us to better assess our OB Partners and their ethical trading practices, as discussed more fully below.

Policies on Modern Slavery: Harrods Code of Conduct

Harrods has a publicly available [Code of Conduct](#) setting out our ethical trading standards (“Code”). This Code was developed by our internal team of certified social auditors and is subject to a structured internal stakeholder review.

In our Code we establish our ambition to uphold exemplary ethical standards within our supply chain and our expectation that our Partners will do the same. The Code details our expectation that our Partners will comply with the MSA reporting requirements and we expect our Partners to respect and uphold the principles of our Code in their own supply chains. In the event of suspected or known non-compliance, the Code provides us with the ability to take remedial action which, in the most severe circumstances, includes terminating the relationship with that Partner.

During FY 2017-2018, we began incorporating the Code into our new commercial agreement templates for our Partners. This process was on-going in FY 2018-2019 and will continue into FY 2019-2020 and beyond as we develop new commercial agreement templates.

Having now become firmly established, the Code will be reviewed by a new Harrods Ethical Trade working group in FY 2019-2020 and updated as required.

Supply Chain: Due Diligence, Risk Assessment and Monitoring Effectiveness

CONTRACTUAL TERMS

We include contractual terms in our commercial agreements with our Partners and require them to comply not only with applicable legislation, but also with specific provisions regarding the treatment of individuals. Since the introduction of the MSA, our contractual terms for new Partners have specifically referenced the MSA.

MONITORING AND ASSESSMENT

Despite many of our Partners being well-established businesses with their own ethical policies, we expect them to respect and uphold the principles of our Code.

Partner compliance with the Code can be monitored in different ways, including by requesting copies of audit reports and/or conducting audits. For those OB Partners who provide us directly with Harrods own brand goods, a Supplier Approval Questionnaire (“SAQ”) is issued upon on-boarding and, if the supply chain is considered higher risk, we would also request a copy of that OB Partner’s most recent social compliance audit. For those OB Partners who provide us with Harrods own brand goods through our agent, that agent is able to provide us with copies of those OB Partners’ social compliance audit reports and ensures that these are regularly updated. 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 OB Partner, this can be undertaken in the form of a physical audit or such other approach as we deem appropriate in the circumstances.

The closer relationship to our OB supply chain means that our teams are able (where required) to pay visits to the premises and production sites of these OB Partners to monitor compliance with our ethical trading standards (as set out in our Code). Whilst we would always seek to work with our OB Partners to address and remediate any concerns about their ethical practices, ultimately, if we are unable to satisfy ourselves that any OB Partner will be able to comply with our ethical trading standards as set out in our Code, we have the option to terminate the business relationship.

We recognise that we have a closer relationship with the supply chain in respect of products purchased directly to be sold or supplied under the Harrods brand. On this basis, Harrods’ own brand sourcing process has been a key area of focus in FY 2018-2019 and these efforts will be continued during FY 2019-2020.

Since our last MSA statement originally approved on 20 April 2018, we have been building a more stringent Partner management process by:

- developing a new Corporate Responsibility strategy that outlines key Ethical Trade commitments;
- creating new sourcing policies (Animal Welfare for British Meats and Fish Sourcing) in relation to our OB Partners in the food division; and
- holding a workshop with an external partner to review current processes and explore opportunities for greater collaboration and transparency within our own bought offering.

Whilst, as indicated in our Modern Slavery Statement for FY 2017-2018, we had intended to develop a new OB Partner on-boarding platform which was planned to launch during FY 2018-2019 we were unable for commercial reasons to proceed with that platform as planned. Instead, we are now focusing on exploring a solution which meets our wider business needs and are exploring this with our IT and

procurement teams. The ultimate aim remains the development of a standardised, business-wide framework for auditing on-going OB Partner compliance with our Code, and Partner ethical practices more generally.

Training

Throughout FY 2019-2020 we will continue to develop, solidify and improve our training programme to ensure that our staff uphold and promote exemplary ethical trading practices. The different tiers of this training programme are tailored to apply to specific job roles and/ or responsibilities as follows:

(A) SOCIAL AUDITOR TRAINING

This is the most detailed training and is offered to those personnel who visit factories, together with other key stakeholders. This training covers auditing against standards such as the SA8000, ETI Base Code and SMETA which have a special focus on modern slavery, employee and human rights in the workplace.

(B) EMPLOYEE TRAINING WORKSHOPS

We continue to ensure that all relevant members of staff have attended workshops which cover MSA requirements and best ethical trading practice in the luxury industry. We aim to continue this training offer for FY 2019-2020 and will develop regular training sessions and materials to capture new joiners and enhance the knowledge of existing members of staff in the relevant business areas.

The purpose of our training programme is to ensure that we promote a working environment whereby all individuals are equipped with the ability to identify ethical trading issues in their day-to-day practices.

In FY 2019-2020 we will also focus our efforts on developing our training materials to make our ethical trading principles and practices understood by the wider employee population.

Harrods Staff

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 and to ensure that all Harrods employees are of working age and that we are complying with the provisions of the MSA. As well as our Equal Opportunities policy and policies covering matters such as hours of work, we maintain and publicise a whistleblowing policy which,

together with ethical trading training (as detailed above), allows staff to identify and report any potential concerns through the appropriate channels.

In FY 2018-2019, Harrods was once again identified as one of the top employers in the UK (taking into account compensation and benefits, culture, planning and learning and development) by independent HR certification organisation, the Top Employers Institute.

FY 2019-2020

We recognise that our ethical trading programme requires constant monitoring and improvement. During FY 2019-2020 our key focuses are:

- to continue to build on our sourcing and sustainability policies for our OB Partners in the food division, particularly in relation to palm oil and cocoa as well as in relation to imported meat welfare. We also plan to look at ways of enhancing our monitoring and assessment of our OB Partners to better address ethical trading issues;
- to build a new Ethical Trade working group to focus on combating key Ethical Trade issues and to review and (where required) update the Code;
- to continue to evolve, develop and formalise our employee training programme to focus on:
 - the changing needs of our business; and
 - different training needs in each product category;
- to continue efforts towards reaching a standardised, business – wide framework for auditing on-going Partner compliance with our Code and Partner ethical practices more generally.

Conclusion

This statement reflects the steps Harrods Group (Holding) Limited, Harrods Corporate Management Limited, Harrods Limited and Harrods International Limited have taken during FY 2018-2019 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 and Harrods International Limited on 2 August 2019.

Signed by:

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

Michael Ward

Director

Harrods Group (Holding) Limited

Date: 20/08/2019