

BROWN THOMAS | ARNOTTS

MODERN SLAVERY STATEMENT

Last reviewed: 24th January, 2024



I am pleased to share Brown Thomas Arnotts' Modern Slavery Statement, which details our initiatives aimed at preventing modern slavery within our business and supply chains.

In our journey to reinvent retail, we have always believed in the power of doing the right thing. It is a value that is etched in our DNA and guides our decisions, actions, and initiatives. This report is a testament to our commitment to uphold human rights in our operations and supply chains, and to continually strive for transparency, accountability, and improvement.

The issue of modern slavery is a global crisis that demands our attention and action. It is a complex, multifaceted problem that cannot be solved overnight. But we firmly believe that every step we take towards eradicating it is a step towards a better future. By going above and beyond what is required of us, we are making a bold statement about our stand against modern slavery. We are not just committed to complying with the laws but are dedicated to being a part of the solution.

This report outlines the measures we have implemented, the progress we have made, and the challenges we continue to face. There is a lot done, and more to do, but all of us at Brown Thomas Arnotts are committed to making a difference.

Together, we can and will make a significant impact.

Donald McDonald
CEO, Brown Thomas Arnotts
January 2024

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WHO WE ARE

Brown Thomas Arnotts Limited T/A Brown Thomas and Arnotts, are part of Selfridges Group of retailers.

OUR STORES & OPERATIONS

7 Stores

Arnotts, Henry St, Dublin
Brown Thomas, Grafton St, Dublin
Brown Thomas, William St, Galway
Brown Thomas, O'Connell St, Limerick
Brown Thomas, St Patricks St, Cork
Brown Thomas, Dundrum Town Centre
BT2, Blanchardstown Shopping Centre

1 Distribution Centre
Office, Anne's Lane, Dublin

Online Digital Platform

OUR PEOPLE

Directly employed by us: approximately
1200 – 1500 team members

Employed by a supplier: approximately
3000– 4000 Work for people working with us
via agencies, concessions, service suppliers,
contractors and consultants

Due to the seasonal and flexible nature of
the retail business, the number of people we
employ can vary. The average number of
direct employees is 1200. This peaks during
November and December to
approximately 1500.

OUR SUPPLY CHAIN

Direct Suppliers:

Over 30 Priority Goods & Services Not for
Resale (GSNFR): Suppliers that provide goods
or services that we use within our business
and do not sell, prioritised based on spend,
or perceived "risk" based on product/service
provided.

Private label suppliers: we work with less than
10 suppliers directly to source private label
products.

Indirect Suppliers:

Over 1,650 own bought suppliers: brand
partners who we buy product from to sell in
our stores or on our digital platform.

Over 1,000 concessions and consignment
brands: Brand partners who sell their
products in our stores or on our digital
platform.

MAPPING OUR MATERIAL ISSUES

OUR MATERIAL ISSUES

In 2021, we worked with our sister retailers across the Selfridges Group to conduct a materiality assessment through an analysis and benchmarking of ESG reporting standards, best practice sustainability reports and industry trends.

A full range of topics were identified before defining a set of priority sustainability issues for the group, the extended value chain and the outside world. These issues are now framed as five imperatives that underpin our Positive Change programme and drive the wider group sustainability strategy.

Following this exercise, we reviewed the material issues identified from an Irish perspective to ensure that they were relevant to our market, ambitious and that the imperatives became a framework to support us in delivering on a forward-thinking, change-making agenda.

THE FIVE IMPERATIVES ARE:

- CLIMATE
- MATERIALS
- LIVELIHOODS
- WORKPLACE
- CIRCULAR

Three of the Five Imperatives come with a direct or indirect focus on people and human rights. These are contained in our operating framework comprising of 19 goals, each mapped against one of our five imperatives. The key goals that focus on addressing modern slavery are detailed on the right.

IMPERATIVE		SUSTAINABLE DEVELOPMENT GOALS			DASHBOARD TARGET
MATERIALS 	A framework to focus on ethically sourced materials and improved traceability.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Target No.3: Increase low-impact materials and traceability.
LIVELIHOODS 	Provides progressive guidelines for us to manage ethical trade risks and considered purchasing practices within our value chains.	8 DECENT WORK AND ECONOMIC GROWTH 	10 REDUCED INEQUALITIES 	17 PARTNERSHIPS FOR THE GOALS 	Target No. 7: Manage ethical trade risks Target No. 8: Elevate purchasing practices
WORKPLACE 	Sets out priority areas within the workplace of our sites and premises.	3 GOOD HEALTH AND WELL-BEING 	5 GENDER EQUALITY 	8 DECENT WORK AND ECONOMIC GROWTH 	Target No. 13: Ensure fair and competitive pay

RECENT DEVELOPMENTS TO REDUCE THE RISK OF MODERN SLAVERY

We continue to progress our responsible sourcing programme.

Key initiatives include:

- We took over **management of our distribution centre** in 2022, thus decreasing our risk to modern slavery by enabling us to directly manage and recruit distribution centre team members.
- We host **periodic reviews** with our **private label** and **priority GNFR suppliers**, focusing on ethical trade and sustainability risk.
- We have an aligned **due diligence process** with our sister retailers deBijenkorf in the Netherlands and Selfridges in the UK - sharing the same Self-Assessment Questionnaire (SAQ) to allow us to collectively focus on responsible sourcing and share any perceived modern slavery risks.
- We request **Sustainability & Ethical SAQs** from our brand partners and are particularly focused on our on top brands (who represent a significant proportion of our business). SAQs remain valid for two years. Over 57% of our Top 155 brands have shared a Sustainability SAQ with us as of December 2023.
- We conduct a **re-baselining** exercise of our **top brands (by sales)** to ensure we are focusing on brands with the most impact on our business. This exercise is conducted at a minimum every 2 years.
- As a **Better Cotton Retailer and Brand Member** we are committed to annual sourcing targets to increase the percentage of our total cotton consumption sourced through Better Cotton for our private label bedding range. In 2022 we **sourced 53% of our cotton through Better Cotton**, supporting sustainable and ethical farming practices in Better Cotton licensed regions.



POLICIES TO MITIGATE MODERN SLAVERY RISK

Selfridges Group Vision and Purpose

Our vision and purpose is embedded across the business.

Code of Ethics

In 2022, a **Brown Thomas Arnotts Code of Ethics** was developed and rolled out across the business. This is relevant for everyone who works for or with Brown Thomas Arnotts. It reinforces our commitment to respect people and covers a range of issues including those relating to people, suppliers and sustainability. Subsequently, an e-learning module was developed and rolled out across the business to bring the Code of Ethics to life.

Ethical Trading Requirements

Our Ethical Trade Requirements apply to our brand partners and suppliers, including contractors and concession partners and are part of our standard terms and conditions. These Ethical Trade Requirements include clauses on modern slavery, require compliance with any applicable modern slavery legislation, are aligned with the ETI Base Code and ILO Conventions, and apply across all tiers of our supply chain. These are discussed and referenced by our Buying teams in brand partner and supplier conversations when applicable.

Materials Focus

In 2020, we started a process of identifying and tracking materials in our business which can be at risk of poor ethical trade and/or environmental practices, such as cotton, man made cellulosic fibres and leather. Having identified these 'priority' materials, we are working to increase the percentage of these materials that come from recycled and/or certified sustainable sources year on year. This will enable further traceability in our supply chain and will directly address multiple social and environmental issues in lower tiers, such as raw material sourcing and production.

ETHICAL TRADE REQUIREMENTS

- **Aligned Ethical Trade Requirements** with our sister retailers at Selfridges Group, Selfridges & Co. & deBijenkorf to strengthen and align our approach on common issues.
- These Ethical Trade Requirements are **reviewed and updated** with our parent company Selfridges Group and our sister retailers periodically.

OUR TEAM: RISK ASSESSMENT & DUE DILIGENCE

We focus our efforts where they are most needed and have the greatest impact. We take a risk-based approach, outlined below.

DIRECTLY EMPLOYED BY US

The modern slavery risks within our team member population (those directly employed by our businesses) are relatively low for the following reasons:

- We directly recruit and manage our team members;
- the jurisdiction in which we operate (although modern slavery exists, has lower prevalence than elsewhere in the world);
- the roles are office-based or retail which are lower risk industries; and
- we have formalised people policies, processes and controls in place.

Following the covid pandemic, we introduced flexible hybrid working for most head office roles, and have put extra provisions in place to ensure the safety and wellbeing of our teams off site.

EMPLOYED BY A SUPPLIER

The risk is higher within our concession or supplier partners population of people working on our sites, but still comparatively low, as we do not directly recruit or manage these workers; our concession or supplier partners do. As well as retail workers, they include workers in industries of higher risk such as construction, cleaning, security and other areas where temporary work is commonplace.

Our partners are required to ensure that the workers' identity documents and right to work are checked.

As these individuals are based on our sites, we have visibility of their practices.

TEAM ONBOARDING PROCESS

Directly employed by us: Our People Team ensure all directly employed team members have the correct legal right to work status, individual address and bank account details as part of our on-boarding process. As a result of these checks, the risk of modern slavery and human trafficking occurring through these routes is low.

Employed by a supplier: We rely on our contractors, concessions, agencies and suppliers to ensure people working for them are eligible to work and are compliant with our policies and procedures. This is set out in our Ethical Trade Requirements and we engage our suppliers accordingly. In addition, we conduct an interview with all candidates working on our sites employed by our concessions, agencies and suppliers.

MONITORING

Grievance process: We have grievance processes for team members to address any concerns or issues that they have. In addition, our Group-wide Speak Up Helpline allows team members and anyone working on our sites or with us, to raise concerns anonymously.

Responsible managers: Key managers in our business are responsible for the safety and wellbeing of those who work in their areas whether they are team members, contractors or concession staff.

ESCALATING

Whistleblowing: We have a dedicated whistleblowing and support line - our Speak Up Helpline. This is accessible 24 hours a day all year by anyone who works for or with us and is promoted through team member guides, on payslips and in team member communication.

TRAINING & COMMUNICATIONS

OUR TEAM

- Our **induction programme** for new team member and concession employees includes an introduction to our sustainability programme, including our approach to responsible sourcing.
- In addition, all new team members complete a mandatory **Sustainability e-Learning training module**. The module gives new starters a clear overview of our sustainability programme and how it fits within wider business strategy. The module includes a section on Modern Slavery; what it is, high risk sectors and its prevalence in Ireland and beyond.
- New managers across our business attend **Line Manager Development training**, which also includes a section on Modern Slavery.
- **Brown Thomas Arnotts' Code of Ethics** e-learning module rolled out in FY22/23 for all existing team members and are embedded in the onboarding process for all new team members.

OUR BRANDS AND SUPPLIERS

As a multi-brand retailer, we are in a unique position to interact with many brands in the fashion, furniture and beauty industries. We use these interactions as an opportunity to provide guidance and learnings in areas of social and environmental responsibility. We will continue to engage with our brands on topics pertaining to modern slavery and ethical trade.

TRAINING STATISTICS

- In 2023, **over 1,600** team members have completed the Brown Thomas Arnotts **Sustainability e-Learning** module, and **over 2,000** completed our **Code of Ethics e-Learning** module.
- **Responsible Purchasing Practices:** Having completed the **Sustainable Apparel Coalition's** self-assessment tool in 2021, the **Brand Retailer Module (BRM)**. The assessment covers social and environmental criteria across all business areas; stores, operations, logistics and distribution, retailing and private label. We continue to review our BRM results and use them as a guide to improve internal processes and procedures in areas such as responsible purchasing practices and risk assessments.
- Using the findings of the BRM, we **developed responsible purchasing practices buyer training** for private label buying and procurement teams.

OUR BRANDS AND SUPPLIERS: RISK ASSESSMENT & DUE DILIGENCE

THIRD PARTY BRANDS

The vast majority of our business comes from third party brands and this is where our greatest modern slavery risk exists. These indirect supply chains span the globe and include countries and industries which can be at risk of modern slavery.

In line with the importance of responsible sourcing and the promotion of fair and safe working conditions, our suppliers must meet the human rights requirements in our **Ethical Trade Requirements (ETR's)**.

In addition, we assess brand status on a variety of areas, including actions relating to modern slavery and ethical trade, through requesting a **Self-Assessment Questionnaire (SAQs)** from brands. Brand SAQs are reviewed internally to identify risk.

Suppliers are responsible for auditing, monitoring, implementing and reporting corrective actions in their supply chains. They must provide us with audit reports, and compliance-related documentation, if requested by us. Suppliers are responsible for maintaining audit documentation and evidence to demonstrate compliance with their sourcing policies, and we reserve the right to investigate responses provided where we deem it appropriate.

GOODS NOT FOR RESALE (GNFR)

Although we have more control over GNFR than third-party brands, we nonetheless recognise the high risk of modern slavery due to the global nature of our GNFR supply chains.

Similarly to third-party brands, we request a **Self-Assessment Questionnaire** from our key GNFR suppliers

PRIVATE LABEL

This is a very small part of our business. We have less than ten suppliers who provide own-branded products. These include Karla Bree branded duvets, bed linen and towels.

We request an SAQ from our private label suppliers. In addition, we require in-date third party audits for tier 1 factories at a minimum. In certain circumstances, factories will complete a self-assessment audit, where a recent third-party audit is not available.

We work closely with these suppliers to address any non-compliances flagged in an audit report. We host regular supplier reviews with our key direct suppliers, focusing on ethical and environmental issues and required improvements, as well as creating a regular and open dialogue for opportunities to improve our own purchasing practices.

These meetings continue to support a collaborative approach to ethical trading and sustainability improvements in our supply chain.

STAYING ON TRACK

GOVERNANCE

Our organisational and governance structure embeds sustainability from the top and in all key business functions. We have a dedicated **sustainability team** to lead our programme with oversight from our **Sustainability Executive Group**. This meeting takes place monthly and acts as our sustainability steering committee. The meeting is chaired by our CEO and all members of our senior leadership team attend.

Across Selfridges Group and our sister retailers, there are similar sustainability teams. These teams work together and have a group-wide monthly **Sustainability Leads meeting** and a separate **Sustainable Product meeting** to track progress and share learnings. We work closely with our brands, concessions and suppliers on managing sustainability risks and unlocking opportunities. At these meetings, we discuss brand due diligence, modern slavery risk as well as wider supply chain and material issues.

SUSTAINABILITY

Positive Change, our purpose-led sustainability programme, guides our sustainability strategy, initiatives and targets.

Our sustainability vision is to achieve Positive Change and support our customers to Buy Better. We see this as Doing the Right Thing, one of our core business values. We're committed to continuing to ensure that sustainability is embedded in our ways of working, and considered in what we buy and sell. Our aim is to manage our environmental footprint, responsibly source our products, invest in our people and support our people and communities.

To deliver on this vision, our sustainability programme has three pillars of action – Believe, Transform and Act. We published our first Sustainability Report in 2022 and commit to doing so annually. This report is published on our Brown Thomas and Arnotts websites. Our sustainability strategy is integrated in all parts of the business, management objectives and monthly Key Performance Indicators (KPI).



A black and white photograph of a ship's horizon with a telescope in the foreground. The telescope is positioned on the right side of the frame, pointing towards the sea. The sea is calm, and the horizon line is visible in the distance. The overall tone is professional and focused on navigation and monitoring.

MONITORING EFFECTIVENESS

Monitoring key measures helps us identify and tackle risk. It also assists us with evaluating whether our approach is effective and helps to direct our future activity as well as highlight potential areas of improvement. Each year, we review our processes to ensure that we continue to effectively manage risk.

Our business reports our headline sustainability performance monthly to our parent company, Selfridges Group. This sustainability dashboard includes measures on team member awareness and engagement, supply chain visibility, non-compliances and brand and supplier engagement. In addition to this, sustainability and ethical trade risks are considered in our bi-monthly business risk reviews. We also publish an update on our performance under all sustainability pillars in our annual Sustainability Report, published annually since 2022.

Key initiatives:

- Continue to utilise the **existing measures** we have in place effectively;
- Continue to **monitor and take action** as necessary in relation to the potential impacts from areas of increased risk including war zones and investigations in Xinjiang;
- Continue to **collaborate with external experts**, other organisations and collaborative forums such as the Sustainable Apparel Coalition and Stronger Together, to gain further insight on ethical and environmental risk;
- Continue to **engage our team members**, brand partners and suppliers on the issue of modern slavery.

BROWN THOMAS | ARNOTTS