

# Responsible Sourcing Policy

## 1 Sustainability

Sustainability at House of Fraser means being a “Responsible Retailer”. This is integrated as a strategic pillar in our business and one of our core values.

The aim of our Responsible Retailer programme is to manage our environmental footprint, responsibly source and support the communities we engage with whilst maintaining sustainable growth. Our programme has three action areas – People, Planet and Community.

As a minimum these action areas are designed to ensure we meet our legal obligations on sustainability and good industry practice. As a Royal Warrant holder, we also have to abide by their sustainability guidelines.

Responsible sourcing of products, packaging and services is a key element of our sustainability programme.

### People

This includes:

- The responsible sourcing of products across our supply chain by working with our suppliers of house brands, own-bought (i.e. wholesale) brands as well as our concession and service partners;
- Employee engagement in sustainability; such as low carbon travel or volunteering; and
- Customer engagement on sustainable products and packaging.

### Planet

This focuses on the environmental management of our footprint across the whole of our business including stores, offices, products and supply chain, including:

- Reducing our contribution to climate change by reducing our energy consumption and greenhouse gas emissions;
- Preventing and reducing consumption of resources, water and waste generation; and
- Protecting biodiversity.

### Community

This includes:

- Giving back through charitable activities by supporting the local communities we operate in via the House of Fraser Foundation.
- Scaling our efforts by collaborating with our brands, service partners and concessions as well as sustainability initiatives including Business in the

Community - The Prince's Responsible Business Network and SEDEX on responsible sourcing.

## **2 Responsibility**

It is your responsibility to communicate and implement our Responsible Sourcing Policy and Responsible Sourcing Code of Conduct within your activities and your supply chain. You must nominate a senior manager to undertake this responsibility and notify us of the same. This will be the day to day contact for our Responsible Sourcing team for communications in both directions as required.

## **3 Responsible Sourcing Code of Conduct**

- 3.1 In acknowledging the importance of responsible sourcing and the promotion of fair and safe working conditions within your supply chain, you must meet or exceed our Responsible Sourcing Policy and Responsible Sourcing Code of Conduct.
- 3.2 Our Responsible Sourcing Policy and Responsible Sourcing Code of Conduct recognises that a supply chain can be complex including diversity of product lines and the global citizens who produce them. Our intention is to promote high ethical standards within the supply chain without imposing unachievable conditions.
- 3.3 In order to keep up-to-date with changes and developments in the environment, employment conditions and human rights, you acknowledge that we will review our policies periodically and update them as and when necessary.

## **4 Legal obligations**

In line with our Responsible Sourcing Code of Conduct, you will meet your legal obligations in the following areas as a minimum:

- a) Human rights, labour and modern slavery;
- b) Health & Safety;
- c) Environment; and
- d) Animal Welfare

## **5 Due Diligence and Supply Chain Traceability**

### **Mapping and risk assessment of suppliers**

- 5.1 You agree that we will risk assess your sustainability performance in the following key areas:
  - a) Human Rights, Labour and Modern Slavery;
  - b) Health & Safety;
  - c) Environment; and
  - d) Animal Welfare.

- 5.2 You must complete our Sustainability Supplier Questionnaire and provide your audits, compliance certificates and member certifications as necessary. We will use this to identify your performance against our Responsible Sourcing Code of Conduct as well as key legal and best practice requirements.

**Audit and monitoring**

- 5.3 We reserve the right to audit your sustainability performance via a desk top assessment and/or in person.
- a) When we conduct a desk top risk assessment, we will look at your audits as made available by you through SEDEX and your completed Sustainability Questionnaire. You may utilise industry standard audits (examples include SMETA and BSCI), third party audits, self-audits.
  - b) When we conduct person site audits, we will monitor, inspect and assess implementation and compliance with our Responsible Sourcing Code of Conduct and the answers you have given in the Sustainability Supplier Questionnaire. This may be conducted by one of our employees and/or a third party auditor.

**House Brand suppliers**

- 5.4 If you are a house brand supplier, then you must meet the following mandatory criteria to be chosen as a supplier:
- a) Member of SEDEX ;
  - b) Compliance with relevant legal obligations including, but not limited to, UK Modern Slavery Act and REACH;
  - c) No real fur, no angora rabbit wool; and
  - d) You must operate an Environmental Management System.
- 5.5 You are responsible for auditing, monitoring, implementing and reporting corrective actions in your supply chains. If required, you must ensure access to your factory premises is not restricted and must provide all information required by our employees/auditors.

All manufacturing and processing facilities are subject to random audits. We reserve the right to visit factories and conduct audits to verify compliance with our Responsible Sourcing Code of Conduct.

- 5.6 You must maintain audit documentation and evidence to demonstrate compliance with our Responsible Sourcing Code of Conduct. If collected by us, this information will be held by us in confidence unless a legal obligation requires otherwise, for example in the case of Modern Slavery Act reporting.
- 5.7 Following our assessment, we will rank you as a Gold, Silver or Bronze supplier. We aim to increase the rank of our suppliers to drive sustainability improvements in the supply chain.

- 5.8 You agree that we may keep your details on a database including your sustainability performance criteria to ensure traceability across all of our suppliers and compliance with the Responsible Sourcing Code of Conduct.

**Own-Bought, Concession and Service suppliers**

- 5.9 If you are an own-bought, service supplier or a concession partner then you must meet the following mandatory criteria:
- a) Compliance with relevant legal obligations including, but not limited to, UK Modern Slavery Act and REACH; and
  - b) No real fur and no angora rabbit wool.
- 5.10 You are responsible for auditing, monitoring, implementing and reporting corrective actions in your supply chains. If required, you must provide us with test reports, audit reports etc. if requested by us in response to a request from a customer or governmental body.
- 5.11 We reserve the right to investigate the answers you have given in audits and the Sustainability Supplier Questionnaire, if required, to ensure your compliance with your (our) legal obligations.
- 5.12 You must maintain audit documentation and evidence to demonstrate compliance with your sourcing policies. If collected by us, this information will be held by us in confidence unless a legal obligation requires otherwise, for example in the case of Modern Slavery Act reporting.

**Non-compliance**

- 5.13 Where non-compliances are identified, we will agree corrective actions with you to an agreed deadline. We will expect all non-compliances to have been dealt with no later than three months after an audit or when otherwise raised with you unless otherwise agreed in writing. Satisfactory evidence of non-compliance resolution must be provided by you.

**6 Training**

You are responsible for training your staff and supply partners to ensure our Responsible Sourcing Code of Conduct is complied with. We will provide advisory supports for our supply partners to meet our policies as required.

**7 Collaboration**

We encourage our suppliers to collaborate with responsible sourcing initiatives to facilitate continuous improvement.

**8 Reporting**

- 8.1 We will monitor our internal KPI's and adherence to our Responsible Sourcing Code of Conduct.
- 8.2 Progress and any incidents of modern slavery identified are disclosed in our annual reports.