



REXEL

a world of energy

SLAVERY AND HUMAN TRAFFICKING STATEMENT

REXEL UK LIMITED

FINANCIAL YEAR ENDING 31 DECEMBER 2019



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INTRODUCTION

At Rexel UK, we are committed to eliminating all forms of slavery and we will not tolerate any of these practices in our business or in our supply chain. At the date of publication, we are not aware of any circumstances of modern slavery occurring either within our business or supply chains.

This Statement is an update to the Slavery and Human Trafficking Statement published for Financial Year 2018. During Financial Year 2019, Rexel UK have continued to strengthen our controls to prevent modern slavery occurring both within our organisation and our supply chain; this statement outlines some of these controls, policies and practices.

This statement has been published in accordance with the Modern Slavery Act 2015 and sets out the steps taken by Rexel UK Limited, and its relevant subsidiaries, to prevent modern slavery in our business and supply chain for the financial year ending 31 December 2019.

OUR BUSINESS

We are a market leader in the professional distribution of products and services for the energy world. We are an electrical wholesaler with c. 300 branches and c. 2,500 employees spread across the UK, supporting professionals in a range of sectors including, residential, non-residential and industrial markets. Our goal is simple: to help our customers be their best in running their business by providing a broad range of sustainable and innovative products, services and solutions.

Rexel UK Limited trades as Denmans Electrical and Rexel.

All trading is supported and overseen by Rexel UK Finance, Commercial, HR and Legal departments.

ORGANISATION'S STRUCTURE

We are part of the Rexel Group and our ultimate parent company is Rexel SA who has its head office in Paris, France. Rexel SA is listed on the Euronext market of the Euronext Paris stock exchange.

The Rexel Group employs more than 26,000 employees across 26 countries and has a network of some 1,900+ branches worldwide. Our 2019 annual group turnover was 13.74 billion.

REXEL GROUP

26,000

employees

1,900

branches worldwide

26

countries

€13.74 billion

2019 annual group turnover

OUR COMMITMENT

As a Group, we are committed to ensuring that there is no modern slavery or human trafficking in our business or in any part of our supply chain. This commitment is enshrined by the Rexel Group's signature of the United Nations, Global Compact in December 2011.

The Global Compact initiative brings together companies, governments, professional organisations, and non-governmental organisations and is designed to offer a more social, ecological and ethical notion of globalisation. By signing the Global Compact, the Rexel Group is giving a commitment to comply with and promote the ten key principles of the Global Compact in the areas of human rights, labour, environment and anti-corruption. We have made this commitment as we are keen to contribute to a more socially responsible global economy.

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

We have a number of policies and procedures in place to support our anti-slavery commitment. Please see below

for an outline of some of these key policies:

Rexel Group Ethics Guide

As a Group, we stand by the fundamental values that are set out in the Group Ethics Guide. These values embody our identity. Amongst other things, the Guide requires full compliance with the core conventions of the International Labour Organization relating to minimum wages, working hours, protection of the environment & health and safety.

Rexel UK Code of Business Conduct

Our UK Code of Business Conduct applies to all employees, suppliers and subcontractors working for or with Rexel UK. It contains the minimum standards of behaviour that we expect of them and the consequences facing anybody failing to abide by these standards. The Code has been issued by the Chief Executive Officer of Rexel UK and its compliance is monitored by our Legal, Audit, HR and Commercial functions.

Minimum Factory Conditions

Our Minimum Factory Conditions are based on the International Standard SA8000 and outline a minimum set of workers conditions with which we expect our suppliers, and their factories, to comply. We reserve the right to terminate any relationship with suppliers who are found to be non-compliant with these conditions.

Whistleblowing

Our whistleblowing policy sets out the internal process to follow for employees to make a disclosure should they observe any misconduct including the mistreatment of our people. If any employee has any misgivings about Rexel's conduct, they are encouraged to speak with their Line Manager, Security and/or HR department. Supplier's are encouraged to speak with their main contact or his/her line manager in the first instance. If they are not comfortable in doing so, an employee or supplier can contact our whistleblowing hotline which is manned by an independent company - Safecall. To encourage disclosures, the caller can retain their anonymity should they wish. Disclosures can be made by phone (0800 915 1571); email (rexel@safecall.co.uk); or online (www.safecall.co.uk/report). All reports to the hotline are taken seriously and are fully investigated. At the date of publication, we have not received any disclosures relating to slavery or human trafficking.

Additionally, our Global Holding Company - Rexel SA - have a whistleblowing system available to internal and external stakeholders available at <https://www.rexel.com/en/ethical-alert/>. Amongst other things, any Human Rights concerns can be reported using this tool and any disclosure made in this way will be reported to and processed by the Rexel Global Ethics Committee.

You can read our external policies here:

- [**Rexel UK Code of Business Conduct**](#)
- [**Rexel Global Ethics Policy**](#)
- [**Minimum Factory Conditions**](#)

PROCESSES FOR PREVENTING SLAVERY AND HUMAN TRAFFICKING IN OUR BUSINESS

We are a UK employer subject to UK employment laws and have well developed practices and controls in place to prevent the risk of modern slavery occurring in our business; these practices are under constant review to ensure continuous improvement. The following is a brief summary of our internal processes and controls:

Permanent Employees:

All recruitment for permanent and fixed term employees is managed through a centralised function. All applicants are tracked through our online recruitment portal. Any new appointment is validated by senior management and the independent HR function.

All candidates are vetted by the Hiring Manager following guidance from our Human Resource Function, before they are processed as an employee. HR will ensure that all employment contracts and Right to Work checks have been properly completed and that the candidate has been met in person.

Additionally, all payee details are checked monthly by our Payroll Function to identify any duplicate bank accounts and, as part of the induction checklist, Line Managers are required to conduct a visual check that the bank details provided belong to the employee.

Temporary Employees:

We will occasionally use temporary labour in our operations (e.g. warehouse operatives and drivers). To control any risk of modern slavery, (where possible) we channel temporary appointments through a handful of centrally approved agencies. The nominated agencies are all highly regarded with good reputations and have implemented robust recruitment processes to help ensure that there is no existence of modern slavery in any temporary/agency appointments, e.g. through thorough vetting of a candidates identify, Right to Work documents, bank account and employment history.

There is a centralised process for on-boarding and paying indirect suppliers (see below); all recruitment of temporary labour is processed using this system which has reduced the number of suppliers of temporary agency staff and seen an increase to our approved recruitment partners.

Whistleblowing:

Anybody within our business who has a suspicion of modern slavery is encouraged to speak to their Line Manager, Security and/or HR department. As an alternative, they can call our whistleblowing hotline (see above).

As a matter of policy, we will support any whistleblower who raises a genuine concern, even if they turn out to be mistaken.

Awareness:

We are actively working to increase awareness in our Business of the presence of modern slavery in the UK.

An e-learning training module is available to all Rexel UK employees via our online academy. This is now a mandatory module which all Rexel UK employees are required to complete. The purpose of this module is to make employees aware of the existence of modern slavery in the UK, to help them identify the signs that someone maybe a victim of modern slavery, and to advise them of what action should be taken in the event that they identify an individual at risk. As at the end of FY2019, our completion rate for this module was 69%. We are pushing to ensure everybody within

our Organisation has completed this module and will be rolling out awareness initiatives during FY2020 to improve the completion rate.

High impact posters have been issued to key locations that heavily rely on temporary labour. These are to be displayed prominently on staff noticeboards and encourage anybody with a suspicion of modern slavery to call the Modern Slavery Helpline.

OUR SUPPLY CHAINS

We purchase goods and services from predominately UK-based suppliers. We have established strong and long-lasting relationships with a mix of global market leading manufacturers and local (UK) SME's.

All suppliers of goods stocked for resale are managed centrally by our commercial function. From time to time, we are asked to procure goods outside of our profiled suppliers; there is a documented approval process for these instances with independent sign-off by the applicable Regional Commercial Manager and the UK Commercial Manager. Suppliers of goods/services not for resale are increasingly becoming managed centrally by our Finance Department.

The number of strategic suppliers has decreased over the last few years which has strengthened our relationships with the strategic partners and given us greater influence and transparency on their practices.

We do recognise that there a risk of modern slavery occurring in our supply chain and we are working to implement further checks and balances to mitigate and reduce this risk even further.

SUPPLIER ADHERENCE TO OUR VALUES

We are committed to ensuring we only partner with suppliers that respect Rexel's core values and those of the UN Global Compact. We have made significant improvements to our procurement processes to ensure we select and work with suppliers who meet these standards.

Direct Suppliers / Goods for Resale

Our tender process puts Rexel's core values at the

essence of the criteria. Amongst other things, all tenderers must complete a due diligence questionnaire which includes details on the steps they have taken to eradicate any modern slavery in their own business and supply chain.

Our UK Code of Business Conduct and Minimum Factory Conditions are incorporated by reference into our standard supplier contracts.

Finally, we have created a framework for conducting social responsibility audits of our first and second tier supply base utilising support from the Rexel Group's global presence. As part of this process, the supplier completes a self-certification on their practices and policies using Rexel's proprietary audit questionnaire. These responses are then validated at an on-site survey which is also used to assess the Suppliers honesty and integrity. To date, we have conducted one on-site survey at a second-tier manufacturing base of one of our largest suppliers and no modern slavery concerns were discovered. Further audits are on hold pending the implementation of the Rexel Group's EcoVadis corporate social responsibility platform (see below).

EcoVadis

The Rexel Group use the EcoVadis Corporate Social Responsibility monitoring platform to assess a selection of key suppliers every two years. The last assessment was in FY2018. EcoVadis rate each participating supplier based on its own internationally recognised standard. The EcoVadis rating system is based on an evidence-based assessment, adapted to hundreds of business categories, which takes into account relevant industry labels and certifications as well as local laws in 150 countries, and is aligned with global standards like the UN Global Compact. Rexel uses the results of this assessment to benchmark and improve its Suppliers CSR practices on an ongoing basis.

One hundred and thirty suppliers, representing 50% (by value) of Rexel Group's direct purchases, participated in the FY2018 assessment. This represented 60% of the top 25 suppliers (by value) and 39% of the next largest 26-100 suppliers (by value). Twenty-seven suppliers (representing 27.6% value of direct purchases) scored "Gold" and 55 suppliers (representing 14.5% value of direct purchases) scored silver.

From discussions with the participating suppliers, we understand that larger companies have few problems

in completing the assessment. However, for small and medium sized entities it can be onerous. We are therefore reviewing the process to see how we can get more smaller suppliers to participate.

Indirect Suppliers / Goods not for Resale

The procurement of goods not for resale (indirect goods) is managed via a GNFR Portal which is overseen by the Finance Department. Each spend category is assigned an owner from the relevant Business Function who are ultimately accountable for the conduct of suppliers within their category. The GNFR portal controls the process of creating new supplier accounts and paying suppliers to ensure total transparency and greater rigor in the process. The process for tendering and selecting key indirect suppliers sits with the central Finance Function. Any indirect supplier centrally managed is required to have a signed contract which will include provisions relating to the eradication of modern slavery. This activity helps ensure we partner with suppliers who respect Rexel's core values and who have a similar commitment to eradicating modern slavery.

Our tender process puts Rexel's core values at the essence of the criteria. The tender process is multi-staged to allow for greater and more objective scrutiny of any potential supplier. Amongst other things, all tenderers must complete a due diligence questionnaire which includes details on the steps they have taken to eradicate any modern slavery in their own business and supply chain. Additionally, suppliers must agree to abide by our UK Code of Business Conduct and Minimum Factory Conditions.

Corporate Social Responsibility forum

Our Corporate Social Responsibility Forum provides oversight of management of materially significant non-financial issues. The Forum's objectives are to review the implications of CSR issues for Rexel, prioritise activity and monitor progress of all corporate social responsibility initiatives within our Business. These initiatives focus on managing risk in our supply chain and working with our customers towards mutually beneficial CSR objectives. The Forum is chaired by our Company Secretary and includes representatives from across our business. The Forum regularly reports progress of the initiatives to our Executive Team. The Forum is under review following a change in management structure during FY2019.

FURTHER STEPS

Following a review of the effectiveness of the steps we have taken to ensure that there is no slavery or human trafficking in our business or supply chains we intend to take the following steps to further combat slavery and human trafficking:

- Initiate activities aimed at improving the completion rate of the e-learning training module which will serve to increase awareness of the risk of modern slavery in our Business.
- Create and distribute an action checklist for HR & Senior Management on how to respond to a notification of a potential instance of Modern Slavery in our Business.
- Run an audit of the new employee on-boarding process to review adherence to the controls and review payroll controls around changing employee bank accounts.
- Review and improve the controls around the approval and onboarding of new non-profiled suppliers.
- Conduct further social responsibility audits on our supply chain following the results from the EcoVadis platform (adapted for COVID-19 protocols).

Signed:

A handwritten signature in black ink, appearing to read 'Edgar Aponte', written over a horizontal line.

Edgar Aponte, Chief Executive Officer
Rexel UK Limited