



REXEL AUSTRALIA

MODERN SLAVERY STATEMENT 2021

Reporting Period:
1 January 2021 – 31 December 2021

CONTENT

MESSAGE FROM OUR CEO	3
ABOUT THIS STATEMENT	4
CONSULTATION AND ENGAGEMENT	4
REXEL AUSTRALIA'S STRUCTURE, OPERATIONS AND SUPPLY CHAIN	5
OUR MODERN SLAVERY GOVERNANCE FRAMEWORK	7
MODERN SLAVERY WORKING GROUP	7
POLICIES	8
REXEL GOLDEN GOVERNANCE RULES	8
REXEL GLOBAL SUSTAINABLE SUPPLIER CHARTER	8
REXEL WHISTLEBLOWER POLICY	8
REXEL GROUP ETHICS GUIDE:	8
REXEL MODERN SLAVERY REMEDIATION PLAN	8
OTHER CONTROLS	9
PROCUREMENT CONTROLS	9
OPERATIONAL CONTROLS	9
UNDERSTANDING OUR MODERN SLAVERY RISK	11
2021 ACTIONS AND PROGRESS	13
A NOTE ON COVID-19	14
LOOKING AHEAD	15
ASSESSING THE EFFECTIVENESS OF OUR ACTIONS	16

Message from our CEO



Modern slavery is a serious and global issue which describes the instances of human exploitation where the victim cannot refuse or leave. It is a hidden crime that impacts the livelihood of people – often beyond just one generation - and which can be found in supply chains all around the world. As modern slavery continues to become better understood, companies must act - not only to protect against the adverse financial and reputational risk that follows from inaction, but more importantly, to help protect the people who are being forced into situations where they become victims of modern slavery.

At Rexel Australia, our vision is to be “the Electrical wholesaler who proactively services customers better than anyone else in Australia.” It is important for us to always look for ways to innovate and improve, but also to do the right thing by our customers, colleagues, communities and the people engaged at all levels of our supply chain. We know that good governance is good business and as part of that, we will not tolerate any form of human rights abuse, including modern slavery, in our operations and supply chain.

This is our second Modern Slavery Statement. Building on the foundation laid during the first reporting period, we now have a deeper and more comprehensive understanding of the range of modern slavery risks we face across our business. Our second Statement outlines our efforts in identifying, mitigating and managing the risk of modern slavery in our operations and supply chain.

We have made solid progress in improving our processes and procedures and increasing our awareness of modern slavery risk in 2021. However, the journey has just started and much more needs to be done. We acknowledge the risk of modern slavery occurring in our own operations and supply chain, and that we have more work to do to fully embed our policies, processes and controls.

We remain committed to doing the right thing and playing our part in ending modern slavery in all its forms.

Rob McLeod

A handwritten signature in black ink, appearing to read 'Rob McLeod'. The signature is fluid and cursive, written over a light grey rectangular background.

Rexel Australia CEO

About this Statement

Rexel Holdings Australia Pty Ltd and its related entities (collectively, **Rexel Australia**) have prepared this Modern Slavery Statement (**Statement**) as a joint statement in compliance with the *Modern Slavery Act 2018* (Cth) (**the Act**). This Statement covers Rexel Holdings Australia Pty Ltd (the Australian holding company in the Rexel Australia Group) and all its controlled entities as defined under the Act, being:

- Rexel Electrical Supplies Pty Ltd; and
- Australian Regional Wholesalers Pty Ltd.

This is the second statement for Rexel Australia and covers the reporting period 1 January 2021 to 31 December 2021 (**Reporting Period**). This Statement meets the mandatory criteria outlined in the Guidance for Reporting Entities: Commonwealth Modern Slavery Act 2018.

Consultation and Engagement

Rexel Australia operates as an integrated Group, with policies, systems and processes applied uniformly across each entity. The leadership team is responsible for developing and approving the Group's environmental, social and governance (**ESG**) strategy. This includes human rights and the preparation of the annual Modern Slavery Statement. This is supported by the Modern Slavery Working Group, which is responsible for developing and implementing operational and procurement controls that mitigate modern slavery risk within the business.

The Modern Slavery Working Group (consisting of senior leaders from HR, Legal and our Supply team) provides updates to Rexel Australia's governance committee on a quarterly basis. Those updates as well as any resulting operational or procedural changes are then collated and reported annually through the preparation and submission of a modern slavery statement, such as this Statement.

Rexel Australia's leadership team have approved this Statement prior to its submission and approval by the relevant company board. The directors of each the 3 trading entities outlined above have endorsed this joint Modern Slavery Statement.



Leading the way in electrical product distribution

supporting our customers with sustainable and innovative services and solutions

Rexel Australia's Structure, Operations and Supply Chain

Our Structure

Rexel Australia is an electrical wholesaler, supplying professional electrical products such as cable, lighting and switchgear to electrical contractors and directly to various commercial, industrial and government organisations. We operate through our subsidiaries - Rexel Electrical Supplies Pty Ltd and Australian Regional Wholesalers Pty Ltd.

Our current corporate structure is set out below:



Operations

Rexel Australia operates nationally, with its corporate office in North Ryde, New South Wales.

As at 31 December 2021, we had an approximate annual revenue of \$856.14 million and operated across 134 sites.

Our employees

As at 31 December 2021, Rexel Australia's workforce comprised of 997 staff working across our operating businesses. 100% of our workforce is based in Australia. Our employment terms and conditions are underpinned by the Fair Work Act and the National Employment Standards (**NES**). Our employment contracts set out the minimum terms and conditions of employment, in line with the NES, including hours of work, remuneration and leave entitlements.

Our workforce consists of full time, part time, casual and fixed term contract employees. 99.1% of our workforce are permanent full and part time employees.

Our supply chain

In 2021, we spent \$789 million, encompassing a wide and varied network of over 5,572 suppliers. The majority of our spend is with Australian businesses, though we acknowledge that goods may still be sourced from overseas locations.

Our suppliers can be broadly categorised into 4 groups:

Global market leading manufacturers

These suppliers are well established global brands, with a mix of local and offshore manufacturing facilities. Sometimes, these suppliers have a relationship with several Rexel companies around the world and have a strategic importance to the global Rexel Group.

Local suppliers

These suppliers are Australian based, with a mix of local and offshore manufacturing facilities.

Resell from Bizline

We do re-sell some own-brand product under the Bizline brand. Bizline is a wholly owned brand of the global Rexel Group and is distributed exclusively through Rexel owned branch outlets in several countries, including Australia. In 2021, Bizline represented under 0.5% of our total spend.

Non-inventory suppliers and sub-contractors

Australian suppliers with an Australian or remote workforce, providing services such as cleaning, security or IT services



Our Modern Slavery Governance Framework

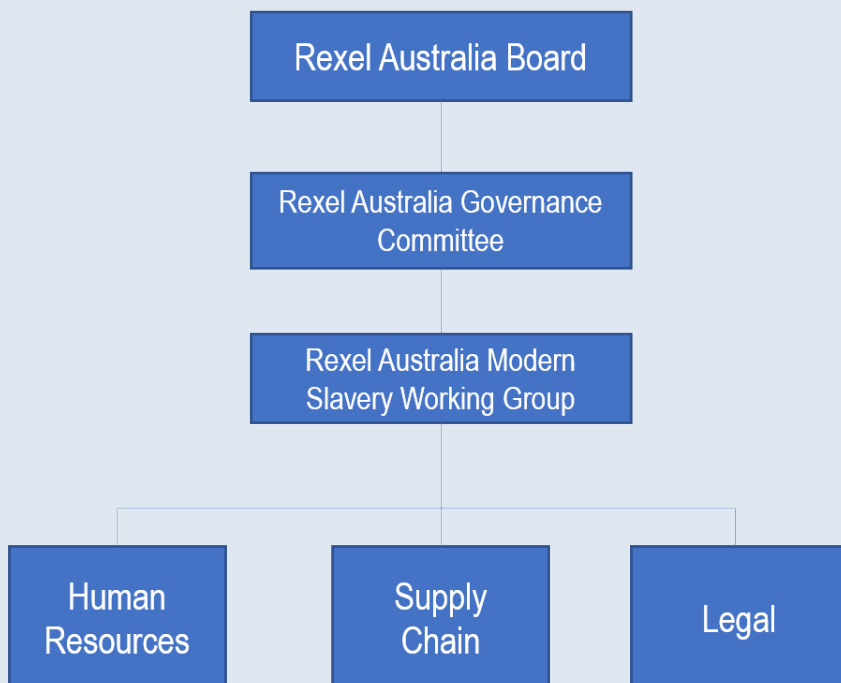
At Rexel Australia, we believe good governance is good for business and equally essential for managing and mitigating the risks of modern slavery and human trafficking. As a result, we have been working on incrementally building our governance framework, year on year.

Modern Slavery Working Group

Rexel Australia's modern slavery working group consists of senior representatives from legal, HR, and supply chain. This group is responsible for promoting awareness of modern slavery risks across the business, implementing Rexel's agreed modern slavery initiatives and reporting these in our Modern Slavery Statement.

The working group reports to the Governance Committee, which is responsible for Rexel Australia's corporate governance and compliance framework. This includes ensuring implementation of responsible, ethical, and sustainable business practices, including human rights such as modern slavery. The working group reports its progress to the Governance Committee on at least a quarterly basis.

In the past 12 months, the working group has been involved in reviewing actions, processes and controls to raise awareness of modern slavery and reduce modern slavery risks, such as rolling out supplier assessments and creating a modern slavery training program.



Policies

Rexel Australia has established a suite of policies that support our anti-slavery commitment. Our policies clearly articulate the standards we expect from our people and suppliers to prevent and address modern slavery. These include:

Rexel Golden Governance Rules

Our Golden Governance Rules outline behavioural standards that we expect of our employees and contractors. They act as a reference point for key work-related governance issues. The Golden Governance Rules include the expectation that Rexel will not tolerate any form of forced or bonded labour in any part of our operations or supply chain. These Rules have been finalised in this reporting period. In the next reporting period, we expect to operationalise these Rules, including rolling out training and raising internal awareness.

Rexel Global Sustainable Supplier Charter

As part of the global Rexel Group, Rexel Australia has committed to our new global Sustainable Supplier Charter ("**Charter**"). The Charter sets out Rexel's minimum expectations for ethical behaviour from our suppliers. This includes acting ethically and lawfully, respecting human rights and protecting employee rights. As at 31 December 2021, approximately 50% of our total purchases are sourced from suppliers who have agreed to comply with the Charter.

Rexel Whistleblower Policy

Our Whistleblower Policy provides a practical tool to encourage and facilitate the disclosure of any wrongdoing or misconduct in our working environment, and to ensure that people who disclose wrongdoings can do so safely, securely and with the confidence they will be protected and supported. Concerns of modern slavery in Rexel Australia's operations and supply chain are reportable through our Whistleblower Policy. The internal reporting lines (to a Line Manager and/or HR Department) are supplemented by an external Whistleblower hotline. This hotline is an independent and anonymous service to raise concerns, including about suspected modern slavery within our operations or supply chain. All reports to the hotline are taken seriously and are fully investigated.



At the date of this statement, we have not received any disclosures relating to modern slavery. In the next reporting period, we will be reviewing our Whistleblower Policy to ensure that our processes allow us to effectively capture and escalate any modern slavery grievances.

Rexel Modern Slavery Remediation Plan

We have an informal remediation plan to ensure that any victim of modern slavery is protected. However, we recognise the need to have a formal process that outlines our action plan should modern slavery cases be identified. We have started working on this and in the next reporting period, expect to have formalised our remediation framework.

Other controls

Procurement controls

Our existing supplier contracts already contain obligations for suppliers to operate in accordance with national and international laws, comply with principles of fair competition, reject all forms of corruption, and operate in a manner consistent with the principles of the Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, and conventions of the International Labor Organization.

Additionally, we have also commenced a review process to amend our purchase order terms, including the addition of specific modern slavery obligations. This will ensure that all suppliers, even those without a standard contract, will be required to comply with our expectations on modern slavery. It means that new suppliers will be required to have procedures in place to support compliance with modern slavery laws, to start implementing similar expectations within their own supply chain and to notify Rexel Australia of identified material modern risks. We see this is as valuable because it not only signposts our expectations of our suppliers, but also acts as a springboard for meaningful supplier engagement. We recognise that raising awareness and engaging suppliers is critical to reducing the risk of modern slavery.

In FY 2020, Rexel Australia developed a modern slavery questionnaire intended to help assess the modern slavery risk profile of its suppliers. It includes questions in relation to the supplier's modern slavery policies and procedures, known modern slavery risks and other risk factors. This questionnaire was used for assessing 30 suppliers in 2020 and 2021. These suppliers represented 45% of our spend.

Operational controls

We are an Australian employer subject to Australian employment laws and have developed practices and controls in place to reduce modern slavery risk within our operations. These practices and controls are subject to regular review so as to ensure continuous improvement. The following is a summary of our key internal processes and controls:

Recruitment and Employee Engagement

Rexel Australia protects the labour standards and human rights of its employees through its human resources policies and recruitment practices. Most of our employees are employed directly, with their employment terms and conditions set out in employment contracts governed by Australian employment laws and relevant awards. All recruitment is managed through a centralised recruitment function, which includes ensuring that candidates' Right to Work checks are completed prior to offers being made.

Remuneration for all employees is reviewed on an annual basis. Additionally, all permanent employees are given the opportunity to participate in a global engagement survey at least once every 2 years, which gives them an opportunity to anonymously report any concerns to our parent company in Paris. This complements the existing internal and external grievance reporting mechanisms in Australia.

We use temporary labour in our operations in very limited circumstances (e.g., warehouse operatives and drivers). To reduce modern slavery risk and where possible, we channel temporary appointments through a small number of well recognised labour hire agencies. Where a licensing regime is in place, we use licensed labour hire providers.

Training and awareness

Rexel Australia provides training through our Rexel Academy Online platform. This includes a modern slavery awareness module, which emphasises our zero-tolerance approach towards modern slavery and helps employees in identifying and managing modern slavery risks. This is supplemented by related training programs, including in relation to our Whistleblower Policy.

These factors, together with our comprehensive policies set out above, grievance reporting channels and regular review process mean that the risk of modern slavery within our direct operations is low.

Understanding our modern slavery risk

Rexel Australia conducts ongoing risk assessments of its suppliers to identify modern slavery risks. These assessments look at both the supplier's industry, the geographical risk based on their location and product being supplied, but also their supply chains and the raw materials used in the production of goods and services that they provide to us. This helps us to understand the type of risk as well as where it is likely to occur in the supply chain.

In late 2019, Rexel Australia engaged a third-party data provider, Fair Supply Analytics to conduct this initial risk assessment process. We then used these findings over the past two years to inform where we focus our due diligence and supplier engagement, including supplier self-assessment questionnaires and desktop audits consisting of a review of publicly available information.

Knowing that modern slavery risks often appear deep within a supply chain, our supply chain mapping assessed modern risks up to Tier 10 of Rexel Australia's supply chain. This was performed using Fair Supply Analytics' proprietary algorithm and data-analysis system to identify and examine Rexel Australia's modern slavery risks. This methodology evaluated the interactions between:

- a) Total supplier spend amount;
- b) Industry category;
- c) Geographical area of operation; and
- d) Where the risk is occurring within the supply chains – e.g. 2nd tier supplier, 5th tier supplier, etc.

In looking at 3895 suppliers across 1137 unique spend qualifications, the assessment:

- a) identified and conducted due diligence on the individual suppliers with the most elevated risk of modern slavery;
- b) mapped the relative modern slavery risk across Rexel Australia's supply chain up to Tier 10; and
- c) analysed the cumulative risk of modern slavery across our supply chain.

No global supply chain is free of modern slavery. Based on the findings from Fair Supply and our review of publicly available information, we identified the following areas as having the highest risk of modern slavery in our supply chain:



Underpayment, indentured workers, and exploitation in low-skilled services such as cleaning



Labour conditions and child labour in the production of key materials, including electrical products



Labour conditions and child labour in the supply chain of electronic manufactured goods



Labour conditions in the production of textile products such as uniforms







This initial risk assessment provided us with an understanding of the latent modern slavery risk. To consider how Rexel Australia may contribute to reducing this risk as a business, we considered if our risk of modern slavery is:

1. A direct result of our operations (caused)
2. Due to certain business practices that increase exploitation such as unrealistic cost targets and delivery timeframes for a supplier that can only be met by using exploited labour (contribute)
3. Due to having supply chain risks such as subcontractors or suppliers that use forced labour to complete the project or provide the service or product (directly linked)

Overall, the initial assessment determined that most of our risk came from supply chain risks (directly linked) both in our local sub-contractors and suppliers, and from our international supply chains.

2021 Actions and Progress

The focus of our actions over the second modern slavery statement period in 2021 was to continue to lay the foundation for our modern slavery framework, including assessing and addressing potential risks across our supply chain and enhancing our safeguards and controls. The following table outlines Rexel Australia's progress during this Reporting Period:

FOCUS ACTION	ACTIONS	STATUS UPDATE
Supplier engagement	In 2020, we received and reviewed supplier questionnaires from 10 suppliers, representing 25% of spend. In 2021, we received and reviewed 12 suppliers, representing 20% of our total spend. This means we have now done an initial review of 45% of Rexel Australia's spend across 2020 and 2021.	
	In 2021, we rolled out the Rexel Sustainable Supplier Charter to 30 suppliers.	
Training and awareness	We created modern slavery training material targeting all employees.	
	In 2021, 96% of our employees completed modern slavery awareness training. This is now also included in the onboarding process for new starters.	
Governance	We have created the Rexel Golden Governance Rules and are working on its implementation.	
	We have started the review process of updating our standard contract templates and purchase order terms used by our businesses.	
	We have improved our Group-level oversight by continuing to update and report on modern slavery actions as part of regular Governance Committee meetings.	

Goal achieved in 2021-Complete



In Progress



Not Started



A note on COVID-19

We acknowledge that the global COVID-19 pandemic has increased the modern slavery risk faced by vulnerable workers across Australian and global supply chains. We will be looking to update our training module during the next reporting period to raise awareness of this impact.

Like other Australian businesses, we also faced disruptions to certain Rexel Australia operations due to COVID-19. This included transitioning some of our workforce to remote working arrangements. Our focus in this period was on ensuring employee health and safety, supporting employees in a remote working environment, and ensuring business continuity.

Our supplier profiles and procurement practices remained largely unchanged during this period.



Looking ahead

We want to ensure that we are continuing to build on the modern slavery initiatives that we implemented in 2020 and 2021. The diagram below sets out key focus areas that Rexel Australia is looking to prioritise across 2022 and 2023:

2022		
	2023	
Roll out Rexel Australia Golden Governance Rules		
Finalise update to supplier terms to include modern slavery provisions	Review and update supply chain mapping and assessment	
Review and update of whistleblower policy	Review supplier assessment, including collaboration with our parent company in respect of third party assessments and/or audits	
Formalise Rexel Australia's modern slavery remediation policy	Implementation of third party due diligence policy	
Continue supplier self- assessment of next 10 top suppliers, based on spend	Review of modern slavery training program for employees	
Continue raising awareness through modern slavery training program for employees		
Consider scope of third party due diligence policy, including in respect of suppliers		



Assessing the effectiveness of our actions

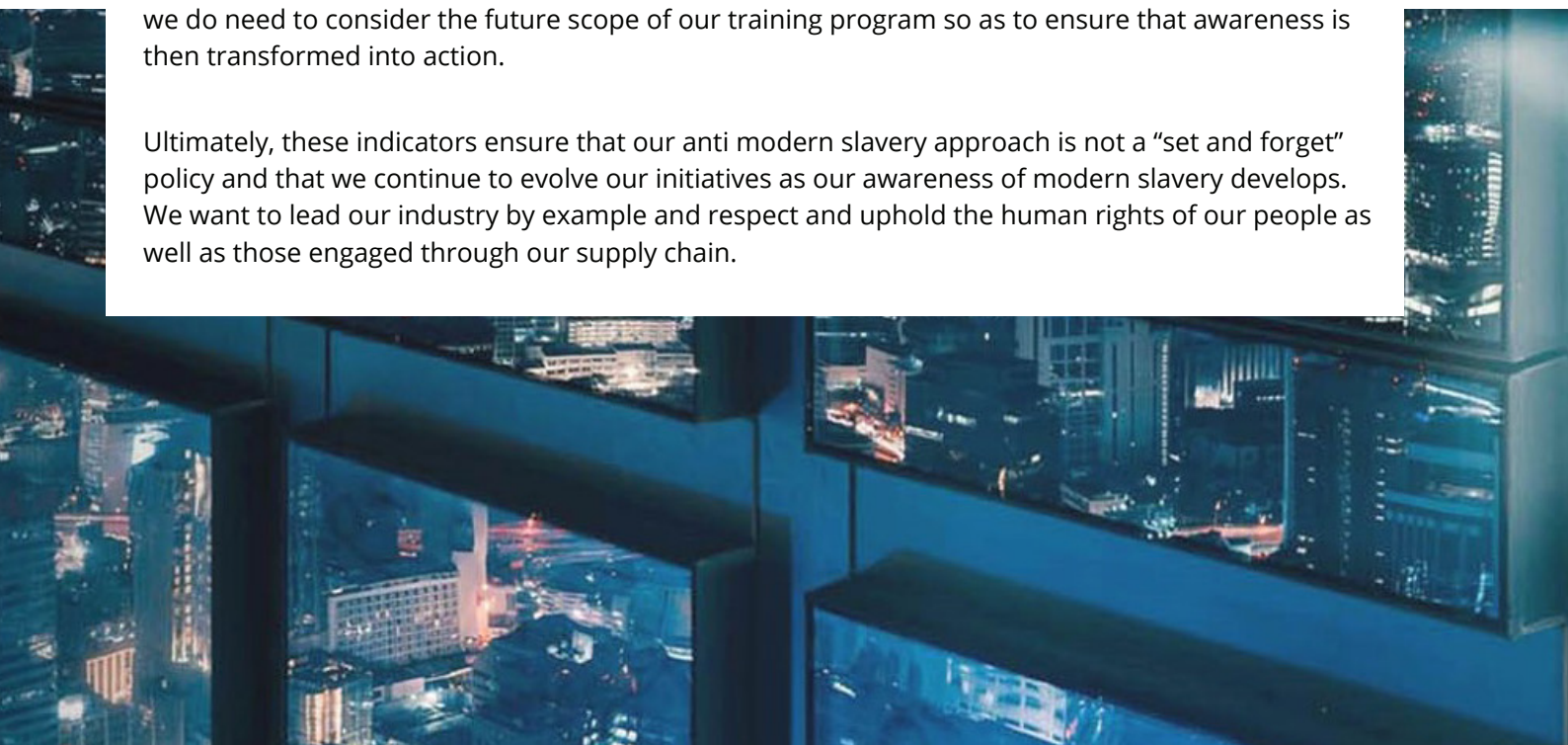
Measuring the effectiveness of our modern slavery actions is challenging due to the hidden nature of modern slavery. At Rexel Australia, we have been reflecting on how to know if modern slavery risk has been reduced across our operations and supply chains. Given we are still in the foundational stage of our modern slavery journey – that is, setting out our governance framework, raising awareness and understanding our supply chain – we believe it is too early to make this assessment. However, we believe that our capacity to make this assessment will increase as we operationalise our policies and protocols and gain a deeper understanding of how our suppliers – and their suppliers – operate. Accordingly, in future reporting periods we will be measuring our effectiveness using 3 key indicators.

Firstly, we will be examining how well we are understanding our suppliers. Our last overall supply chain assessment was in 2019, and there has been a substantial refinement and increased availability of modern slavery tools, expertise, and data since then. We believe it is important that this analysis be updated periodically to ensure we are addressing changes in the supply and risk landscape. Related to this changing landscape, we acknowledge there has been growing international concern in the past year around potential modern slavery risk in the global solar panel supply chain. This relatively small spend category of our business now needs more focus in our next reporting period given the general concerns being raised through different forums.

Secondly, we will be measuring how good we are at detecting modern slavery cases and addressing them. Part of this is continuing the process of improving supplier awareness and collaboration through updates to contract terms, rolling out the Charter and supplier self-assessments. The other part is reviewing and updating our Whistleblower Policy, which we believe is a vital tool to detect modern slavery. Although we haven't received any modern slavery reports to date, we appreciate that modern slavery is present in every chain and that we need to review and monitor our reporting process to ensure it remains accessible and effective.

Finally, we will be measuring how well Rexel Australia has raised internal awareness of modern slavery and improved our purchasing decisions and culture. In 2021, 96% of our employees completed modern slavery awareness training, which was a pleasing result for our business. Modern slavery awareness training is now also included in the onboarding process for new starters. However, we do need to consider the future scope of our training program so as to ensure that awareness is then transformed into action.

Ultimately, these indicators ensure that our anti modern slavery approach is not a “set and forget” policy and that we continue to evolve our initiatives as our awareness of modern slavery develops. We want to lead our industry by example and respect and uphold the human rights of our people as well as those engaged through our supply chain.



This Statement is made pursuant to section 13(1) of the *Modern Slavery Act (Commonwealth) 2018*. It constitutes the joint statement of Rexel Australia and covers the reporting period 1 January 2021 to 31 December 2021. This Statement has been reviewed and approved by the Rexel Board of Directors on 29 June 2022.



Robert McLeod
Rexel Australia CEO
29 June 2022



Service and Brands you can Trust

