



REXEL AUSTRALIA MODERN SLAVERY STATEMENT (FY 2022)



Reporting Period:
1 January 2022 – 31 December 2022

CONTENT

MESSAGE FROM OUR CEO	3
ABOUT THIS STATEMENT	4
CONSULTATION AND ENGAGEMENT	4
OUR STRUCTURE, OPERATIONS AND SUPPLY CHAIN	6
OUR MODERN SLAVERY GOVERNANCE FRAMEWORK	8
MODERN SLAVERY WORKING GROUP	8
POLICIES	9
OTHER CONTROLS	10
PROCUREMENT CONTROLS	10
OPERATIONAL CONTROLS	11
UNDERSTANDING OUR MODERN SLAVERY RISK	13
2022 ACTIONS AND PROGRESS	17
ASSESSING THE EFFECTIVENESS OF OUR ACTIONS	23
OUR ONGOING COMMITMENT	25

Message from our CEO



At Rexel, our purpose is Electrifying solutions that make a sustainable future possible. Through the products, solutions, expertise and services we provide, we strive to make the activity of our customers easier, more efficient and more sustainable. We strongly believe that caring about the people in our business, community, operations and supply chains is key to our purpose and a sustainable future. This purpose also comprises the responsibility to respect human rights and creating opportunities to positively impact human rights, across our operations, supply chain and communities.

Our annual Modern Slavery Statement aims to provide insight into the risk of modern slavery in our operations and supply chain and the actions we are taking to address this risk.

I am proud of the work our team has undertaken in the past year to minimise, identify and mitigate modern slavery risk. Highlights from FY 2022 included:

1. Deep diving into the modern slavery risks inherent in the supply of solar panels and developing a blueprint for dealing with photovoltaic products.
2. Continuing the development of our governance framework. This included launching a new modern slavery policy, a remediation framework and drafting modern slavery clauses for our supplier contracts.
3. Continuing to embed human rights considerations in our supplier assessment process and strengthening the capability of our people to identify and manage suspicions of modern slavery.

Whilst this progress has not been without its own challenges, our commitment to continuous improvement and making a difference in this space remains firm.

This statement is a record of our actions to assess and manage modern slavery risk in our operations and supply chain.

A handwritten signature in black ink, appearing to read 'Rob McLeod'. The signature is written in a cursive style and is positioned above the printed name.

Rob McLeod
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 third statement for Rexel Australia and covers the reporting period 1 January 2022 to 31 December 2022 (**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 our Supply Chain, Legal and HR teams) 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 of 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

Service and Brands you can Trust



Our supply chain

In 2022, we spent approximately \$695 million, encompassing a wide and varied network of over 3,200 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 broadly be 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.
Resale of Bizline Products	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 2022, Bizline represented 1% of our total spend.
Non-inventory suppliers and sub-contractors	Australian suppliers with an Australian or remote workforce, providing services such as cleaning, security, general office supplies or IT services.



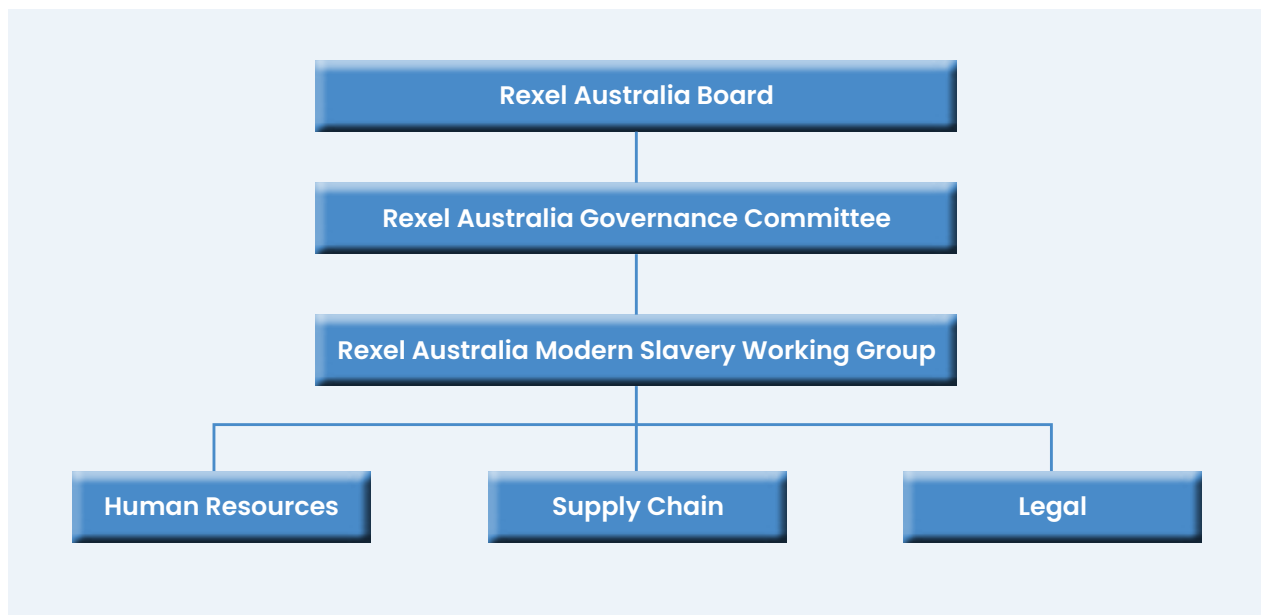
Our Modern Slavery Governance Framework

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 has continued to lead our modern slavery elimination efforts. The Working Group consists of senior representatives from Supply Chain, Legal, and HR. Having a working group with representatives from all parts of the business ensures that we have a comprehensive, whole of business view of the modern slavery risks for Rexel Australia. It has also ensured a consistent approach to our risk mitigation efforts within the business.

The Working Group reports to Rexel Australia's 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.



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:

DOCUMENT TITLE	OVERVIEW
Modern Slavery Policy	Rexel's Modern Slavery Policy aligns with the United Nations Guiding Principles on Business and Human Rights and the Modern Slavery Act 2018 (Cth). It applies to all team members, contractors, and suppliers in Australia and overseas. It sets out our commitment to the elimination of modern slavery, human trafficking, and all kinds of exploitation practices as well as our expectations of Rexel suppliers.
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.
Global Sustainable Supplier 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 2022, approximately 72% of our total purchases are sourced from suppliers who have agreed to comply with the Charter.
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 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.
Modern Slavery Remediation Plan	Our remediation plan ensures that any victim of modern slavery is protected and outlines our action plan in the event that any modern slavery cases are identified.
Human Resources Policies	Our Human Resources team oversees our employment and workplace health and safety policies which include policies governing the employment relationships with our staff. These cover areas such as recruitment, performance management, grievance management, training and development, well-being health and safety, leave, benefits, flexible working, workplace giving and termination. Their purposes are to ensure fairness, compliance and a positive work environment.



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.

Our purchase order terms include specific modern slavery obligations. This ensures that all suppliers, even those without a preferred supplier 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 slavery 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 with suppliers is critical to reducing the risk of modern slavery.

Over the past three years, Rexel Australia has developed and used 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. In 2022, we updated and shortened the questionnaire to improve the quality of the responses. We also specifically included questions in respect of sourcing location of primary materials in respect of our solar suppliers. This questionnaire was used for assessing 5 general suppliers and 5 solar suppliers. These suppliers represented 6.3% of our spend. Across the past 3 years, we have now issued questionnaires in respect of 51.3% 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 year. This complements the existing internal and external grievance reporting mechanisms in place in Australia.

We use temporary labour in our operations in very limited circumstances (e.g., warehouse operatives and drivers). To reduce modern slavery risk, 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.

Third Party Due Diligence Improvements

Rexel Australia has implemented a third-party due diligence tool as part of Rexel Group's global sanctions compliance framework, aimed at ensuring we do not have supplier or customer relationships with individuals or entities that are the subject of sanction designations. During 2022, Australia's Autonomous Sanctions Act 2011 (Cth) was updated to include thematic sanctions regimes, such as human rights abuses. These changes are reflected in our screening process. Our due diligence tool sources information about Rexel Australia's potential customers and suppliers, including information about any regulatory or disciplinary action and adverse reporting, such as any modern slavery findings. Where an initial report returns any potentially adverse information, Rexel Australia's compliance team is required to review the information against Rexel's modern slavery policy and the Rexel Sustainable Supplier Charter in ultimately determining whether Rexel should engage with that customer or supplier. Rexel has begun the process of assessing its current suppliers above a material spend threshold. New suppliers above a material spend threshold will also be assessed using this tool.



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.








In 2020 (our first reporting period), we undertook a comprehensive review of modern slavery risks in our operations and supply arrangements. In 2022, we updated this to include 2 new categories of high risk, being solar panels and battery products. We also made some progress in redressing risk in the solar panel category, as outlined in our case study below. The highest risk of modern slavery in our supply chain can be summarised as follows:

Supply Chain	
Solar Panels supply chain	The procurement of solar panels is considered a high-risk industry for modern slavery due to risks present throughout the supply chain. Specifically, polysilicon used in the manufacturing of some solar products has been associated with the exploitation of Uyghur and Kazakh minorities in Xinjiang, China. Solar panels represent approximately 2% of Rexel’s sales. Despite our low level of spend in this area, we have begun implementing action in this area. See our case study below on how we are dealing with this risk.
Sourcing of batteries	The procurement of batteries is considered high-risk for modern slavery due to risks present throughout the supply chain. For example, key resources used for batteries (e.g., lithium, cobalt) may be sourced from regions associated with human rights abuses ((such as Democratic Republic of Congo). Batteries represent approximately 0.6% of Rexel Australia’s sales. We have limited ability to influence given the low level of the spend and given that we do not have a direct supply link with the manufacturers. Moving forward, we will reflect on our ongoing progress with solar panels and consider whether any of our learnings and approach are transferable to this space.
Sourcing of electronic manufactured goods (e.g., mobiles, laptops, modems)	The electronics manufacturing industry is a high-risk industry for modern slavery as manufacturing often takes place in less developed countries with relatively less oversight over labour rights. Additionally, modern slavery risks are present within the supply chains of these products, particularly in the sourcing of raw materials from high-risk geographies. Over the past three years, we have reviewed questionnaires from our top five IT vendors based on spend. These have not highlighted any modern slavery concerns.
Sourcing of uniforms	The labour conditions in the production of textile products such as uniforms are considered high risk as manufacturing often takes place in less developed countries with relatively less oversight over labour rights. Additionally, modern slavery risks are present within the supply chains of these products, particularly in the sourcing of raw materials from high-risk geographies. To attempt to influence supplier engagement, we tend to purchase from one primary supplier in this category, who has completed a supplier questionnaire.
Cleaning services	Cleaning services has been assessed as a relatively high inherent risk due to factors such as underpayment, remote work locations and reduced visibility over subcontracting arrangements. This is a low spend area with limited ability to influence, however we have begun introducing modern slavery obligations into cleaning contracts for new suppliers or where contracts are being extended.






2022 Actions and Progress

The focus of our actions over the third modern slavery statement period in 2022 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	PROGRESS INDICATOR
Supplier engagement	In 2022, we finalised Phase 1 of our PV Guidelines and began working on its implementation.	
	In 2022, we received and reviewed supplier questionnaires from 8 suppliers, representing 6.3% of spend. In total, we have now reviewed 51.3% of Rexel's procurement spend since 2020.	
Training and awareness	75% of our employees completed modern slavery awareness training. Modern slavery awareness training is included in the onboarding process for new starters.	
Governance	We have formalised Rexel Australia's Modern Slavery Policy and Remediation framework	
	We created the Rexel Golden Governance Rules and are working on its implementation.	
	We formalised Rexel Australia's third-party due diligence policy and began working on its implementation.	
	We continue to update and report on modern slavery actions as part of our Governance Committee meetings.	

Progress Indicators

-  Goal achieved in 2022 - Complete
-  In progress
-  Not started



Assessing the effectiveness of our actions

We believe we have made progress in respect of our modern slavery actions, based on developments in three key focus areas identified in our previous Modern Slavery Statement: (a) understanding our suppliers and risk; b) employee awareness and training and (c) detection of modern slavery.

Understanding our Suppliers

We have continued to roll out the Sustainable Supplier Charter and have begun introducing modern slavery expectations across our supplier contracts. Our previous intentions to revisit our initial (2020) supplier mapping in 2023 remains our objective. In the meantime, we believe we have begun to shift the dial in dealing with PV suppliers, notwithstanding that this remains a relatively small spend area for our business.

Employee awareness and training

In 2022, 75% of our employees completed modern slavery awareness training. While this remains high, it has declined from 2021. Modern slavery awareness training forms part of the mandatory onboarding process. In part, we believe the decline is attributable to an increased staff turnover in 2021-2022. However, we will be reviewing the training program to ensure its continued effectiveness. 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.

Detection of Modern Slavery

We have increased our communications in relation to our whistleblower policy, however, have not received any modern slavery reports to date. We remain cognisant of the fact that modern slavery risk is inherent in every supply chain, and we need to continuously review and monitor our reporting process to ensure it remains accessible and effective. To this end, we have developed our remediation framework in 2022. The framework is based on the guiding principles of the Modern Slavery Act and provides a blueprint for our business for any concerns or cases of modern slavery that may arise in our operations or supply chains. that may arise in our operations or supply chains.



