Statement of continued support by the CEO

“Our purpose is to keep the wheels of industry turning, right across Europe.”

Our purpose is to keep the wheels of industry turning, right across Europe. It is our responsibility to do this in a way that also advances our business in the areas of human rights, labour, environment and anti-corruption, recognising the importance of these issues to employees, customers and stakeholders. I am pleased to confirm that Rubix Group International Limited reaffirms its support of the ten principles of the United Nations Global Compact. In this annual communication on progress, we outline the actions that we have undertaken to integrate the compact and its principles into our culture, operations and business strategy.

Yours sincerely,

Martin Thomsen
Chief Executive Officer

About Rubix

We are the leading industrial distributor by market share and the only one with a pan-European footprint, carrying all premium brands. Our scale has increased our buying power and helped us to attract new European key accounts.

We have established ourselves as a multi-specialist, providing products and services, backed by a growing digital business, a commitment to excellence in distribution and a well-oiled M&A machine.

With turnover of €2.4 billion in 2019, we are Europe’s largest supplier of industrial maintenance, repair and overhaul (MRO) products and services.

Our 750+ locations across 22 countries offer specialist expertise in specifying, providing and installing an unrivalled scope of industrial parts, with a tailor-made service for all customers.

We exist to keep the wheels of industry turning – right across Europe. We are committed to delivering sustainable long-term value for our customers, employees, investors and other stakeholders. As Europe’s market leader, we have both the opportunity and the responsibility to reduce the environmental impact of European manufacturing.

Since the last communication on progress by Rubix from 8 October 2018, our sustainability model changed as rapidly as we did. Every section of this report contains new content and new ways to fulfil the ten principles of the UN Global Compact.

We have allocated responsibility for ESG (Environment, Social, Governance) at board level. Keith Reville, Chief Digital and Marketing Officer, is our executive sponsor. Keith is supported by the Audit Committee, which is chaired by Vartan Vartanian, Non-Executive Director.
Rubix is committed to acting with honesty, integrity, the highest ethical standards, and in compliance with all applicable local and international legislation. Rubix is committed to upholding and respecting human rights and has been a full signatory to the United Nations Global Compact (UNGC) since the business was created in 2017.

Rubix is committed to upholding and respecting human rights and has been a full signatory to the United Nations Global Compact (UNGC) since the business was created in 2017. We respect the ten principles of the UNGC on human rights, labour, environment and anti-corruption. This includes the commitment to report transparently on the implementation of the ten principles annually.

Rubix also acts in compliance with all applicable national laws in relation to minimum wage, working time regulations and overtime pay.

Rubix is committed to meeting its responsibility to respect and promote human rights, and to avoiding any infringement of human rights or any adverse impact on, or abuses of such rights. It is especially important when addressing the topic of human rights to stress on the fact that we respect all local and international requirements. However, in case of a conflict between them and our code of conduct, we aim to enforce the most stringent approach.

We aim to create a safe working environment in which all individuals are able to make the best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit.

A formal human resources policy framework is followed throughout the Group. Rubix has several policies in place to ensure a minimum of rights and benefits for all employees. They are as follows:

- Labour Practices Policy: safe work environment, equal opportunities, benefits as holiday entitlement, pension contributions, private healthcare, childcare vouchers, training opportunities, labour relations and promotion of diversity.
- Recruitment Policy: regulates attraction, selection and offers to new employees. Also, internal transfers get a formal procedure.
- Dignity at Work Policy: manages harassment, discrimination and bullying at work.
- Paternity and Maternity Policy: minimising of risks during pregnancy, holidays, payment, pensions and company contact during maternity or paternity leave and the process when returning to work.
Flexible Work Policy: regulates condensed working, working from home and adjusted working hours.

Rubix has interactive sessions with its employees regarding working conditions such as the employee forum in the United Kingdom and the company-wide employee engagement survey.

In January 2020, Rubix started to implement a Supplier Code of Conduct:

Rubix endeavours to select suppliers who adopt high ethical standards which are consistent with Rubix’s corporate beliefs and values. Rubix Group expects its suppliers (and their subcontractors) to operate their businesses and conduct employee relations in an ethical manner and to meet the requirements stipulated by both international and regional laws and industry standards.

Rubix has the right to take onsite audits in order to confirm the loyalty to the Supplier Code of Conduct. If suppliers fail to meet these expected standards, Rubix may suspend its relationship with that supplier until the issue is resolved.

The Group strives to provide and maintain a safe environment for all employees, customers and visitors to its premises and to comply with relevant health and safety legislation, with several Group entities implementing mandatory health checks for their employees.

Rubix aims to minimise the risk of workplace accidents by ensuring systems are in place to address the health and safety of its employees. Group entities collect data (total incidents, lost time, injury frequency rate etc.) on every workplace accident to track the development and improvements in safety measures. Across our major distribution centres, the ‘green cross’ initiative was rolled out to track health and safety issues in a clear and transparent way.

Rubix encourages the involvement of employees in health and safety matters and aims for continual improvement through a formal structure incorporating a training, reporting and review process that ensures every employee of Rubix is aware of methods to prevent accidents and to deal with them in an appropriate manner when they happen.

Rubix has established health and safety committees across its different entities to assist the senior leadership team in fulfilling its responsibilities in relation to health and safety matters, including occupational health, arising out of the activities of the Group.

In order to achieve best practice across all its operations, compliance with health and safety policies and legislation, and progress on the implementation of country-specific health and safety plans, is monitored on a country by country basis.

Rubix’s fulfilment of its obligations under the Modern Slavery Act of 2015 are published in an annual Modern Slavery Act Transparency Statement (see https://www.rubix-group.com) which sets out the steps taken to remove the risks of slavery and human trafficking within its business or supply chain.

There is a whistle-blowing mechanism administered by a third party in place to enable employees to voice compliance-related concerns in a responsible and effective manner, helping to prevent and detect serious malpractice or wrongdoing. The 24-hour hotline is confidential and can be contacted by every employee. Employees can complain about every issue regarding Rubix including human rights, labour, environment and corruption.
Rubix accepts its impact on the environment. The Group employs the services of an independent consultant, EcoAct, to produce a carbon accounting tool to measure our global carbon footprint.

The carbon accounting methodology adopted is aligned with the GHG protocol corporate standard, an internationally recognised standard that provides guidelines for companies and other organisations preparing a GHG emissions inventory. The standard classifies emissions as follows:

- **Scope 1** - Direct emissions from greenhouse gas sources owned or controlled by the organisation;
- **Scope 2** - Energy indirect emissions from the generation of imported electricity, heat or steam consumed by the organisation; and
- **Scope 3** - Other indirect emissions which are consequences of an organisation’s activities but arise from sources that are owned or controlled by other organisations.

Information about the reporting year ending 31 December 2018 can be found on www.rubix-group.com (Walker Guidelines Addendum). Data for the year ending 31 December 2019 is in the process of being collated and will be published by 30 June 2020.

As a distribution business, the interests of our major stakeholders and the environment are well aligned as increased efficiencies reduce our carbon footprint, drive increased shareholder value and improve costs for customers.

It is the policy of the Group, so far as is reasonably practical, to protect and conserve the local and wider environment from any adverse impacts caused by its operations and to take all reasonable steps to reduce its impact upon the environment, including reducing its carbon footprint through reducing energy consumption and proactive waste management.

This target is written in the code of conduct: “The Group is sensitive to environmental issues and places the saving and the efficient use of its natural resources at the frontline of its activities. At Rubix, our objective is to have a positive impact on the environment whilst limiting our environmental footprint. As such, we are committed to respecting all applicable laws and norms regarding environmental stewardship.”

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As result of different legislative requirements in each country, subsidiaries of Rubix operating many subsidiaries have their own environmental policy in place.

All employees are provided with relevant environmental training and awareness, to meet all relevant legislative requirements on environmental issues and ensure that all contractors follow our practices whilst working on site and respond promptly and efficiently to adverse incidents.

It is Group policy across all operations to seek to conserve energy and natural resources by minimising waste, recycling paper, glass and residual waste where possible, and maximising the use of renewable resources. Initiatives in this area include:

- Encouraging recycling and reusing old packaging within national distribution centres and administration centres across the Group as well as working with local partners to ensure that most of its waste gets recycled and reused.
Anti-Corruption

Rubix demands compliance with all applicable regulations on prohibiting corruption and seeking transparency, such as major international requirements like the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the French Sapin II Law, U.S. Foreign Corrupt Practices Act (“FCPA”), the UK Bribery Act, and all other national and local anti-corruption laws in force wherever we operate.

Rubix has a policy of zero tolerance of fraud or corruption in any form as stated in the Group’s code of conduct: “Employees shall not directly or indirectly offer, promise, grant or authorise the giving of money or anything else of value to a government official or private business partner to influence official actions or obtain an improper advantage.” All employees are strongly encouraged to complete anti-bribery training provided by the Rubix Academy – the company’s home of learning.

Suppliers are forbidden to directly or indirectly offer, pay, promise or accept money or anything of value to/from a national or foreign government official or private business partners or individuals to influence an official action or obtain an improper advantage, obtain or retain business, or to secure any commercial or financial advantage for itself, the other party or any of their respective affiliates.

- Centralised printing and e-Business initiatives to reduce paper consumption.
- A number of projects to reutilise boxes for all internal transport and to improve the recycling rates at both national distribution centres and branches.
- Three-year-plans to reduce waste.

Our products and services include different ways that we can help our customers on their sustainability journeys, reducing cost and wastage and maximising energy efficiency.

These include a wide range of condition monitoring and maintenance services that support our customers in their efforts, reducing the energy consumption of their manufacturing and processing plants.

For example, air pressure leakage is causing 14% energy consumption waste across the manufacturing sector. Rubix can help its customers to solve this problem.

Rubix takes efforts to fulfil its business model, satisfy its customers and tackle environmental issues with the use and development of new technologies. Because of this, Rubix has an e-Business team with over 50 employees to avoid printing and to replace paper catalogues.

In 2019, the Group has been certified “EcoVadis Silver 2019”, placing it in the Top 30% for corporate social responsibility in the industry. EcoVadis has recognised the following strengths at Rubix:

- Numerous sites are ISO 14001 & 50001 certified.
- Company specific awareness program in place to assist customers with environmental issues.
- Monitoring of direct and indirect CO2 emissions.