

RUBIX

UN Global Compact

Communication on progress 2020
Rubix Group International Limited



August 2021



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. We are committed to ensuring that our business model creates value for stakeholders in a socially and environmentally responsible manner, with the highest ethical and business standards applied across our value chain.

As well as taking steps to reduce our impact on the environment, we offer a range of services and solutions to help European manufacturers meet their sustainability commitments. This is where we see the greatest potential for Rubix to make a difference.

In 2020, we established a five-year environmental roadmap detailing actions to reduce our environmental impact and increase transparency.

Our ambitions touch every aspect of our business, including health and safety practices, supporting ongoing colleague learning, and working with our suppliers to develop innovative, sustainability-centric solutions to facilitate our customers' ESG journeys.

Our ESG strategy is supported by a strong and transparent governance structure, a compliance and policy framework, and the Group's Code of Conduct

and Ethics for our employees and business partners. We have developed, and continue to enhance, KPIs to track our progress against our ESG targets and objectives.

Our focus on environmental initiatives includes reducing greenhouse gas emissions, reducing our use of energy, packaging, water, and other resources, and reducing the waste we produce. We are also working with our customers to understand how we can collaborate with and support them in reducing their environmental footprints. We plan to extend these efforts to engage with our suppliers to evaluate and reduce greenhouse gas emissions across our end-to-end supply chain.

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.



Martin Thomsen
Chief Executive Officer



About Rubix



As Europe's leading distributor of industrial maintenance, repair and overhaul products and services, we can significantly influence ESG issues through our businesses, and we are uniquely positioned to support our customers and suppliers on their ESG journeys.

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 2020, 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.

Environmental, social, and governance (ESG) practices are integral to our business model and strategic growth priorities. As Europe's leading distributor of industrial MRO products and services, we can significantly influence ESG issues through our businesses, and we are uniquely positioned to support our customers and suppliers on their ESG journeys.

Our people are critical to the operation of our business, and we will continue to build a culture that allows them to use their skills and develop their careers

to achieve their potential. Our Code of Conduct and Ethics describes how we associate each of our core values with our efforts to drive sustainability. Embedding these values in the foundations of our business ensures ESG factors are driving and guiding our actions and ambitions.

Since the last communication on progress by Rubix, we have made significant progress in the collection and reporting of data, which led to the publication of our first ESG report in July 2021 – available at www.rubix-group.com/sustainability.

The report sets out our ESG vision, progress and plans covering our customers, environmental stewardship and our people. It includes our target for reducing Scope 1 and 2 Greenhouse Gas (GHG) emissions and a roadmap for alignment with the major sustainability frameworks.

We have maintained responsibility for ESG at board level and established an ESG Committee that reports both directly to the Board and through the Group's Audit & Risk Committee.



Human and Labour Rights

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, the 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 emphasise 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.

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Rubix recognises and respects the principle of freedom of association. Where staff members are represented by a trade union, we are committed to making arrangements to accommodate such representations.

Rubix does not condone and will not participate in any form of child or forced labour. Rubix committed itself in its Dignity at Work Policy to providing a working

environment that promotes equality of opportunity for all staff members and job applicants. 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.

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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.

Our suppliers are an essential part of our approach, and we ask them to share our commitment to regulatory compliance, human rights, business ethics and environmental responsibility. During 2020, we implemented an updated Supplier Code of Conduct.

- The purpose of our Supplier Code of Conduct is to ensure their engagement on these fundamental principles, and to ensure the commitment of their own supply chain.
- 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.
- Almost 95 per cent of our biggest suppliers have signed the Code of Conduct and we are in active discussions with the small minority that are outstanding. We regularly monitor compliance with the sustainability requirements of our Code of Conduct through independent third-party assessors, including EcoVadis.

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 is in place 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 www.rubix-group.com/slavery) 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 raise any issue regarding Rubix including human rights, labour, environment and corruption.



Environment



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.

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.

By the end of 2020, we achieved a 23% reduction of total Scope 1 and Scope 2 emissions, and a 25% reduction in reported Scope 3 emissions, relative to our 2019 base year.

More information is available in our ESG report.

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."

By the end of 2022, we aim to undertake a full GRI-aligned materiality assessment for our business. This will assess the interests of both our internal and external stakeholders and the most impactful ESG issues for Rubix. This process will serve to further guide and refine the ongoing development of our ESG strategy, targets, KPIs and reporting initiatives.

We are committed to enhancing our ESG framework alignment with the growing maturity of our business and have developed a roadmap for achieving our key objectives. The goals outlined in our roadmap reflect those we consider as critical to positioning Rubix as a sector leader on climate action in the MRO distribution industry.

We recognise this space is evolving, and we will continue to monitor the evolution of emerging voluntary frameworks and initiatives to further support the ESG progress of our business.

To ensure that we deliver the commitments detailed above, we will focus on three key priorities during 2021 and 2022:

1. Completion of a GRI-aligned materiality assessment and implementation of the TCFD recommendations.
2. Comprehensively calculate our greenhouse gas inventory.
3. Enhance our greenhouse gas emissions reduction strategy.

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.

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.

- We are expanding our use of recyclable alternatives to plastic packaging, such as jiffy envelopes with paper pulp inners, paper tape, potato starch bags, and craft paper.
- Our shrink wrap is selected based on its recycling properties which helps users meet sustainability policy requirements.
- At our UK national distribution centre in Wolverhampton, we have adopted energy-efficient lighting and a new heating system that is 56% more efficient.
- Our cardboard is recycled through sorting and compacting on-site, and then collected to be recycled.
- Damaged pallets and wood packaging are repaired or recycled into wood chippings for gardens.

- Out-of-date rubber is chipped and made into children's playground surfacing material.
- Used cutting and grinding discs are broken up, becoming the anti-slip additive in specialised paint coverings.
- We use overnight deliveries wherever possible and work with suppliers to make mutual improvements to save fuel emissions and associated costs. As a result, since 2019 we have reduced our mileage by over 20%, primarily by switching deliveries to direct dispatch.

During COVID-19, we adapted to business disruptions across our European footprint by accelerating our digital strategy to make it easier for customers to do business with us, ensure the continuity of our service to them and to reduce the environmental footprint from our business travel. Two key elements of this strategy are notable for their sustainability impacts:

1. The expansion and roll-out of our extensive suite of digital tools (e.g. web shops, scanners, PDF reader and punch-outs) is reducing the need for traditional paper catalogues and associated waste generation.
2. The adoption of a virtual sales model to give customers greater access to our sales teams and technical experts without the need for extensive business travel. Both programmes are now embedded in our business model and will allow us to continue to reduce emissions and gain efficiencies for our customers and Rubix.

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.

In 2020, the Group has been certified "EcoVadis Silver 2020", recording a significantly improved score, and placing it in the Top 30% for corporate social responsibility in the industry.



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." Mandatory e-learning is being delivered to all employees in 2021 through 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.