



Environmental, Social and Governance report

2021



RUBIX

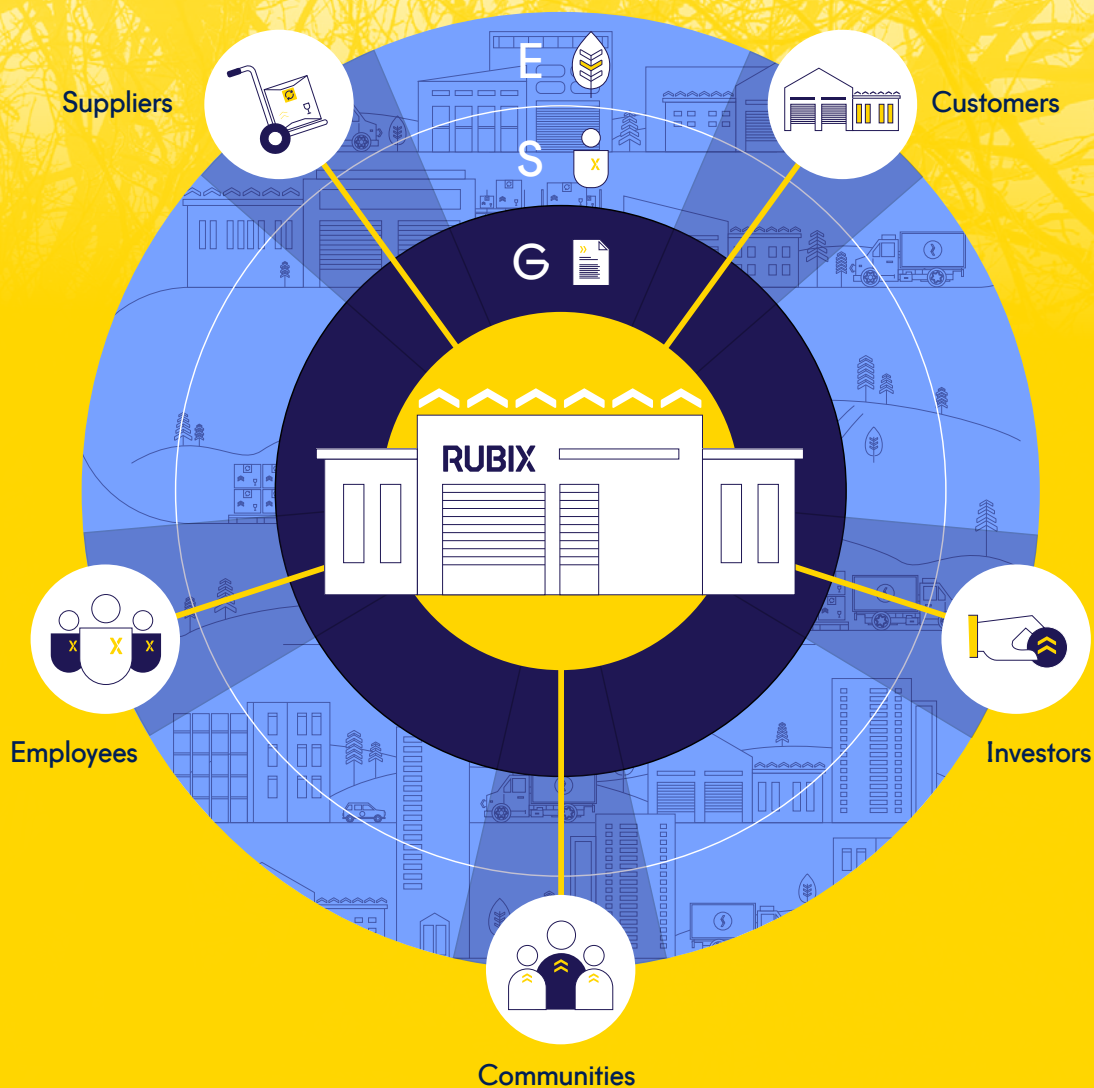


Contents

ESG approach	4
Alignment with sustainability frameworks	10
› Current alignments	11
› Planned alignments, reporting and target-setting	17
ESG strategic focus areas	20
› Customers	21
› Environmental stewardship	26
› People	34



We are committed to ensuring that our business model creates value for our stakeholders in a socially and environmentally responsible manner.



ESG approach





ESG mission and purpose

We exist to keep the wheels of industry turning, right across Europe. That is our purpose and it sits at the heart of our multi-specialist value proposition.

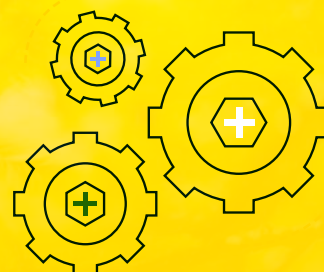
We aim to fulfil our purpose sustainably by delivering solutions that improve the efficiency of our customers' manufacturing processes and reduce the environmental impact both of our own operations and those of our customers.

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.

Environmental, social, and governance (ESG) practices are integral to our business model and strategic growth priorities. As Europe's leading distributor of maintenance, repair and overhaul (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 core values

- › Act with integrity
- › Own and take action
- › Stay curious
- › Never settle
- › Embrace perspectives

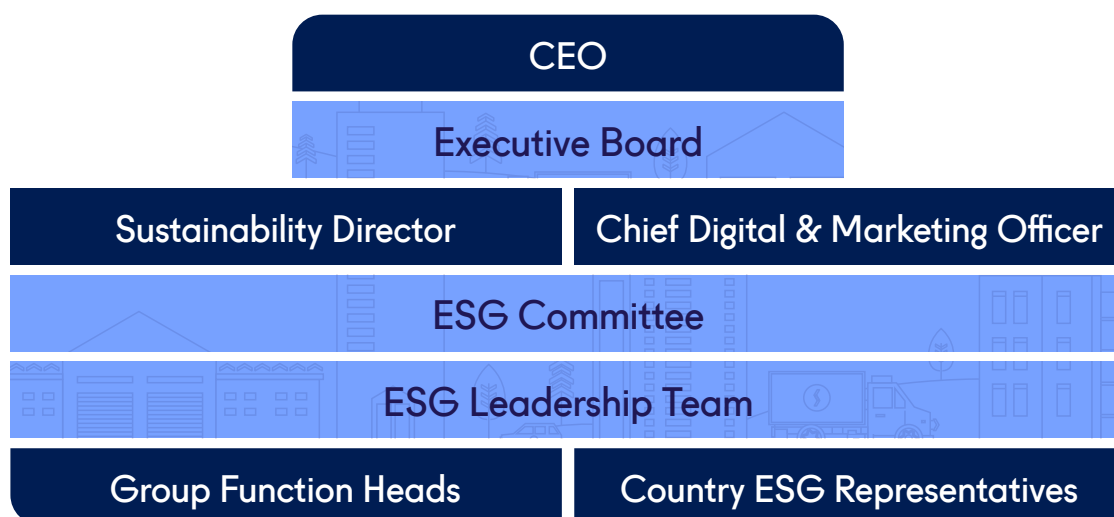


Our people are critical to the operation of our business and we will continue to build a culture that allows them to use their skills and develop their careers to achieve their potential. Our Code of Conduct and Ethics describes how we associate each of our core values with our efforts to drive sustainability. Embedding these values in the foundations of our business ensures ESG factors are driving and guiding our actions and ambitions.

ESG governance framework

Rubix's Executive Board, led by the Group CEO, is ultimately responsible for oversight of and accountability for the Group's ESG strategy, with the Chief Digital & Marketing Officer (CDMO) responsible for executive sponsorship of ESG.

The ESG Committee, led by the CDMO and Group Sustainability Director, is responsible for defining and delivering the Group's ESG strategy through the ESG Leadership Team which comprises Group Function Heads, and country-specific ESG representatives.



Key responsibilities of the Rubix ESG leadership team

- › Data: establishing, standardising, and driving ESG-related data-collection processes across the Group.
- › Initiatives: identifying, prioritising, and driving the adoption of ESG initiatives and improvement measures across the Group.
- › Knowledge: internally sharing ESG best practices and local initiatives between regions.
- › Culture: continuing to promote a Group-wide culture that integrates ESG into all aspects of the business.





Our ESG strategy is focused on three principal areas



› Customers

Supporting our customers on their sustainability journeys by facilitating efficiency through our product and service offerings, including vendor managed inventory, Insite™ and technical services such as air leakage reduction and condition monitoring.

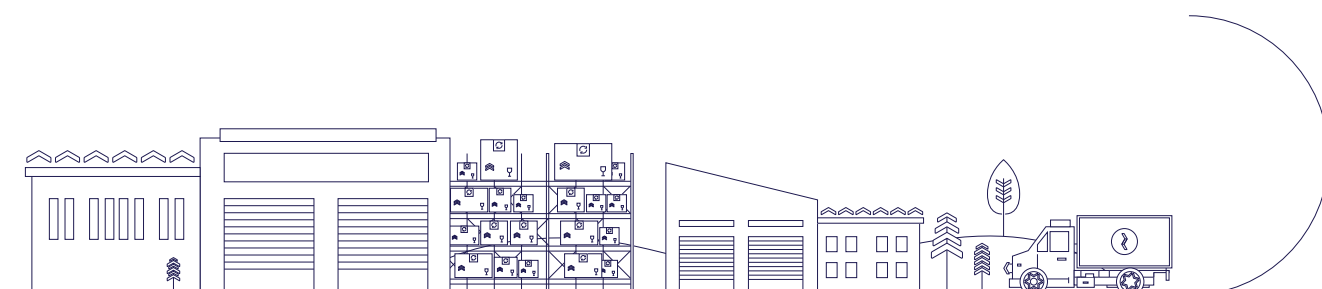
› Environmental stewardship

Delivering the Rubix multi-specialist value proposition as efficiently as possible to reduce the direct environmental impact of our operations, as well as the indirect impacts that arise from our position as the link between thousands of suppliers and hundreds of thousands of customers.



› People

Protecting the well-being of our employees, investing in and supporting their professional development, and striving to build an inclusive and diverse organisation.





ESG at Rubix

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 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.





We continue to build and refine the key metrics and KPIs upon which we will focus disclosure across our principal ESG areas. Today these include:



1. > Customers

Growth in sustainability related services such as Insite™, vending machines, air leakage surveys and condition monitoring.



2. > Environmental stewardship

Tonnes of CO₂e emissions per unit of revenue.



3. > People

Gender ratio of employees in management positions; employee engagement index.

Alignment with sustainability frameworks

- › Current alignments
- › Planned alignments, reporting and target-setting





Alignment with sustainability frameworks

Rubix is committed to providing comprehensive public disclosure on its group-wide ESG status while tracking progress using best practice ESG frameworks. As a recently integrated business, formed in 2017 through the merger of UK-based Brammer and France-based IPH, we recognise we face a journey towards our framework-alignment goal, especially as we establish processes to accurately calculate and track all material aspects of our environmental performance.

We have developed a roadmap from our current ESG framework alignment towards what we consider to be the leading ESG frameworks relevant to our business. Our implementation plan includes timelines for planned action against specific frameworks, including GRI (Global Reporting Initiative), CDP (previously Carbon Disclosure Project) and TCFD (Taskforce on Climate-related Financial Disclosure), as well as best practice climate-related initiatives such as the Science Based Targets initiative (SBTi).

Current alignments

United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (UN SDGs) address global challenges through 17 ambitious goals for people and the planet. Aimed to be achieved by 2030, these goals include eliminating poverty and inequality, addressing climate change and environmental degradation, and achieving peace and justice. We recognise the role that Rubix can play in advancing the UN SDGs, both within our organisation and across our value chain.

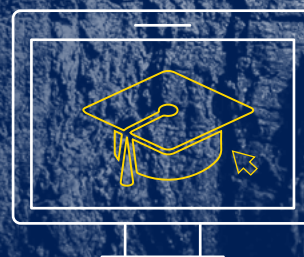


Prior to our completion of a GRI-aligned materiality assessment, scheduled for 2022, we have provisionally identified four goals that Rubix has the greatest potential towards which to contribute:

1. > Decent work and economic growth

"Sustained and inclusive economic growth can drive progress, create decent jobs for all and improve living standards."

- > Rubix Academy's state of the art e-learning centre delivers high-quality technical and health and safety learning to all of our employees.
- > Rubix has established apprenticeship programmes that are available to employees in key regions.



2. > Industry, innovation and infrastructure

"Inclusive and sustainable industrialisation, together with innovation and infrastructure, can unleash dynamic and competitive economic forces that generate employment and income. They play a key role in introducing and promoting new technologies, facilitating international trade and enabling the efficient use of resources."

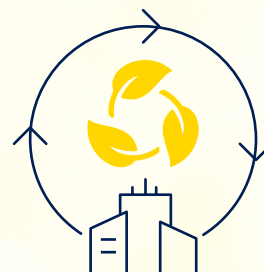
- > In 2020, Rubix generated over 20% of total Group revenues from services that include specific sustainability-related solutions.



3. > Responsible consumption and production

"Sustainable consumption and production relates to doing more with less. It is also about decoupling economic growth from environmental degradation, increasing resource efficiency and promoting sustainable lifestyles. Sustainable consumption and production can also contribute substantially to poverty alleviation and the transition towards low-carbon and green economies."

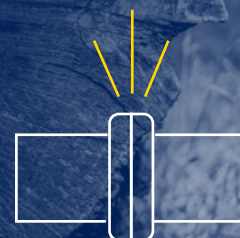
- > Our ISO 14001:2015 accreditation demonstrates our commitment to minimising our environmental impact.
- > Rubix's waste and recycling programmes have piloted innovative material recycling initiatives such as diverting rubber waste to industrial and social applications.



4. > Climate action

"Climate change is affecting every country on every continent. It is disrupting national economies and affecting lives. Weather patterns are changing, sea levels are rising, and weather events are becoming more extreme. Saving lives and livelihoods requires urgent action to address the climate emergency."

- > Rubix reduced Scope 1 & 2 GHG emissions by 23% from 2019 to 2020.
- > In 2020, we identified over 3,000 air leaks across our customers' production facilities, equivalent to over 4,000 tCO₂e.





United Nations Global Compact

Rubix is committed to upholding and respecting human rights and has been a signatory to the United Nations Global Compact (UNGC) since 2017, when our business was created. We respect the ten principles of the UNGC on human rights, labour, environment and anti-corruption and are committed to transparency and annual reporting on our implementation of the principles.



United Nations
Global Compact

Our key policies and issuances that uphold our commitment to UNGC in practice

- › Group Code of Conduct and Ethics
- › Labour Practices Policy
- › Recruitment Policy
- › Paternity and Maternity Policy
- › Flexible Work Policy
- › Health and Safety Policy
- › Dignity at Work Policy
- › Modern Slavery Act
Transparency Statement
- › Supplier Code of Conduct

Our 2020 UNGC report is available [here](#)





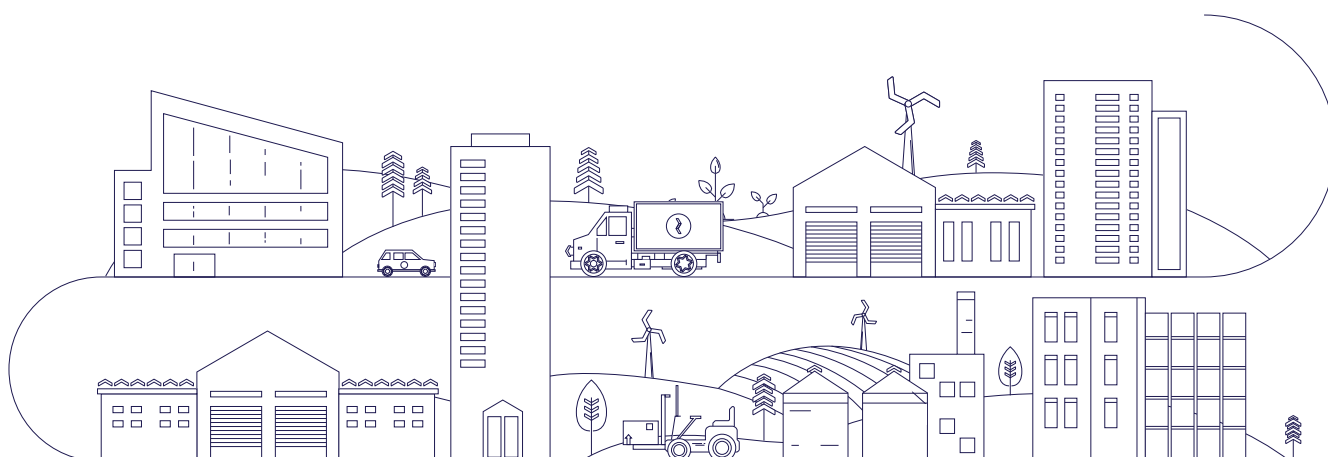
EcoVadis

EcoVadis is one of the world's largest providers of sustainability ratings, covering a broad range of non-financial ESG criteria, including environment, labour and human rights, ethics, and procurement impacts. EcoVadis assessments generate company scorecards and ratings (bronze, silver, gold) based on material issues pertaining to the company's size, location and industry.

In 2020, we maintained our EcoVadis silver rating, which places us in the top 30% in our industry, and improved on our 2019 score. Our 2020 EcoVadis report is available [here](#).

Our customers can integrate EcoVadis scorecards into their business practices (such as vendor registration, compliance, sourcing, and supplier performance and relationship management), driving sustainable procurement decisions while positively incentivising trading partners that align with their sustainability practices.

In 2022, we plan to join the EcoVadis enterprise solution platform, which will allow us to integrate our ESG strategy and initiatives with those of our major suppliers.





Planned alignments, reporting and target-setting

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.





Our ESG framework roadmap

Ongoing from

2021 2022 2023 2024

Frameworks and ratings:



Greenhouse gas emissions:



Our plans to meet the commitments

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

Understanding and disclosing our material ESG issues, including climate-related risks, will enable us to:

- > refine our ESG approach and strategy based upon the key areas of interest for our stakeholders and areas where our business can have the most impact
- > enhance our strategy to manage the business risks and opportunities arising from climate change
- > develop an action plan for progressing against our ESG KPIs
- > communicate our climate-related risk and opportunity management strategy to our stakeholders.

2. > Comprehensively calculate our greenhouse gas inventory

Accurately accounting for all Scope 3 emissions is a challenge facing all businesses, especially distributors with complex value chains such as Rubix. We are in the process of developing our Scope 3 greenhouse gas accounting to cover all material categories as defined under the Greenhouse Gas Protocol standard and plan to work with our suppliers and customers as necessary to facilitate this effort.

Achieving our Scope 3 goal will allow us to:

- > identify emissions hotspots that are outside of our direct control, but which we can influence and subsequently target for emissions reduction efforts
- > progress towards setting science-based targets.



3. › Enhance our greenhouse gas emissions reduction strategy

We have set a new target to reduce our Scope 1 and 2 greenhouse gas emissions by 15% by 2024, relative to a 2019 base year. We will review and update our emissions targets as necessary as we progress with our science-based target roadmap, and in the long-term will strive to align Rubix's emissions strategy with the most ambitious goals of the Paris Agreement.

We have set a new target
to reduce our Scope 1 and 2
greenhouse gas emissions
by 15% by 2024



Establishing a complete inventory of our Scope 3 emissions and validating our science-based targets with the SBTi are key components of this journey that are on our roadmap for the next two to three years. Going forward, we will continue to strengthen and broaden initiatives to reduce our Scope 1 and 2 emissions. We significantly improved our Scope 1 and 2 data collection processes during 2020, achieving approximately 80% of primary data coverage across our locations, which gives us increased confidence in our baseline emissions profile.

Our enhanced greenhouse gas emissions strategy will allow us to:

- › contribute to global climate goals in accordance with targets set out in the Paris Agreement
- › minimise climate-related risks and maximise climate-related opportunities to which the business is exposed.

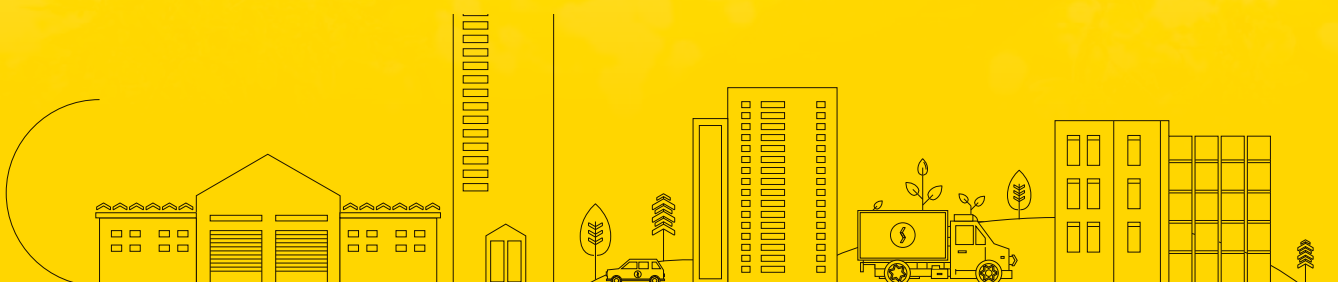


ESG strategic focus areas

The following sections of this report address each of our ESG strategic focus areas.

1. › Customers
2. › Environmental stewardship
3. › People

For each focus area, we have detailed our key actions and achievements to date, and future plans.





1. Customers

Our guiding vision

To collaborate with and support our customers on their ESG journeys to achieve shared progress towards socially and environmentally responsible and sustainable business practices.

Rubix's COVID-19 response

As Europe's largest industrial distributor, we have played a vital role throughout the COVID-19 pandemic in keeping the wheels of industry turning for small businesses, the biggest names in European manufacturing and everything in between.

PPE donations

Personal protective equipment (PPE) proved a major theme of the crisis – we saw demand driven to unprecedented levels, which prevented healthcare services across Europe from accessing essential PPE through the usual channels. Rubix offered support across Europe, including across the six largest markets of the business (Benelux, France, Germany Iberia, Italy, and UK) by donating PPE to frontline healthcare workers in local communities, prioritising areas closest to Rubix branches and distribution centres.

Keeping the wheels of industry turning

Our distribution centres, branches, and engineering centres remained operational in 2020, delivering a continuous service throughout the pandemic, and we worked closely with suppliers to support our customers through the crisis and help prepare for recovery. Using our collective knowledge and expertise, we helped customers identify critical products and implement solutions to secure PPE suppliers.

For example, our order management system enabled colleagues to order from stock held across our 22 European markets and 29 distribution centres. We distributed from various in-country and adjacent-country distribution centres to offer continuity of service and offered a wide range of PPE from our exclusive brand, GISS.

Staying close to our customers

We made sure that our customers could continue to benefit from our specialist knowledge and technical expertise when it wasn't possible to be with them in person. By putting additional resource into web chat, enabling online quotation requests and using our account manager tool to guide customers through the ordering process, we made it easy for them to do business with us, despite the challenges of the crisis.

Our current progress

Our multi-specialist value proposition covers a wide range of value-added services that meet our customers' commercial needs. Those services also however, play a critical role in our mutual sustainability efforts by reducing waste and maximising the efficiency of energy usage. Our services offer includes condition monitoring and maintenance services that support our customers to reduce the energy consumption of their manufacturing and processing plants. These include application engineering, automation; condition monitoring; Insite™, vending solutions; air leakage surveys; and repair services.



› Insite™

These are Rubix sites on the customer's factory floor. We have almost 400 in total, carrying tailored inventories and staffed with Rubix experts who can respond to production line demands in real-time. They play a critical role in reducing the frequency of deliveries to customer premises, which in turn helps to reduce GHG emissions from our third-party transport fleets.



› Vending machines

Vending machines (of which we have an installed base of over 3,000 in customers' facilities) are a key tool in helping our customers manage the utilisation of consumables, including PPE items such as masks, gloves and coveralls. Consumption of single-use items is reduced through our vending machines' active monitoring and recording of usage, resulting in a direct reduction in GHG emissions associated with our customers' waste.



› Technical services

Many of our customers' production lines include the use of compressed air processes, which are frequently subject to leakage and therefore increased energy usage.

In 2020, Rubix delivered over €500m of service-enabled revenues, covering both logistics and technical services.

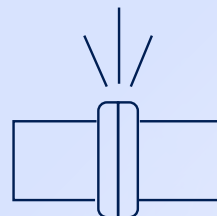


We continue to facilitate the low-carbon transition through our specialised product and service offering and the promotion and supply of climate-related solutions. We are committed to maximising our offering of solutions that enable our customers to avoid or reduce their own environmental impacts.

See our case studies highlighting just a few examples of the hundreds of solutions we have successfully delivered to customers to positively impact the environment.

Reducing the environmental impact of compressed air systems

Rubix's air leak surveys, condition monitoring services, and repair services help to improve industrial energy efficiency and minimise environmental impact from greenhouse gases. Since the beginning of 2020, we have identified over 3,000 air leakages across our customers' facilities, equivalent to a reduction of over 4,000 tonnes of customer certified CO₂ emissions.



Compressed air systems are used extensively across industries. At any site that uses them, air leaks are usually the largest source of avoidable energy waste. Approximately 30% of the electricity bill is typically dedicated to running those systems. Of that, 20-40% can be lost through air leaks, representing a significant source of inefficiency and greenhouse gases. Our air leak audit report includes details of the energy loss and CO₂e impact on an annual basis, as well as the actions required to fix the problem. Rubix sources required parts, undertakes the repairs, and provides a follow-up audit report to demonstrate the benefits.

In February 2020 at Premier Foods' Manor Bakery in Barnsley, 153 air leaks were identified via Rubix's air leak survey – losses representing 1,657 MWh of annual electrical energy losses, and £213,007 in annual costs to the customer. Rubix's repairs, after accounting for engineering and parts costs, saved the customer £200,000, and resulted in 363 tCO₂e of reduced GHG emissions per year. Due to the success of this programme, Manor Bakery has decided to undertake an air leak survey with Rubix on an annual basis going forward.

Supplying sustainable PPE and workwear

Rubix drives shared sustainability progress via commitments with key customers. Rubix supplies Siemens, a key UK customer, with sustainable PPE and workwear – the majority of which is made of recycled bottles. We have committed, in our contract, to ensure that we fulfil a minimum 20% of Siemens' product spend with the supply of sustainable products.

› Suppliers

As a distributor of products manufactured by thousands of companies and industrial service providers world-wide, we recognise that building and maintaining strong and sustainable relationships with our suppliers is fundamental to our long-term success.

We recognise our unique position to positively influence many different suppliers by setting and communicating our own high ESG standards. At a minimum, Rubix's suppliers are expected to comply with the Group's Supplier Code of Conduct, which helps ensure Rubix only works with suppliers that share sound ethical standards, consistent with Rubix's own corporate values.

Our Supplier Code of Conduct includes strict standards concerning human rights and employment, environment, sustainable procurement, and supplier practices.

Principles that guide our goods and services procurement

- › Setting minimum standards for energy-efficient products, such as light bulbs and electrical equipment.
- › Seeking sustainably sourced products and services.
- › Prioritising purchases from organisations that pursue social responsibility and environmental sustainability.
- › Minimising polluting activities resulting from transportation of goods.

We also collaborate with our suppliers to share, when relevant, standards of best-practice, promote transparency of sustainable procurement and build equitable working relationships.

Our plans

Continuing to develop the customer-focused elements of our ESG strategy will enable us to continue growing sustainably and support progression against the targets set out in our ESG roadmap. Planned initiatives include:

- › actively engaging with our customers to meet their sustainability-related needs
- › increasing our alignment with the ESG programmes and frameworks valued by our key suppliers
- › augmenting our existing Supplier Code of Conduct and related policies to establish a structured process for assessing the sustainability progress of our largest suppliers
- › developing and reporting on ESG-related supplier engagement and joint working programmes
- › driving the penetration of our services proposition.

We recognise our unique position to positively influence many different suppliers by setting and communicating our own high ESG standards.



Key elements of advancing progress towards industry, innovation and infrastructure at Rubix include our ability to track the impact of those solutions that deliver environmental impact reductions to our customers. Central to this goal is our commitment to comprehensively account for our value chain (Scope 3) emissions.

A complete understanding of the emissions associated with our sold goods and other emissions related to implementing our solutions will enable us to set targets that minimise this impact and further expand our service offering of solutions that facilitate the low carbon transition.



2. Environmental stewardship

Our guiding vision

Minimise our environmental impacts, work towards sustainable and circular resource use, and achieve environmentally sustainable business operations and growth.

Current progress

Environmental stewardship is fundamental to Rubix's multi-specialist value proposition. Diverse sustainability-focused initiatives are embedded throughout our operations, and our goal is to further enhance this progress and build a Group-wide mitigation strategy.

› Striving for sustainable procurement

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.

› Environmental management systems

Rubix is ISO 14001:2015 accredited to demonstrate our commitment to minimising our environmental impact.

› Reducing GHG emissions

To date, our efforts on climate action have focused on accurately accounting for and reducing all greenhouse gas emissions over which we have direct control, such as those arising from our facilities, purchased fuels and electricity.

Emissions intensity

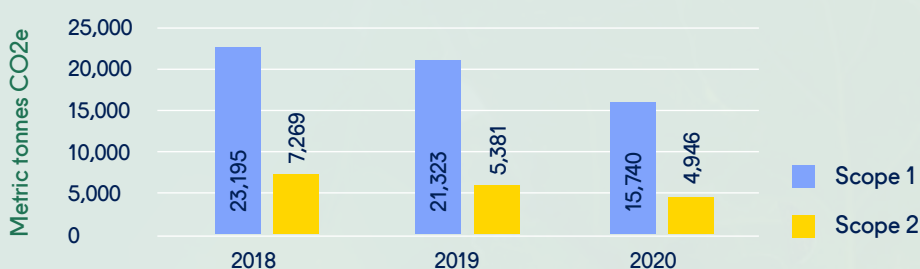
Our emissions intensity, on a per-unit revenue basis, is one of our environmental KPIs. As we broaden our Scope 3 footprint, we will normalise our emissions intensity metric to ensure year-on-year comparability

	2020
Total Emissions (tCO ₂ e)	27,403
Total Sales (Million EUR)	2,378
tCO ₂ e / Million EUR	11.53

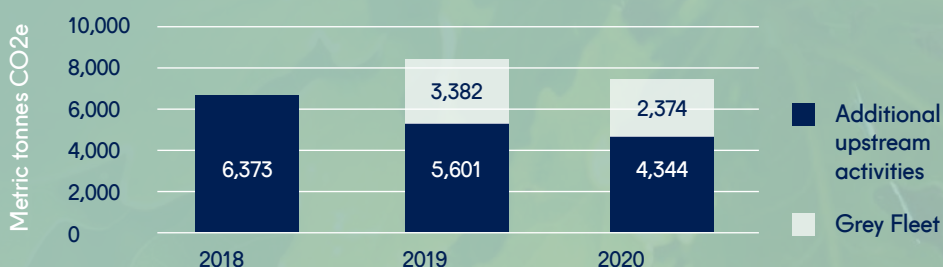
Emissions progress

Prior to validation of science-based emissions targets by the SBTi (see our [roadmap on page 17](#)), we have set a new Scope 1 and 2 emissions reduction target of 15% by 2024 from a 2019 base year. 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. We recognise that some of these reductions are accounted for by COVID-19-related business disruptions and we anticipate some natural rebound over the coming years as the disruptions of COVID-19 subside, however we are confident of delivering ongoing reductions towards our target through increasingly structured efficiency programmes and elements of our multi-specialist proposition such as accelerated digitisation.

Rubix Group Emissions Progress Scope 1 & 2



Rubix Group Emissions Progress Scope 3



Our greenhouse gas inventory is completed in accordance with the standards set out in the WRI/WBCSD Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition; and Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Grey Fleet emissions were not calculated in 2018.

› Digital with a Human Touch™

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: the expansion and roll-out of our extensive suite of digital tools (e.g. webshops, scanners, PDF reader and punch-outs) is reducing the need for traditional paper catalogues and associated waste generation; and 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.

Product Selection



Order



Product Shipping

Analogue

Rubix internal sales receives customer phones / faxes and keys order into system



Rubix internal sales phones warehouse to put order through for picking and shipping

Digital

Customer ERP with punch out or e-catalogue



Rubix website (including Live Chat)



Customer ERP order validation



Rubix ERP coordinates the delivery process to customers

Customer Benefits

- › Convenience & ease of purchase
- › Reduced processing times and increased efficiency
- › Real-time advice
- › On-site services
- › Larger assortment (omni-channel offering)

RUBIX Benefits

- › Increased customer stickiness (25% reduction in customer churn)
- › Integration with customer processes
- › Higher efficiency in order taking and tracking (Up to 40bps improvement in trade margin)

› Improved energy efficiency

At our UK national distribution centre in Wolverhampton we have adopted energy-efficient lighting and a new heating system that is 56% more efficient.

› Commitment to lower fuel usage

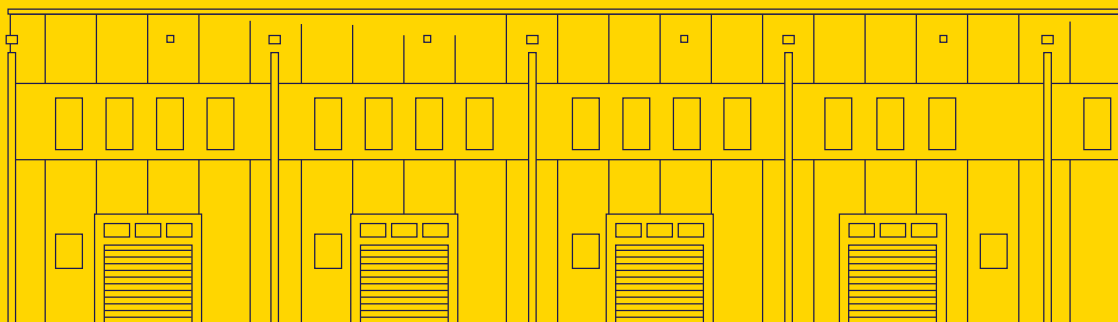
We use overnight deliveries wherever possible and work with suppliers to make mutual improvements to save fuel emissions and associated costs. As a result, since 2019 we have reduced our mileage by over 20%, primarily by switching deliveries to direct dispatch.

Rubix's new national distribution centre in Italy Brignano Gera d'Adda

Located 20km from our HQ in Italy, the new national distribution centre will serve our 18,000 customers throughout the country. It combines technology, cutting-edge automation (automated packaging lines to achieve an efficient system) and modern features to optimise logistics flows and reduce environmental impact:

- › all the lights in the warehouse have been replaced with LED lights to minimise energy use and energy-related emissions
- › a new building envelope provides thermal insulation to decrease energy waste from thermal comfort requirements
- › the parcel closing system uses glue instead of scotch tape to reduce the use of plastic.

Thanks to this investment, Rubix has concentrated the number of shipments from a single-warehouse at a country level, reducing couriers in circulation and, therefore, the greenhouse gas emissions related to our logistics.



› Materials

To date, our progress towards sustainable consumption and production patterns has primarily focused on our waste and recycling programmes – ensuring we measure, reduce and avoid material usage as far as possible. We have recently piloted projects on innovative packaging solutions such as organic starches, and formed new partnerships such as our rubber recycling programme that diverts our rubber waste to industrial matting for use in applications, including playgrounds.

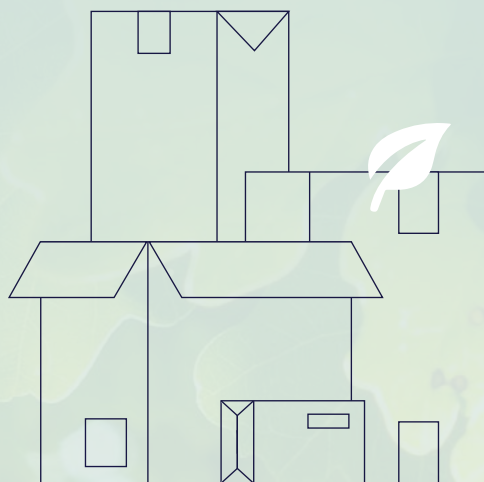
Achievements on recycling and circularity include:

- › 100% of 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.

Rubix's automated packaging machines

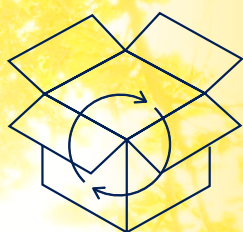
Our automated packaging machines are used in our distribution centres to optimise packaging size and weight by boxing to the size of the item inside, instead of packaging using standard box sizes. This reduces the packaging materials we use, and also reduces our distribution-related emissions by minimising the space required by each item in vehicles used for transportation.

Rubix has already installed automated packaging machines in distribution centres in DACH and France, with plans underway to implement them in Italy and the Netherlands.



Key principles of our Group policy on waste and materials

- › Encouraging the reuse and recycling of old packaging across the Group and working with local partners to ensure their waste is reused or recycled.
- › Pursuing projects to maximise internal re-use of packaging materials.
- › Maintaining centralised printing and e-business initiatives to reduce paper consumption.



100% of our cardboard is recycled through sorting and compacting on-site.

Local waste initiatives

In the UK we have implemented an initiative to phase out bubble wrap, plastic jiffy filled bags, plastic tape, and plastic void air bags. These are being replaced by recycled materials, including brown void paper and brown or branded paper tape. This complements our boxes, which are made from recycled cardboard.

The plastic pallet wrap we use is pre-stretched to reduce the amount needed. We are seeking alternatives to plastic picking bags, which cannot currently be recycled. We have trialled potato starch bags with our network, which performed well, and we are currently investigating a new material made from flex sugar cane.



Our plans

In May 2021, Rubix officially signed its support of the Task Force on Climate-Related Financial Disclosure, a framework that recognises climate change as an emerging risk and provides a disclosure framework to promote visibility and understanding of climate-related risks faced by businesses and the financial system. We plan to disclose against the TCFD recommendations and to develop and implement a science-based, business-wide greenhouse gas emissions strategy covering all material sources of emissions, aligned with the most ambitious goal of the Paris Agreement. We will also continue to pursue renewable electricity sourcing and low carbon options for our logistics and maintain our sustainability efforts focused on materials, waste and recycling.

By 2023, we intend to complete our exploration of a net-zero emissions target roadmap.



› Long-term emissions strategy

Rubix supports the goals of the Paris Agreement and appreciates the importance of aligning the Group's long-term emissions strategy with wider global targets for net-zero greenhouse gas emissions.

During 2022 we will focus on establishing a complete inventory of our Scope 3 emissions in accordance with the Greenhouse Gas Protocol and setting and verifying science-based targets. We will continue our efforts to reduce our Scope 1 and 2 emissions with a view to achieving our existing target for 2026, and we will review and update our targets as necessary according to validation by the SBTi, including targets covering Scope 3 emissions.



By 2023, we intend to complete our exploration of a net-zero emissions target roadmap. We are monitoring the pending release of the SBTi's full standard for a science-based net-zero target setting in the corporate sector, which we plan to explore in the future as a possible standard to align with.

Our environmental stewardship goals

- › Disclose environmental information for the Group via the CDP (the leading voluntary climate disclosure platform).
- › Complete TCFD-aligned climate-related risk and opportunity scenario analysis to understand and enhance our resiliency to identified risks while enabling progress on opportunities.
- › Expand our management processes for climate-related risks and publish our first TCFD-aligned disclosure.
- › Calculate and disclose our full GHG inventory (including Scope 3).
- › Set and attain validation from the SBTi for ambitious science-based targets for our GHG emissions.
- › Pursue renewable electricity sourcing.
- › Explore low-carbon fuel and technology substitutions for our logistics.
- › Explore how we can implement a net-zero emissions strategy in line with the latest globally accepted standards.
- › Continue initiatives focused on waste reduction, material sustainability, and recycling.
- › Account and track a wider range of environmental metrics.



3. People

Our guiding vision

Maximising the well-being of our employees, investing in and supporting their professional development, and striving to build an inclusive and diverse organisation.

Current progress

As signatories to the United Nations Global Compact (UNGC) since 2017, we have ensured these defined principles underpin our company's value system and guide our operations. We nurture and protect our employees' well-being and safety and are dedicated to their ongoing professional development to help them thrive. Below we summarise our key initiatives and policies to date, underpinning our dedication to our people.

› Employee engagement

Every year, the Group conducts an employee survey that measures engagement and tracks performance against the indicators that influence it. The Group employee engagement index (EEI) score for 2020 improved for the second year running to 68%, which is above the European benchmark of 60%¹ (According to Aon), and reflects the success of our employee engagement efforts during one of the most disruptive periods in the history of the business.

The Group employee engagement index (EEI) score for 2020 was 68%, which represented a two-point improvement on 2019 and a five-point improvement since 2018.





› Rubix Academy

Our state-of-the-art e-learning centre, Rubix Academy delivers high-quality technical, product and sales development learning to all of our employees via targeted programmes. This ensures continuing development of our employees' technical knowledge. In addition, several of our entities have established apprenticeship programmes that are open to individuals at varying levels of formal educational attainment.

› Human resources policy framework

A formal human resources policy framework is followed throughout the Group. The framework includes a process of appraisal and development to ensure Group companies get the best from their people; emphasis has been placed on capability development with individual training and development programmes.

› Employment practices

The Group operates internationally, and therefore our employment practices are varied to meet local conditions and requirements. These are established based on the best practice for each market. Rubix promotes an environment in which all employees receive equal treatment regardless of their age, beliefs, ethnicity, or sexual orientation. To this end, we are committed to undertaking any discussions regarding employment in an objective fashion. Rubix welcomes the findings of the Davies Review. As of the last internal review undertaken in 2020, 26% of our general employee workforce identified as female, and 13% of senior managers identified as female.

› Labour practices policy

This covers all individuals working at all levels and grades. It promotes health and safety for our people and details our commitments to providing a safe working environment, providing training where necessary to build our employees' skill base, creating new jobs through sustainable growth, and providing opportunities to develop all of our people to their potential. So far, we have achieved:

- › best-in-class engagement levels
- › open, merit-based recruitment opportunities
- › annual employee survey used to address any major concerns raised by employees.

› Employee representation

Around 60% of our workforce is covered by collective agreements with unions and works councils, which is primarily driven by operations in France, DACH and Benelux. The UK business has employee forums, which meet on a monthly basis, providing a valuable contribution to improving communication from the top-down and bottom-up, supporting our management teams with problem-solving and implementing new ideas and new ways of working. In Italy, around 10% of the workforce are union members and although there is no collective agreement, Italian management attends quarterly meetings (on request from the unions and on a goodwill basis), to discuss key decisions related to employees.

Supporting our sales force to succeed in a post-Covid world

Recognising that the global response to COVID-19 has changed the nature of sales in our industry forever, we are equipping our sales teams with the skills they need to succeed in a world where customer interaction will be increasingly virtual. Virtual meetings reduce business travel, resulting in clear GHG emissions reductions across Rubix. They also allow our colleagues to introduce a greater number of our technical experts to their customers, and a wider range of technical services, including those that help our customers to meet their own sustainability objectives.

The comprehensive e-learning programme available to all employees in the Rubix Academy covers all aspects of effective virtual selling.

More broadly, our e-learning modules give our employees the opportunity to cultivate skills in various areas such as effective communication, teamwork, technology, and value creation for our customers.

Programmes include:

- › online teamwork
- › cultural diversity
- › coaching using digital tools
- › value creation
- › strategic thinking
- › asking for feedback
- › presentation skills
- › time management



Our plans

We are committed to promoting equal opportunities across the company to build a diverse and inclusive organisation across all levels of decision-making. Our plans to increase the diversity and inclusion of our workforce are long-term in nature.

We are currently focused on ensuring that our succession, promotion and recruitment processes support our objective to make further progress on gender diversity.

Our plans to advance our efforts under this pillar and support the goal of decent work and economic growth include:

- › aiming for zero preventable accidents from 2021 onwards, alongside the continued rollout of a fully integrated approach to health and safety tracking and reporting across all of our business units
- › ongoing development of the Rubix Academy, developing multilingual courses and extending course delivery across our global geographies of operation
- › sustained company commitment to principles outlined in the UNGC.

We are currently focused on ensuring that our succession, promotion and recruitment processes support our objective to make further progress on gender diversity.





RUBIX