

POLICIES



MODERN SLAVERY STATEMENT 2021/2022

INTRODUCTION

This is the fifth Modern Slavery Statement published by Commercial Corporate Services Ltd¹. It has been prepared according to the Modern Slavery Act 2015. This statement includes the following subsidiaries in scope:

- Commercial Ltd²,
- Commercial IT Services Ltd³

Commercial is committed to eliminating any form of modern slavery from our supply chain. To achieve this, we are taking an active and collaborative approach with our customers, Suppliers and partners.

Our ethical trade partnerships have given Commercial a clear and defined understanding of what modern slavery means. Modern Slavery includes the practices of human trafficking, forced servitude, exploitative, coercive and abusive behaviour, generally coupled with appalling working and living conditions that breach basic human liberties. Modern slavery remains a

pervasive issue across many industries.

Therefore, Commercial undertakes an internal and external risk-based assessment to determine the prevalence of modern slavery within our global supply chain. This also includes evaluating our internal operations.

Commercial is committed to acting ethically, and with integrity, at all times. Our Modern Slavery Statement sets out to provide information about what Commercial is doing to achieve positive steps towards understanding our supply chain and helping combat any form of modern slavery.

¹ Commercial Corporate Services Ltd
Company Number: 07531759

² Commercial Ltd
Company Number: 02589514

³ Commercial IT Services Ltd
Company Number: 07482128



OUR BUSINESS AND SUPPLY CHAIN

Commercial is the UK's largest independently owned business services group. Commercial is principally a reseller of products sourced from manufacturers and wholesalers. Each of Commercial's Suppliers is responsible for curating their product portfolio and sourcing these goods; Commercial, and its customers, have access to all or parts of these catalogues. Commercial is not a direct manufacturer of products but does supply three specific Commercial-branded product lines produced by appointed manufacturers.

Commercial-branded products have been mapped down to the factory level. We are actively collaborating with our remaining Suppliers to obtain comprehensive information on the remaining products within our portfolio. We source all our products directly from UK based Suppliers. Commercial has complete visibility of our immediate Tier 1 Suppliers, and visibility of Tier 2

Suppliers with the help of a new partnership. Overall, Commercial is committed to engaging with our Suppliers to build and maintain an accurate map of our supply chain.

Our business consists of nine divisions: Office Supplies, Print, Interiors, Managed Print, Creative Systems, Technology, Smart Technology, Managed IT Services and Facilities PPE & Workwear. Having nine divisions means that our organisation has access to an expansive array of product lines that are complex due to the nature of the supply chain network.

To find out more about our business structure and sustainability strategy, please visit our website and download our Social Impact Report located on our homepage.

Turnover £63m	Suppliers 800+	Total Products 309,000
Employees 258	Customers 6900	Own-brand Products 50

OUR SUSTAINABLE DEVELOPMENTS, PARTNERSHIPS AND POLICIES

Transparency for our customers has always been a main priority for Commercial. Our business wants to make it easier for customers to achieve social and environmental best practice. This past year we have made some substantial progress towards creating a sustainable supply chain for good.

Our Sustainable Developments:

In 2010, we established our first tool to help our customers assess the supply chain behind each product. This tool, referred to as Green Cat, had multiple criteria which rated products on both their environmental and social standards.



However, we are waving goodbye to our beloved Green Cat to focus our efforts on our Products with Purpose range. A more transparent and interactive reporting system, where customers can better understand their buying habits and champion sustainable products.



Products with Purpose (PWP), located on Sprint - our purchasing platform – helps highlight products that are environmentally friendly, ethically produced, made with recycled material and/or is sourced from, or manufactured by, a social enterprise with a simple click of a button. Commercial has now over 2,500 products within our Products with Purpose range, with ambitions to develop this across our entire business. For more on PWP and our long-term goals, please refer to the section KPIs below.

Our Partners:

Commercial could not be as successful as it is without the help and tools provided by our partnerships. These partnerships help guide us when expanding our internal projects but, more importantly, help guide us when managing our supply chain.



In 2011, Commercial became a member of The Ethical Trade Initiative (ETI). As a member, we have adopted the ETI Base Code which was

founded on the conventions of the International Labour Organisation and is an internationally recognised code of labour practice. Participation with ETI has given Commercial the tools to identify and mitigate acts of human violation. In addition, our involvement helps to improve our understanding of complex global supply chains and enables us to share best practice with other members.

ecovadis

Business Sustainability Ratings

In 2020, Commercial signed up to EcoVadis as part of our ongoing desire to find the most sustainable, ethical and socially-conscious Suppliers on the market. Commercial has a large number of Suppliers, and as we look to streamline our supply chain partners, this evidence-based assessment tool gives us a monitoring platform that evaluates all our Suppliers, equally, and without audit duplication. We are now able to benchmark all our Suppliers' environmental, social and ethical performance, allowing us to establish our best-performing Suppliers at any one time.



In 2017, Commercial became an accredited Living Wage Employer by the Living Wage Foundation as part of our commitment to ensuring workers are given fair monetary value for their work. Our Managing Director has said that "everyone putting in a day's work deserves a fair day pay. Becoming a Living Wage accredited employer underlines our commitment to this. At Commercial, we put a lot of energy into maintaining a sustainable and responsible business culture. Treating staff well – and going beyond legislative requirements – is an important aspect of this". The Living Wage Foundation ensures that Commercial is not only looking at the supply chain stability but also in-house practices. Employee welfare is an important matter to Commercial.



Commercial signed up to the Disability Confident Scheme, alongside eighteen thousand companies, who are trying to change perceptions and attitudes for a better working environment. Commercial is committed to this



scheme because we want our recruitment process to be inclusive and accessible for all. Ensuring disabled people and those with long term health conditions have the opportunities to realise their aspirations and fulfil their potential. As set out in last year's report, Commercial will continue to pioneer a sustainable working environment and achieve all Three Level Accreditations. In 2021, Commercial proudly achieved a Level 2 Accreditation.



Commercial is a "B" member of SEDEX, the Supplier Ethical Data Exchange. SEDEX is a not-for-profit organisation dedicated to improving business practices. SEDEX offers Commercial a simple and effective way of managing ethical and responsible practices in our supply chain. This membership also provides our sustainability experts with the ability to read SMETA audits, that are conducted around the world, to better understand supply chain practices at factory level.



In 2021, Commercial signed up to the United Nations Global Compact and is now a participant in the UN Global Compact Network, UK. Commercial joined this partnership because we wanted to showcase our commitment to sustainable and responsible business practices. Commercial has embedded the Ten Principles of the United Nations Global Compact into strategies and operations, and committed to respecting human and labour rights, safeguarding the environment, and working against corruption in all its forms.

Our Policies:

In addition to our memberships and sustainable developments, Commercial has a zero-tolerance policy with regards to matters of harassment, discrimination, modern slavery, bribery, inequalities and any other act that may make an individual feel uncomfortable or at risk of danger.

Provided below is a list of internal documents that help combat modern slavery, which can be given upon request:

- 1. Suppliers Ethical Code of Conduct:**
This document affirms Commercial's commitment to addressing Suppliers'

performances on a regular basis, so progress can be assessed continuously.

2. **Anti-Bribery and Anti-Corruption Policy:** This document affirms Commercial's commitment to honesty, transparency, and integrity.
3. **Equality and Diversity Policy:** This document affirms Commercial's commitment to equal opportunity for all, regardless of background, religion, gender, and race.
4. **Anti-Harassment and Bullying Policy:** This document affirms Commercial's commitment to preventing unwanted behaviour that could negatively affect someone's well-being.
5. **Grievance Procedure:** This document affirms Commercial's commitment to identifying and promptly dealing with any matter of concern within the workplace.

DUE DILIGENCE PROCESS

Commercial has sought to build stable and long-lasting relationships with strategic Suppliers, many that have been established in excess of 15 years. Any new Supplier will only be appointed if they have aligned with our 'Commercial by Nature' approach.

Commercial's ethical procurement and purchasing procedures help evaluate all new and existing Suppliers. Commercial's has an in-depth Due Diligence Questionnaire for all new and existing Suppliers. This questionnaire gives the purchasing team a clearer understanding of the risks relating to a supplier and opportunities for continual improvement. The Due Diligence Questionnaire assesses Suppliers on a number of factors, such as modern slavery compliance, finance, living wage, information security, workplace policies, transparency of operations and ISO compliances (where applicable). Tab's Employment: Social Sustainability and Environment are evaluated by Commercial's internal Sustainability Manager before the document is signed off. Commercial's Sustainability Manager and Product Manager have also created a simple and coherent Onboarding Supplier Approval Checklist, to help consolidate information being gathered, when a new supplier is being considered. Commercial will roll out this procedure, across the whole Group, next year.

Commercial worked closely with EcoVadis to improve the visibility of our Supplier's business procedures and manufacturing practices. A gap analysis was created for our 2021 membership year. This gap analysis gave our Purchasing Director a clear plan on how to achieve our desired Supplier performance score. Commercial's purchasing and sustainability



experts also meet with a dedicated Account Success Manager, every month, to ensure continual improvement. In addition, all of Commercial's Suppliers must adopt the ETI base code and adhere to its requirements throughout their entire business and supply chain.

This past December, Commercial hosted its second Supplier Day event. Over 60 strategic supply chain partners attended our #ProcurementWithPurpose event, hosted by our Purchasing Director, Managing Director, Financial Director, Operations Manager, Product Managers, and Sustainability Manager. Our Suppliers got to hear and see first-hand what Commercial does as a business and better understand our 'Commercial by Nature' ethos. At the end of the event, Suppliers were left with a Call to Action. These actions included signing up to EcoVadis, increasing operational performance and helping to expand our Products with Purpose range. Furthermore, Commercial expressed the necessity for Net-Zero commitments across the whole of the supply chain. Moving forward, Commercial will look to ensure all Suppliers must pledge to be Net-Zero by 2050 at the very latest. Commercial continues to engage with purpose-driven Suppliers, that are making a positive social and

environmental impact, throughout their operations.

In regards to Commercial's internal assessment, pre-employment screening checks are completed by our dedicated HR Department. This includes checking Proof of Right to Work in the UK (including details such as age), DBS clearance checks, Credit Checks and satisfactory employment referencing. Employment is only subject to the above checks being successfully completed. This process applies for all employees and/or contractors of Commercial. In addition, this process is included in our ISO9001 standard which is audited each year for re-certification by BSI to ensure quality is maintained in the business, procedures are correctly followed, and no form of modern slavery exists within our business.

RISK ASSESMENT AND EFFECTIVNESS WITH OUR SUPPLY CHAIN

The range of products available to our customers is expansive and contains items sourced from across the world. The complexity of products, their sub-assemblies and materials used, make it challenging to have full visibility of the supply chain and this increases the potential risk of modern slavery occurring. The majority of the 300,000+ product lines are sourced through a multi-tiered supply chain. These products are beyond Commercial's immediate sphere of operational control which is a risk that we are seeking to minimise.



Commercial has substantially greater operational control over our Commercial-brand products including notebooks, paper, inkjets and toners. In 2021, Commercial tendered for two new own-brand ranges. Potential Suppliers were required to fill out an internal RFI, to which more than 50% weight was given toward CSR related questions. This means all Commercial-brand Suppliers must be environmentally and ethically conscious in order to win a tendered contract.

Beyond our own brand product lines, we focus our efforts on the supply chain where we consider we have the most leverage and can achieve positive impact. Supply chain mapping and understanding country of origin is critical in our assessment. Commercial has started to upgrade our data accuracy for all our products with the installation of Fusion. This system enables us to create a more transparent supply chain. All data obtained is collected and stored centrally, and analysed by our purchasing and sustainability team. In addition, Commercial has just implemented steps which require all Suppliers to complete an EcoVadis assessment, that evaluates individual companies on their Environmental, Labour and Human Rights, Ethics and

Sustainable Procurement performance.

Commercial also refers to publications from Human Rights Watch, ITUC Global Rights Index, SEDEX, ETI, and Transparency International to help inform us of any other significant human rights and ethical trade issues.

Furthermore, over the past year, our IT divisions have worked hard to gather more information on each of their main suppliers. The ambition remains to address this complex industry. A sustainable IT portfolio would look into accreditations such as TCO Certified, Energy Star, refurbished hardware and sustainability best practice. We feel that creating a portfolio like this would help us achieve greater clarity, invest in sustainable products and partners, but most importantly, strengthen our supply chain map for technology hardware and services.

All supplier information gathered throughout the year is shared internally with our Ethical Trade Champions Team. These Champions are the procurement leads around the business and help maintain relationships with our supply chain partners. Champions are responsible for engaging internally with their respective buying teams to ensure issues, such as, workers' rights are addressed. Each champion is also responsible for communicating the requirements of the Code of Conduct to their Suppliers and for collating supplier related data.

Covid-19:

The impacts of the pandemic have had lasting effects on supply chains around the world. Over the past year, our business, like many others, have experienced product shortages and delivery constraints due to Covid-19. Commercial had to adapt to the changing times to ensure, as a business, we created clear and transparent communication with our Suppliers and Customers. Furthermore:

- Commercial was committed to being as adaptable as possible during this period, and we worked with all our Suppliers and customers to ensure they had our support during this unpredictable time.
- Commercial ensured sustainability, compliancy and credibility remained throughout our PPE and workwear supply chain. This included certifications such as BSIF and EN/UKCA.
- Commercial continued to be flexible with suppliers and customer's on payment terms. As a business, we were happy to pay upfront or on delivery for all our Suppliers.
- Commercial continued not to cancel any orders placed due to

time constraints and made sure all promised purchases were fulfilled in order to support our supply chain.

- Commercial continued not to impose any sanctions for late orders. Instead, we have created positive and helpful communication when relaying relevant information to our customers about time constraints and product shortages.

In regards to Commercial's internal assessment, Commercial continues to encourage employees to talk openly during daily team catch ups and monthly reviews with dedicated line managers. More importantly, if staff members feel uncomfortable talking to someone internally, Commercial has provided all employees with a free of charge and confidential counselling service with a dedicated psychologist. In addition, all employees are given the chance to fill out a confidential Employee Experience Survey. As quoted by our HR team, "Our people really are our most valuable asset and each and every one of you contributes towards our growth; your opinions are therefore extremely important to us and this survey is your chance to express them". These services and programmes, put in place by our HR department, help improve our staff wellbeing but also help Commercial ensure all our employees feel safe at home and at work.



KPIS TO MEASURE OUR EFFECTIVENESS

Since 1991, Commercial has been building the business and the reputation it has today and, for that reason, we are equally concerned with how we perform financially and how we measure against other non-financial metrics. Commercial has never been afraid to make bold and ambitious targets across the entire business. Commercial always believes that being ambitious is far more powerful than business as usual and this is reflected in our internal KPIs.

Company-wide KPIs, updated last year (with the newly appointed Sustainability Manager), very much focused on the company becoming a Net-Zero business by 2028 in line with The Science Based Target Initiative. Subsequently, Commercial's Purchasing KPIs have naturally integrated with this Net-Zero timeline. Commercial will aspire towards a goal of which 100% of all sales will originate from our PWP range no later than 2028. This means Commercial will only work with Suppliers who are pushing forward the most responsible products on the market. This KPI will help consolidate our supply chain partners and reduce our Scope 3 emissions.

Underpinning this product strategy is a process to ensure continual improvement within our #ProcurementWithPurpose strategy. This strategy involves reducing our supply chain partners from 800 current Suppliers to only 200 strategic Suppliers and 200 supporting Suppliers. We will work with our supply chain partners to drive efficiencies and sustainable procurement practices through regular meetings and audits on performance and conformance measures.

Furthermore, through our partnership with Ecovadis, all new Suppliers are required to register for assessment within the first month of trading. For all other existing Suppliers, we have a KPI of auditing 100 per annum. Thus far, Commercial has audited 140 Suppliers which makes up 90% of the Group's turnover. An additional KPI is to audit the entire supply chain by the beginning of 2028. Currently, Commercial has based its required standard on EcoVadis' current platform standard (>45 out of 100) with a plan to develop this programme over the next year. Commercial's key objective is to ensure continual improvement of our supply chain.

TRAINING AND EDUCATION

Commercial regularly attends conferences, networking events, and training courses that increase Commercial's awareness on issues of modern slavery and broader human rights abuses. Any training completed by our



purchasing or sustainability team is replicated within the business through quarterly Ethical Trade Champions meetings. Ethical Trade meetings, led by the Product and Sustainability Manager, give senior management an open space to talk about sustainable developments and consolidate ethical trade procedures across the Group. These meetings are intended to help our employees understand modern slavery issues and understand the importance of Commercial's continuous success.

Connectivity over the past year was a main priority for Commercial. As a result of isolation periods and home working our Managing Director created weekly Group Learning Days to keep the business connected and encourage training across the Group. These meetings give every employee the opportunity to present, to the whole company, a new (or old) business practice and/or procedure. One session, presented by our Purchasing Director, talked about our new #ProcurementWithPurpose strategy and how partnerships like EcoVadis can help increase our supply chain transparency and PWP range. Commercial believes that every employee plays an important part in reducing modern slavery within our supply chain and believes that

openness and transparency are the key components to tackling modern slavery.

Ultimately, Commercial understands that education is always an ongoing journey. We will continue to strive for a sustainable world, to be a business for good, and continue to educate our staff and external partners on the different forms of modern slavery. Commercial will continue to develop strong relationships with suppliers and partners, alongside championing best practice. Most importantly, we are committed to being a leading advocate for ethical and sustainable trade.

This statement will be reviewed annually.

Signed 

Date February 2022