

MODERN SLAVERY STATEMENT 2019/20

For customers to enjoy our amazing technology, they need peace of mind that we're sourcing it responsibly. As market leader, how seriously we take this can make a big difference to many people. And we do take it seriously. I'm determined to make sure that forced labour and exploitation have no place here, that no-one who supplies us has any tolerance for them, that we can look ourselves in the mirror, and our customers can be sure, in giving us their money, they're supporting a force for good in the world.



Alex Baldock

Alex Baldock
Group Chief Executive 9 Sept. 2020

GOVERNANCE AND COMMITMENT

Responsible sourcing, which encompasses our work to prevent modern slavery, is a regular agenda item, for both our Executive Committee, chaired by our Group Chief Executive, and our Board, presenting progress on our actions, strategy and 3-year plan. Our Group Chief Executive has overall responsibility for the responsible sourcing agenda and actions. Additionally, our Ethical Social and Governance (ESG) Committee, chaired by our General Counsel & Company Secretary, with members of our Executive Committee and Board in attendance, meet quarterly and responsible sourcing features in discussions to maintain engagement with senior leadership throughout the year. Alerts raised during supplier background checks and the review of any new vendor applications that have been flagged as a potential risk falls under our Group Ethics Supply Chain Compliance Committee. Any further ad hoc vendor concerns are raised through our Risk Committee.

KEY ACHIEVEMENTS in 2019/2020

★ Achieved full membership of the Ethical Trade Initiative

★ Completed our Group supplier database, allowing us to risk map across our tier 1 supply chain

★ Issued our Standards for Responsible Sourcing to all UK & Ireland and Greek suppliers

★ Worked with our distribution franchise owners and their workers to introduce modern slavery training into their onboarding processes

★ Supported our Nordic business in launching the EcoVadis sustainability ratings provider to measure and improve supplier social, environmental and economic performance

★ Continued to offer survivors of modern slavery full-time employment through Project Bright Future

★ Joined the steering group to transition Bright Future into an independent Registered Society

★ Became founder members of the new 'Bright Future (Cooperative) Limited' and provided representation on the board

★ Worked with the ETI to pilot online modern slavery training, issued in Mandarin, to selected own label and licensed brand suppliers, our in-house and third-party auditors, and relevant colleagues working in Hong Kong and China

We continue to build on previous years, expanding our efforts in responsible sourcing and tackling modern slavery, collating existing actions and working on new initiatives across our business that incorporate what 'responsible sourcing' means to us (further information can be found in the policies section of this Statement). Responsible sourcing goes beyond modern slavery and human trafficking to include workers' rights, the environment (which includes topics such as the reduction of plastic packaging and energy consumption), supplier capacity building, anti-corruption and social impact.

After joining the Ethical Trade Initiative (ETI) in October 2018, we submitted our first report a year earlier than was required and were pleased to have achieved full membership, validating our existing efforts in the ethical space and helping provide a forum for further collaboration, learning and advancement with other members.



WE HELP EVERYONE ENJOY AMAZING TECHNOLOGY

STRUCTURE OF BUSINESS AND SUPPLY CHAIN

Our Business

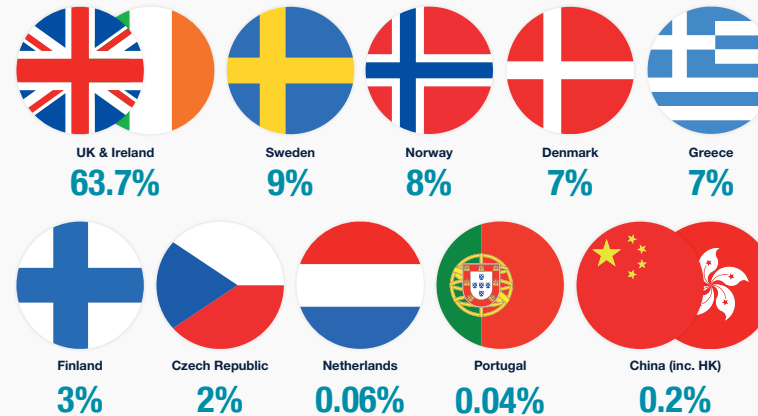
Headline Revenue:

£10,170 million

NUMBER OF STORES

UK & Ireland 428	Nordics	247	Greece	75
	Franchise	169	Franchise	20
	Total:	416	Total:	95

36,000 employees based in 11 countries

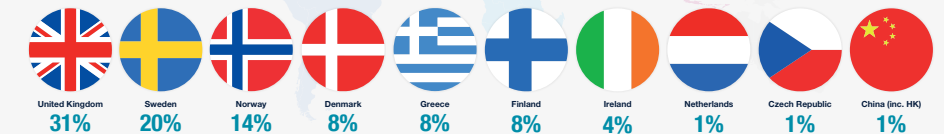


Supply Chain

We source from nearly 10,000 tier 1 suppliers in 37 countries with 96% of them in the 10 listed below:

18% of suppliers are for products or services that are sold to our customers (goods for resale)

82% of suppliers are of goods or services not intended for consumers (goods not for resale)



We are one of Europe's leading specialist electrical and telecommunications retailer and services companies. We provide a complete solution for customers offering a comprehensive range of electronic and mobile products, connectivity and expert after-sales services.

We are the market leader in every country in which we operate. Our brands, which include Currys PC World, Carphone Warehouse and ID Mobile in the UK & Ireland, Elkjøp and Elgiganten in the Nordics and Kotsvolos in Greece all provide a nationwide presence. We also operate

under the Dixons Travel brand within UK airports as well as in Dublin and Oslo. Our service brand is Team Knowhow in the UK, Ireland and the Nordics.

The organisation is divided into a number of subsidiaries, full details of which can be found on our [corporate website](#). The company has two main divisions: Group (including UK & Ireland) and International (including Nordics and Greece). Our businesses in UK & Ireland, the Nordics and Greece are each supported by their own support centres (head offices) and distribution network, with each procuring goods for resale (i.e. products to be sold in our stores) and goods not for resale (i.e. service providers such as catering and cleaning, construction services, IT partners, etc.).

Own label and licensed brand suppliers.

Our own label and licensed brand operation, based in Hong Kong, sources products across many categories. We currently work with 107 suppliers across Asia and Europe. Auditing and risk assessment are integral to our supplier selection process and their ongoing relationship with us, and we have been carrying out this work for many years. We have taken advantage of this wealth of experience to understand our wider business and supply chain, and when creating our support functions, including the Responsible Sourcing team based in the UK.



— POLICIES IN RELATION TO MODERN SLAVERY AND HUMAN TRAFFICKING



Our key areas of focus for 2020/2021 include:

- » Continue to highlight supplier best practice and help to champion supplier ethical behaviour
- » Review our Modern Slavery policy

Having issued our Modern Slavery policy in 2018/19, this year we communicated our Standards for Responsible Sourcing. The Standards go beyond modern slavery and human trafficking to include our minimum requirements in human rights, labour, environment, anti-corruption and social impact. They make explicit reference to the [ETI base code](#) and require our suppliers to work towards full compliance.

The goal of the Standards is for continuous improvement, working with suppliers to improve their position rather than excluding them. However, if necessary, we may need to delist a supplier or terminate a contract in response to a related non-compliance. The Standards have been issued to all UK & Ireland and Greek suppliers and are referenced alongside our Modern Slavery policy in new supplier contracts.

In 2018-19 we worked in conjunction with other retailers, the [British Retail Consortium \(BRC\)](#), [Gangmasters and Labour Abuse Authority \(GLAA\)](#) and [Stronger Together](#) to develop a [Retailer Protocol for Handling Reported Cases of Modern Slavery in the UK Supply Chain](#). We have adopted the principles of the protocol as guidelines for action should

a case of Modern Slavery be found in the UK. This year, we communicated the Protocol to our UK & Ireland suppliers to provide them with clear best practice when dealing with modern slavery cases. Whilst taking action to prevent the infiltration of modern slavery into our business we also understand the importance of establishing a process for dealing with cases should they arise.

Recognising that the impact of Covid-19 and lockdowns may have a disproportionately negative effect on vulnerable workers, we also shared with our suppliers 'Ensuring that business respects human rights during the Covid-19 crisis and beyond' a document that was published by the UN Working Group on Business and Human Rights.

The company reviewed our Whistleblowing policy in 2019-20 and we have taken the opportunity to add reference to modern slavery and our Modern Slavery policy.

“Retailers recognise it’s not always easy for supplier businesses to announce they’ve discovered a possible case of modern slavery, and so to support suppliers they have developed a new Retailer Protocol to give confidence that if a suspicion of modern slavery is discovered and alerted to the authorities, retailer customers will seek to support that supplier along the way, as long as they are not culpable to the crime.”

Peter Andrews, Head of Sustainability Policy
at the British Retail Consortium

DUE DILIGENCE PROCESS

Our key areas of focus for 2020/2021 include:

- » Launch the EcoVadis platform to the rest of our Group
- » Migrate to our new Ethical Audit criteria for own label and licensed brand suppliers

Key activities during 2019-2020

Enhancing Compliance Checks and Introducing a new Sustainability Assessment Partner

Recognising the scale and complexity of our tier 1 supply chain, we know audits are key but don't stand alone, and form part of the overall due diligence solution. This year we issued our Standards for Responsible Sourcing to our UK & Ireland and Greek suppliers as well as including the reference to the Standards in our contracts. The Standards set out our minimum requirements of suppliers in human rights, labour, environment, anti-corruption and social impact. To go beyond our own supplier database, this year we have supported our Nordic business in launching EcoVadis's sustainability ratings platform to measure and improve supplier social, environmental and economic performance and will be rolling this out to the rest of our Group in 20/21. The platform will add capacity and enable us to get a thorough view of our suppliers beyond ethics to target our attention on those with highest risk.

Workers' Rights Questionnaire

This year the business conducted a full review of our UK & Ireland supplier onboarding processes. As part of this work we introduced a modern slavery risk assessment. As a result of this we now only send our Workers Rights questionnaire to those suppliers deemed as being of higher risk. Completion of the questionnaire is mandatory before the process can be completed and orders placed. We also reduced the length of the questionnaire, focusing on the questions that would drive actions.

Modern Slavery Threat Assessment

As part of our membership of the [Slave Free Alliance](#) (a best practice scheme that is run by [Hope for Justice](#), a leading global modern slavery charity) we had scheduled a threat assessment of tier 2 waste and recycling sites in conjunction with our tier 1 supplier. Due to Covid-19 we have only completed the desk-based risk assessment at this time but that allowed us to identify the sites where we will conduct on-site audits once it is deemed sensible from a health and safety perspective (detailed further in Case Study below).

Identifying trends/recurrences

Like many other companies with global supply chains, the issue we most commonly find remains the occurrence of excessive working hours in countries such as China. We have been working to address this and have set suppliers a target for continuous improvement, reviewing corrective action plans and re-auditing as necessary. We are also working with likeminded companies through our ETI membership to share learnings and identify areas for collaboration.

Creating our Group supplier database

This year we completed our supplier database, combining compliance and finance data from all areas of our business and from multiple systems, refining data from a complex supply chain. The database includes a tool that enables us to issue communications (such as our Standards for Responsible Sourcing) to all suppliers and to target communications based on risk, sector, country, etc.

Review of Audits for Own Label and Licensed Brand Suppliers

In order to ensure our own ethical audits remain relevant and maintain focus on the appropriate areas of risk, we carried out a full review of our criteria. We benchmarked it against the ETI base code, SMETA and SA8000 criteria, as well as using our learnings from the BRC, Slave Free Alliance, the ETI and other relevant industry guidance; revising and adding to our criteria where beneficial. Own label and licensed brand suppliers are audited prior to selection and then on an ongoing basis, with the frequency of audits set dependant on previous performance and other relevant criteria. This year we completed 87 ethical audits and we then work closely with suppliers to monitor non-conformances and ensure issues are resolved to our satisfaction (detailed further in monitoring section below).

RISK ASSESSMENT

Exposure to risk is dynamic and our assessment needs to change appropriately. With industry collaborations including the BRC, ETI and Slave Free Alliance, we aim to keep ourselves aware of changing and emerging issues within our supply chain and target our efforts where they can make the most impact.

We have evolved our risk assessment process; in 16/17 we focused on internal risks and distribution partners (as they were identified as a sector that potentially had a high risk). That was followed up with contacting all our suppliers with a workers' rights questionnaire asking questions about age of workers, confirming worker ID, freedom of movement etc. We learnt that the time taken to contact over 12,000 suppliers and to chase responses was not an effective use of our efforts so we have progressed to assessing all suppliers on country of registration (using the Global Slavery Index risk rating) and type of business and then asking targeted questions to the suppliers identified as higher risk. This ensures our resources are focussed on the countries, products/materials and industries where slavery is more prevalent.

Below we have identified some areas we consider to be of higher risk.

Areas of Risk

Distribution

We consider distribution an area of higher risk as there are typically higher levels of migrant and manual labour within this sector. By way of mitigation, last year we asked Slave Free Alliance to carry out their Threat Assessment at our national distribution centre and this year we created training to carry learnings from this to the rest of our distribution network.

Distribution Franchised Operations

We identified our distribution franchise owners and their workers as an area of risk given the reduced influence and oversight. We have now worked with the HR partners used by our franchisees and built modern slavery training into their onboarding and we are now working on a specific workers rights' questionnaire to be issued in 2020-21.

Waste and Recycling partners

Given the manual labour involved in waste and recycling, we recognise this is as an area we wish to explore further. This year we have worked with Slave Free Alliance to conduct a Threat Assessment of tier 2 waste and recycling sites in conjunction with our tier 1 supplier. Although we have delayed the on-site assessment until next year, due to Covid-19, we have completed the desk-based exercise to select which sites to review in person. The results of the threat assessment will help us and our direct supplier look at ways to mitigate risk in this area.

Countries of higher risk

As a global business with a wide-reaching supply chain, working with suppliers in particular countries remains an area of risk. We keep abreast of emerging issues through collaboration with the ETI, BRC, SEDEX and other organisations and take targeted supplier engagement actions to mitigate concerns.

Natural Stone

The sourcing of natural stone for our Nordic kitchen brand had previously been identified as an area that could carry higher risk, given the difficulties in supply chain transparency and the potential to source from high risk countries. This year we have further enhanced our auditing procedures for our kitchen business and our Responsible Sourcing team visited our warehouse in the Czech Republic to better understand their operation and supply chain.

Raw Materials

Given the complexity of our supply chain and the number of tiers between us and raw material suppliers we are working with the ETI to collaborate with others working in this space and help identify high risk materials and/or components to identify areas where we will need to focus efforts to get back to source.

Our key areas of focus for 2020/2021 include:

- » Complete on-site assessment of waste and recycling partners
- » Conduct Slave Free Alliance Threat Assessment in our Nordics business
- » Increase company understanding of high-risk components/materials through collaboration with ETI
- » Review current risk assessment processes



EXPERT ADVICE AND COLLABORATION



“I work for Dixons Carphone in the warehouse loading vans. I love my job; I am very happy here. I can see a very beautiful future here...thank you very much Bright Future!”

Survivor of Modern Slavery
working for Dixons Carphone

We recognise that the issue of modern slavery and human trafficking requires collaboration across private and public sector organisations, states and civil society. We welcome collaboration on the topic, learning from others and sharing our own experiences and best practice.

“A huge thank you for the mobile phones you donated to Hope for Justice clients. We’ve now received the phones and are starting to send them out to the clients. COVID-19 has been an isolating time for clients, especially for those who do not have a support network and face a language barrier to accessing support. The phones will hugely reduce client’s isolation, helping them to feel connected with others through calls and the internet. The phones will also give clients access to online tuition and online counselling which will hugely assist their recovery”
- Laura Gautrey, Hope for Justice.



Membership gives us access to expertise around modern slavery in the form of in-house investigations, crisis response, due diligence review and training. We also helped support Hope for Justice by providing a number of mobile phones that were issued to survivors of modern slavery, giving individuals more freedom and helping combat isolation.

We continue to seek feedback from NGOs on the quality of our statements. We take comments on board and make relevant amends to better the information we provide year on year.



Active members of the BRC’s CSR Community, Ethical Labour Working Group & [Better Retail Better World](#). In 2019/2020 we also worked with other BRC members on ensuring human rights are respected in the logistics sector



This year we achieved full membership. Membership gives us access to expertise and experience as well as topic specific updates in the modern slavery working group. We are required to report on actions and progress biennially, which will help us to drive year on year improvements. We are working with the ETI to collaborate with members working in similar fields, focussing on specific industry related risks.



We are proud to be part of this scheme offering survivors of modern slavery a pathway to paid employment. We have several survivors of modern slavery working within our business and have also been part of the committee turning Project Bright Future into Bright Future (Cooperative) Limited, with our own Group Responsible Sourcing Manager now on the board of directors. Along with Hope for Justice, we are also working with our colleagues in our Nordics business to look at the possibility of piloting a ‘Bright Future’ type scheme in Oslo.

We believe collaboration is key to building and maintaining strong, long-term relationships with our suppliers. We have traded with approximately 20% of our current own label and licensed brand suppliers for 10 years or more and nearly 50% for 5 years or more, allowing us to mutually benefit from the partnerships. We welcome greater collaboration with our suppliers, and this is an area we aim to build on as we collect better data on our suppliers and improve our ways of communicating with them to be more open so that any supplier concerns regarding risks of modern slavery can be shared and remediated immediately.

MONITORING AND IMPACT

Our ways of monitoring action and impact are constantly evolving. Currently we have the following in place:

Dixons Carphone whistleblowing hotline

This year of all the calls to our confidential line, none referred to modern slavery or human rights concerns. The Audit Committee review all the calls received biannually to ensure they have been appropriately dealt with. We appreciate the lack of associated calls may be due to a limited awareness and we have worked to improve this through training (detailed in training section below) and by adding reference to modern slavery to our whistleblowing policy and associated posters.

Distribution franchise whistleblowing hotline

This year three calls to the confidential whistleblowing line, that supports distribution franchise owners and their workers, were initially thought to be in relation to modern slavery but upon investigation they were found to be in relation to other issues. Workers were supported and their concerns resolved.

Monitoring non-conformities in relation to our own label and licensed brand supplier factory audits

Our audit criteria includes assessments for child/young labour, working hours, wages and deductions, overtime, working conditions and safety, freedom of movement and association, discrimination and disciplinary practices. The full audit content has been reviewed this year to ensure we align with the ETI base code and other standards and to ensure our questions stay current and respond to trends in the responses we get. Factories are audited prior to selection and once approved they remain subject to regular audits throughout our trading relationship. We work with suppliers to assist them in improving conditions for workers. Where issues have been found, we believe working with the supplier to make improvements is better for workers than immediate withdrawal, however, if improvement is not possible, they will not be approved as a supplier or delisted as appropriate.



An audit gives a red result if a supplier fails to meet satisfactory levels in relation to social and ethical standards. In all cases we request a corrective action plan and work closely with the supplier to ensure non-conformances are remedied.

Monitoring of own label and licensed brand audit analysis:

Alongside the audits and corrective action plans (CAPs) at individual factory level, we monitor trends in findings to drive impact. This year we have continued to engage with suppliers on the issue of working hours. As part of our audit process we engaged with 34 factories about the issue of working hours and have received and reviewed the CAPs; suppliers are now working on reducing working hours within the agreed timeframes.

Monitoring of high-risk supplier workers' rights questionnaire responses:

As part of our onboarding process, our questionnaire is sent to higher risk suppliers. Responses must be received and followed up (if required) before onboarding can be completed and orders placed.

This year we have also been mindful to highlight examples of good practice in supplier performance and improvement.

PMP Recruitment:

This year we have worked to understand our recruitment providers better, recognising the intrinsic risk associated with agency labour. We are pleased to work with PMP Recruitment for our national distribution centre and a number of other sites and have been impressed by their efforts in the field of modern slavery prevention; training all front-line recruiters, supervisors and management and working closely with experts Stronger2gether in providing business workshops. These measures give us confidence in our partner and help ensure modern slavery cannot infiltrate our business.

"PMP is proud to work with Dixons Carphone plc to reduce the risk of this horrific crime."

Gordon Mitchell,
Divisional Director PMP Recruitment

Biffa:

We also note the great work that Biffa are doing in the field of modern slavery. Partnering with Slave Free Alliance to deliver training specifically within the waste and recycling industry and by demonstrating a proactive stance to mitigate risk; putting them at the forefront of modern slavery efforts in this sector.

Our key areas of focus for 2020/2021 include:

- » Review our whistleblowing procedure to assess ways to raise awareness of the facility with regards to modern slavery
- » Continue monitoring suppliers through our improved, risk-based approach to due diligence



— TRAINING AND AWARENESS



Our key areas of focus for 2020/2021 include:

- » Launch online training module, mandatory for all UK & Ireland colleagues and included in new starter training
- » Introduce targeted training for commercial colleagues
- » Conduct targeted Supplier training and/or capacity building
- » Deliver modern slavery training to distribution colleagues

Supplier Training:

Given the scale and complexity of our supply chain, we see the best way of impacting change on modern slavery is challenging tier 1 suppliers to make changes in their own business and filtering those learnings down their supply chain, making suppliers realise how these changes could benefit their own business.

As part of a pilot with the ETI, we trialled an online training programme in Mandarin. We shared the interactive module with some of our own label and licensed brand suppliers in China, as well as internal and third-party auditors. Feedback was positive and we offered that and constructive feedback with the ETI and hope to utilise a final version in the near future.

We have identified our distribution franchise operations as a particular area that would benefit from modern slavery training. We worked closely with the HR partners that support the distribution franchise owners and their workers, building modern slavery training into their onboarding process, sharing our training materials and ensuring all new starters

gain awareness of the risks, minimum standards and how to spot the signs. Alongside the training we have advised on which questions should be added to their onboarding questionnaire and will worked with them to create a separate questionnaire for the existing franchisees.

As part of our Slave Free Alliance led threat assessment of our waste and recycling partners, we will also include an assessment of training needs (detailed in case study below).

Colleague Training:

Our strategy for modern slavery training involves raising awareness across our business, giving confidence to our colleagues to flag any concerns, whether these be at work or in their communities. We know modern slavery thrives when it is hidden and so empowering colleagues to understand the crime and know how to report concerns is essential.

This year we had planned to issue a UK & Ireland online learning module including modern slavery. Unfortunately, due to Covid-19 this has been delayed as the internal

development time was reprioritised into urgent health and safety training associated with Covid19. We now plan to launch this to our colleagues in 2020-2021.

Our efforts to increase knowledge and understanding is not just for high risk areas of the business. We create regular posts on online communication platform which includes activity supporting Anti-Slavery Day. This year we released two videos, the first was introducing modern slavery and how to spot the signs and the second in collaboration with Hope for Justice to tell the story of a survivor.

Variations of these videos form part of the training for our distribution colleagues that has been built taking the learning from last year's threat assessment with Slave Free Alliance into account. That training was due to be rolled out in March, but Covid-19 and the associated restrictions meant that we had to take the decision to delay until later in 2020. Aside from the videos the training materials include posters in multiple languages and a summary 1-page modern slavery awareness document.

In 2018-2019 we piloted modern slavery training to a group of our delivery drivers. Whilst not identified as a high-risk group of colleagues in themselves, they visit homes in the communities in which we work, carrying out deliveries and installations. By being made aware of the signs of modern slavery, we hoped they would feel empowered to raise any concerns they come across when delivering or installing products. The initial feedback on the pilot was that there was not enough relevance to their day to day role so we have revised approach accordingly. Rather than focussed training for drivers they will be included in general distribution colleague training.

As part of the ETI online training pilot in Mandarin, relevant colleagues in Hong Kong and China were also able to benefit from the training and feedback to the ETI.

Whilst we believe that our approach to modern slavery is proportional for our business risk we endeavour to continue raising awareness of the issue and strive to make further improvements year on year.

CASE STUDY - TIER 2 SUPPLIER



Waste and recycling partner – threat assessment

Following the prosecution of a number of Gangmasters here in the UK as part of the multi-agency 'Operation Fort' we felt it appropriate to direct our attention to the waste and recycling sector. Having worked with Slave Free Alliance last year to conduct a threat assessment on our national distribution centre we asked if they could support us this year by working with us and our tier 1 supplier to look at their supply chain.

The process started with a desk-based exercise issuing and reviewing questionnaires that our supplier sent to their waste and recycling partners which allowed Slave Free

Alliance to review and identify sites where it was felt that a follow up visit would be beneficial.

The onsite assessments were planned for March and April 2020 but were delayed due to Covid-19 restrictions and our desire to ensure all parties remain safe. We will complete this work later in the year and it will involve a review of policies and procedures in relation to modern slavery and recruitment, a review of worker records, a training needs assessment, as well as interviews with workers, management and labour providers.

Our key areas of focus for 2020/2021 include:

- » Complete on-site assessment of waste and recycling partners
- » Work with Slave Free Alliance to share learnings to other members and sector wide

“Slave-Free Alliance is delighted to continue its partnership with Dixons Carphone. Together we have successfully engaged with one of their Tier 1 suppliers to look even further into the supply chain network. It is great to see lessons learned being shared and put into effective practice.”

Susan Banister, Head of Business Development
Slave Free Alliance

KEY FUTURE STEPS FOR 2020-2021

(We will continue to monitor what is possible and safe regarding Covid-19 so actions will remain under review)

Complete on-site assessment of waste and recycling partners

Conduct Slave Free Alliance Threat Assessment in our Nordics business

Work with our Nordics business to look at the possibility of piloting a Bright Future type scheme in Oslo

Conduct targeted Supplier training and/or capacity building

Introduce targeted training for commercial colleagues

Increase company understanding of high-risk components/materials through collaboration with ETI

Launch the EcoVadis platform to the rest of our Group