

## Introduction

This is Dixons Carphone plc's (the 'Company') third statement on slavery and human trafficking and is made pursuant to section 54(6) of the Modern Slavery Act 2015 (the 'Act'). It constitutes the Group's slavery and human trafficking statement for the financial year ended 28 April 2018.

Our Board fully supports the aims of the Act and is committed to combatting the risk of slavery and human trafficking ('Modern Slavery') in our business and supply chains.

In the past twelve months, we have completed a due diligence exercise on our business and suppliers and have begun the process of identifying those more at risk from Modern Slavery by sending them a questionnaire on workers' rights which provides them with a risk rating.

Our Modern Slavery Policy, which can be found [here](#) has been introduced to colleagues, suppliers, agents and partners of our UK & Ireland business and we are in the process of delivering this to the Nordics and Greek businesses and our first-tier suppliers worldwide.

We are pleased to become the first non-food retailer to join the Bright Future programme, giving victims of slavery, here in the UK, a pathway to paid employment and reintegration into society. We are also the first retailer to join the Slave Free Alliance a best practice minimum standard and an anti-slavery 'mark' that demonstrates a positive, ethical statement of commitment.

Our dedicated team will continue to build on what we have achieved; making improvements and raising awareness of Modern Slavery within our business and our supply chain.

## Structure, Business and Supply Chains

We are one of Europe's leading specialist electrical and telecommunications retailer and services company, employing over 42,000 people in 9 countries. We offer a comprehensive range of electronic and mobile products, connectivity and expert after-sales services.

The organisation is divided into a number of subsidiaries, full details of which are published on our website. The Company has two main divisions: Group (including UK & Ireland) and International (including Nordics and Greece). Our businesses in the UK & Ireland, the Nordics and Greece are supported by their own support centre (head office) 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.).

As well as buying goods from many leading brands, our OEM (Original Equipment Manufacturer) operation, based in Hong Kong, sources many product types that are sold in our stores under our own or licenced brand names from 113 suppliers in the Far East and

Europe. This part of our operation is well established and has been actively engaging in ethical auditing / risk assessment for many years; we have utilised that knowledge and experience when creating our Modern Slavery team and understanding our wider business and supply chain.

We are aware that some of the products we sell or the services we procure carry a higher risk of Modern Slavery, either due to the location where they are manufactured, the raw materials that they contain, or the engagement of labour providers, sub-contractors and similar. Last year we acknowledged that, over time, we needed to develop effective methods of communication and collaboration with our suppliers to better understand what happens further down our supply chains, working together to resolve any issues that we may encounter. We have begun this ongoing process and we will look to build year on year.

### Policies in Relation to Slavery & Human Trafficking

Our Modern Slavery policy which was created last year has now been issued to our colleagues in the UK & Ireland and we will be issuing to HK, Nordics and Greece by the end of 2018. Our suppliers to our UK & Ireland business have been issued the policy and we are asking them to confirm they have read and will abide by it. The Company also has an Ethical Sourcing Policy, reflecting our commitment to acting ethically and with integrity in all our business relationships. We require our OEM suppliers to implement and enforce effective systems and controls to ensure slavery and human trafficking is not taking place and we will look to expand that to other areas of our supply chain in the coming year. Our Modern Slavery and Ethical Sourcing policies consider the Social Accountability 8000 standard, ETI Base Code, FTSE4Good criteria and the UN Guiding Principles, as well as guidance from various other subject matter experts.

We will continue to review our existing policies for recruitment, procurement, whistleblowing, etc. and where necessary make changes or introduce explicit references to Modern Slavery. We will also look to introduce new policies as and when relevant, and as our understanding of the issues and the approaches we need to take improve.

### Due Diligence Process

Our social and ethical auditing team carries out comprehensive due diligence of suppliers of our OEM products prior to selection against strict trading terms and operating procedures. Approved suppliers are then subject to regular checks and audits. We will expand this procedure to relevant parts of our supply chain once we have analysed the results of our workers' rights questionnaire. Where necessary, we will introduce reporting to monitor and evaluate risk at any given time.

Once complete, the questionnaire will have been sent to approximately 13,000 suppliers globally; our first-tier suppliers in their entirety. The responses received will allow us to assess

actual and potential human rights impacts and act upon the findings in an appropriate manner. The questionnaire asks questions in relation to the countries where our suppliers operate, the types of goods and / or services they provide (to us and to others), the types of workers they employ and the way they might treat them (wages, working hours, freedom of movement, the rights of young employees, etc.). We also ask if they must produce their own Modern Slavery statement (and if so, to provide us with a copy) and what policies and procedures they have in place to ensure their business and supply chains are free from Modern Slavery as well as the steps they take to protect workers' rights in general.

We have in place a confidential (and anonymous, should the caller so choose) whistleblowing helpline and this is referred to in our Modern Slavery Policy. The helpline allows anyone within our supply chain to raise concerns without fear of being harassed or bullied, losing out on opportunities or training, or facing demotion or dismissal, as a consequence of raising their concerns.

Over the next 12 months we will work with the Slave Free Alliance to audit our processes and make appropriate improvements.

### Risk Assessment and Management

Now we have completed the mapping of our supply chain we will be able to overlay the results of our workers' rights questionnaire. This will help us to identify higher risk areas to target process and resources effectively. As members of the Slave Free Alliance we will be able to utilise their experience to go beyond compliance and audits within our business and supply chain.

Aside from the risk assessment and questionnaire, we have played an active part in the Modern Slavery and Ethical Sourcing groups at the British Retail Consortium, are members of SEDEX and regularly attend events where there is an opportunity to discuss the risks of Modern Slavery with our peers, Non-Governmental Organisations ('NGOs') and other relevant stakeholders. This helps to expand our knowledge and highlight countries, product types or services that may be considered to have a higher risk of Modern Slavery. The knowledge and experience that we have obtained will help us identify the risks and issues, assess the level of importance and develop appropriate remedies. We will continue to collaborate and improve our understanding as time goes on.

Through this collaboration we have already identified one key area of risk here in the UK - distribution and worked to reduce that risk. We have engaged with our distribution and recruitment partners, working to understand how they are mitigating risk and the steps that are taking to ensure that workers' rights are upheld. We will continue dialogue and offer ongoing support to suppliers.

We will also look to develop a written operating procedure to follow in the event of finding a victim of modern slavery. Victims safety is paramount and we shall support them appropriately.

### Monitoring

The effectiveness of our work on Modern Slavery will continue to improve over time. We currently have the following measures in place:

- Addressing non-compliance in relation to our OEM supplier factory audits: Our audits include several topics including child / young labour, working hours, wages and deductions, overtime, working conditions and safety, freedom of movement and association, discrimination and disciplinary practices. Each factory is audited prior to selection. Once suppliers have been approved, they remain subject to regular checks and audits. These supplier audits are carried out with a view to assisting them in improving their working practices and we work with factories where failures have been identified. Wherever we can, we work with the supplier to make improvements; where this is not possible or no improvements are made, they will not be approved as a supplier, or will be delisted as appropriate;
- The number of calls to our Whistleblowing hotline that are related to ethical issues (including all forms of Modern Slavery); and
- The responses (or lack thereof) received from the questionnaire sent to our suppliers.

### Training

Our OEM auditing teams in Hong Kong and mainland China receive comprehensive training in relation to conducting ethical audits and identifying issues. We are developing training for other colleagues within our business and have begun with our management population in distribution and our colleagues that deal with recruitment, either directly or through agencies.

Training will be tailored to specific high-risk areas identified through the risk mapping and questionnaire and we will focus on the parts of our business and supply chain carrying higher risk. Our experience and the knowledge of third party organisations, such as Hope for Justice, that are experts in this field will help us decide which types of business and which countries are highest risk.

It is important that every one of our colleagues and suppliers understands what Modern Slavery is and how they can escalate any concerns.

### Further Steps

We will continue in 2018/19 to build on the progress we have made this year. Our risk assessment of suppliers will continue and the data obtained from the questionnaire will identify areas of focus for this year and beyond.

We will continue to improve communication on this topic with our supply chain and welcome opportunities to collaborate to identify risks or solve problems that we cannot tackle alone. We

will face common issues and by working together, not only with suppliers but also with other companies, we will be far more effective in meeting our common goal of eradicating Modern Slavery. We are currently in dialogue with other retailers/NGOs to develop a standardised protocol to deal with reported cases of Modern Slavery and will continue to develop our relationships with Bright Future, the Slave Free Alliance and other potential partners in this area.

This statement has been approved by the Dixons Carphone plc Board of Directors. A new statement will be published each year on the corporate website at [www.dixonscarphone.com](http://www.dixonscarphone.com).

A handwritten signature in black ink, appearing to read 'Alex Baldock', written in a cursive style.

Alex Baldock  
Group Chief Executive  
Dixons Carphone plc