

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT 2021/22

OCTOBER 2022

This statement has been published in accordance with the Modern Slavery Act 2015 which requires businesses to disclose the steps they have taken to combat modern slavery.

City Electrical Factors Limited (Registered in England & Wales, Number 336408) trading as CEF and its Parent Company CEF Holdings Ltd (Registered in England & Wales, Number 316018) have taken the following steps to prevent modern slavery in its own business and supply chains for the financial year ending 30 April 2022.

At CEF we respect human rights and have a zero-tolerance approach to any form of modern slavery. We recognise that no supply chain is without risk of modern slavery and it is our responsibility to ensure we understand the risks in partnership with our suppliers to mitigate them.

We are committed to acting ethically and with integrity in all activities and business relationships and we expect our supply chains, contractors, employees and all other business partners to commit to the same.

At the time of publication, we are not aware of any circumstances of modern slavery occurring either within our business or supply chains.

OUR BUSINESS

CEF is the UK's expert supplier of electrical products and services for the professional buyer and contractor with turnover of £890 million.

Via a national network of 391 stores located in all major towns and cities across the UK, or online for next day delivery, CEF offers its customers the most extensive range of over 35,000 products from over 300 leading suppliers.

We employ 2,988 people in our store network and support functions, employing people from within the local community, provide training and with our promotion from within culture there is plenty of opportunity for employees to progress within the business.

CEF supports customers in a range of different sectors, including small to large electrical contractors and the industrial, commercial, facilities management, energy specialist, specifiers, public / private sectors, non-residential and residential markets.

OUR COMMITMENT

CEF are committed to respecting human rights and to ensuring there is no modern slavery or human trafficking in its business or in any part of its supply chains and we have implemented employee training via our E-Learning portal. The Company Supplier Code of Conduct and Terms and Conditions of Purchase encompass modern slavery and human trafficking and the procurement department have sent our Code of Conduct to every supplier whom we hold a commercial framework with. In the financial year ending 30 April 2022, over 85.3% of the goods we procured came from 197 Licence to Trade suppliers based in the UK, each of these suppliers have received a copy of our Supplier Code of Conduct and have confirmed their commitment to this on an on-going basis.

One year in to our three contract with EcoVadis, we have 37 accredited suppliers who represent circa 30% of our purchases. Our year two plan is to increase this to circa 60 + suppliers covering between 65% and 70% of our purchases, putting CEF in a great position for measuring the sustainability of its supply chain across the four pillars of Environment, Labour & Human Rights, Ethics and Sustainable Procurement. Also, within our 2021/2022 trading year we have resubmitted our EcoVadis assessment with our score increasing from 42/100 to 47/100.

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

We have several internal and external policies which set out our expectations and requirements, and copies of these have been made available to each employee. These policies are reviewed by the Directors and senior management of the company on an annual basis, and an additional review would be undertaken in the event of changes to the Modern Slavery Act 2015.

Modern Slavery and Human Trafficking Policy

The policy sets out CEF's commitment to the prevention, detection and reporting of modern slavery in any part of our business or supply chain. It mandates all persons working for us or on our behalf in any capacity, including our employees, suppliers, workers, directors, agents, distributors and all third-party business partners to comply with the policy. The policy forms part of the Company Employee Handbook which is available to all employees; it also forms part of the new employee starter pack and on-boarding E-Learning Module.

Supplier Code of Conduct

CEF's Supplier Code of Conduct forms part of our Terms and Conditions of Purchase; it reflects current legislation, together with our economic, social and environmental commitments. The Code of Conduct includes our commitment to anti-slavery and human trafficking, and our commitment to human and employee rights.

Ethical Trading Policy

Our Ethical Trading policy forms part of our Terms and Conditions of Purchase and Supplier Code of Conduct. It requires our suppliers to comply with the principles set out in the International Labour Organization's Declaration and to protect the human rights of its workers, National and International Laws, statutes and regulations, relating to minimum wages, working hours, working conditions, child labour, discrimination, health & safety and the Modern Slavery Act 2015.

Anti-Bribery, Hospitality and Gifts Policy

CEF have a zero-tolerance approach to anti-bribery, we are fully committed to acting ethically and with integrity in all of our business activities and relationships, and expects our supply chains, contractors, employees and business partners to commit to the same. Training on this policy is provided to all employees via our E-Learning module, the policy is included in the Company Employee Handbook which is distributed to all current and new employees.

Whistleblowing Policy

Our Whistleblowing policy sets out the internal procedure an employee should follow to make a disclosure should they observe any malpractice, impropriety, fraud or the maltreatment of people within the company or our supply chains. All reported incidents are treated in the strictest confidence, taken seriously and fully investigated. At the date this document was signed we have not received any disclosures relating to modern slavery or human trafficking.

PREVENTING SLAVERY AND HUMAN TRAFFICKING IN OUR BUSINESS

Employees - Permanent and Temporary

CEF employs 2,988 employees in the UK, all of whom are subject to UK employment laws. Recruitment is handled locally; all applicants are required to provide photographic evidence to prove their identity and evidence of their Right to Work in the UK. Copies of these documents are taken and signed by the interviewer. Driving licence checks are also made at the same time; the results are printed and signed by the interviewer.

If the applicant is successful all documents are forwarded to the Payroll Department where further checks are carried out, including verification that the bank account details provided are held in the name of the new employee. Once all checks have been satisfied the employee is processed on to the payroll.

Current employees with work permits giving them the right to work in the UK are subject to review prior to the expiry date of the permit.

Occasionally we employ temporary staff; these are sourced locally using approved specialist employment agencies. These agencies have in place stringent recruitment processes to help ensure there is no existence of modern slavery in any of the temporary staff they provide, including identity verification, right to work

checks, bank account checks and employment history checks.

Whistleblowing

Anyone employed within our business, whether on a permanent or temporary basis, wishing to raise concerns about any issue or suspicion of modern slavery in any parts of our business or supply chains is encouraged to speak to the senior management team as a matter of urgency. As a matter of policy, any report of concern in relation to modern slavery or human trafficking can be made under the protection of the Whistleblowing policy. We will support any whistleblower who raises a genuine concern even if this turns out to be mistaken.

Awareness and Training

Management at all levels are responsible for ensuring the employees reporting to them understand the seriousness of modern slavery and human trafficking and they are given adequate training on it and the effect it could have on the Company's business and supply chains.

During the financial year ending 30 April 2022 the Company actively increased employee awareness of the Modern Slavery Act 2015, via its E-Learning portal as shown below:

- As part of their induction to the Company, 843 new employees received training on the risk faced by our business from modern slavery and human trafficking.
- The E-Learning module continues to be used to train all employees.
- The issue of modern slavery and human trafficking together with our policy is included in the Company Employee Handbook which is distributed to all employees of the Company.
- A copy of the Company Handbook was included in the employment pack which was distributed to all new employees joining the business during the financial year ending 30 April 2022.

OUR SUPPLY CHAINS

We purchase goods and services mainly from UK based suppliers who we have forged long term relationships with and who share the same commitment to the Modern Slavery and Human Trafficking Act as ourselves.

The Company Supplier's Code of Conduct and Terms and Conditions of Purchase have been reviewed during the financial year ended 30 April 2022, and at that time it was decided that both documents continued to support and reflect CEF's zero tolerance to modern slavery.

As we continue to raise awareness of the importance CEF places on its approach to human rights and its zero tolerance to any form of modern slavery, the procurement department have sent our Code of Conduct to every supplier whom we hold a commercial framework with. We ask for their support to our commitment

asking our suppliers to adopt the values within the Code of Conduct within their own scope of business and influence, and their supply chain.

As part of our due diligence process we have continued our on-going dialogue with our major suppliers who fully understand and fully support our zero tolerance to modern slavery. All new suppliers and prospective suppliers are sent a copy of our Supplier Code of Conduct.

During the financial year ending 30 April 2022 we increased the number of Licence to Trade suppliers to 197, all of whom embrace the additional conditions placed upon them.

Suppliers can only be added to our Licence to Trade programme once they have confirmed their commitment to CEF's zero tolerance approach, as required under our Terms of Conditions of Purchase and Supplier Code of Conduct.

CEF expects all of its suppliers to ensure, as far as is reasonably practicable, that their own suppliers and agents, who are directly or indirectly involved in the provision of goods to CEF, comply at all times with all applicable national and international laws, statutes and regulations including the Modern Slavery Act 2015.

We recognise that collaborative working with our suppliers is vital to effectively mitigating the risks to ensure continual improvements to the standards in our supply chains.

We have a small number of suppliers responsible for the sourcing and production of our own exclusive in-house branded products, as they present a higher risk due to their geographical location, and we have continued to monitor their compliance. As part of our due diligence process, each of these suppliers are independently audited and site inspections are carried out on a regular basis. A detailed assessment is then compiled which includes a check to ensure there is no forced, bonded or involuntary labour, the employees' working conditions, working hours, there is no child labour and all applicable national and international laws, statutes, regulations and our Modern Slavery and Human Trafficking policy are adhered to at all times.

Due to the worldwide constraints introduced as a result of the COVID-19 pandemic it has not been possible to complete all of the scheduled supplier audits and site inspections within the normal timescales. We are working with the independent auditors to ensure the inspections fully re-commence as soon as possible.

The supplier assessments completed will be reviewed by senior management where concerns are identified; to date, nothing has been found which indicates non-compliance with the Ethical Trading Initiative Base Code, National and International Laws, statutes and regulations, relating to minimum wages, working hours, working conditions, child labour, discrimination, health & safety and the Modern Slavery Act 2015.

Where issues of non-compliance relating to the Ethical Trading Initiative Base Code and the Modern Slavery Act 2015 are identified, appropriate investigative and remedial actions will be taken. We reserve the right to

terminate our relationship with any organisations working on our behalf where non-compliances of the Ethical Trading Initiative Base Code and the Modern Slavery Act 2015 are found.

ONGOING REVIEW

CEF's Directors and senior management team will continue to review the effectiveness of the steps taken to ensure that there is no modern slavery or human trafficking in the business or supply chains.

We will continue to conduct risk assessments of our supply chains, external operations and internal operations to ensure compliance with the Modern Slavery Act 2015.

The modern slavery E-Learning module is key to our employee training, and the effectiveness of the module to communicate clearly and accurately the issue of modern slavery will be reviewed on a regular basis and updated where necessary to ensure maximum employee engagement.

The module sends out a clear message to all employees about CEF's zero tolerance approach to modern slavery and the actions an employee should take if they wish to raise concerns about an issue or suspicion of modern slavery in any part of the business or supply chains.

Signed



Dated

11/10/2022

Mark Stephen Jacobs - Finance Director

This statement was approved by the Board of Directors of City Electrical Factors Limited and CEF Holdings Ltd on 11th October 2022 and is made pursuant to section 54 (1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 30 April 2022. Mark Stephen Jacobs was authorised by each Board member to sign the statement on their behalf.