

This statement has been published in accordance with the **Modern Slavery Act 2015** which requires businesses to disclose the steps they have taken to prevent modern slavery in their business and supply chains.

It constitutes the Modern Slavery and Human Trafficking Statement for City Electrical Factors Limited (Registered in England and Wales, Number 336408) trading as CEF and its Parent Company CEF Holdings Ltd (Registered in England and Wales, Number 316018) for the financial year ending 30th April 2024.

MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT

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INTRODUCTION

As a family business, CEF are deeply aware of our responsibilities to our team members and our communities. As our company grows, extending this same level of care to our wider value chain has become an increasing part of those responsibilities.

As an electrical distributor, CEF have a leading role to play in the transition to a low carbon economy, working with our customers and supply chain in delivering a clean energy future. We are conscious we need to do this responsibly, treating people in the end-to-end value chain with respect and integrity.

Over the past year, CEF has dedicated time to reflect on where we can generate the most value and positive impact. This process helped

us realign our efforts and thinking with a refreshed purpose, 'Together, we inspire the exceptional every day' that better speaks to the whole of CEF and the work we do. We're committed to transforming our purpose into impactful actions and have goals to guide our efforts along the way.

People First

To create an inclusive, caring and rewarding culture which attracts, retains and develops the very best talent. That's why we recently launched 'A Brighter Beginning', which structures our approach to onboarding and welcoming new team members.

Outstanding Customer Experiences

To work with our partners and push ourselves every day, setting the standard for customer experience and value.

Driving Growth

To drive growth and innovation across all channels, with an ambition to become a market leader. The rapid growth of our Renewables Division reflects the growing demand for sustainable solutions, and we are proud to be accelerating this transition.

Force for Good

To be a leader in our sector, and a force for good, with a focus on people, planet and communities. The B Corp Standard forms the bedrock of our Sustainability and Social

Value strategy, allowing us to measure our improvements over time across all our stakeholders.

'We are a caring family' is one of the Values that underpins our Purpose and Goals. At CEF, we care about our people, as friends, as a community and as one team. We value each other, our customers, and our suppliers, and we do it together.

Whilst no evidence of modern slavery or forced labour has been found in any of our businesses or supply chains to date, we recognise that we must remain constantly vigilant and continue to use our influence in the sector to raise awareness and drive change.

ORGANISATIONAL STRUCTURE, BUSINESS & SUPPLY CHAINS

CEF is a private limited company which was established in 1951.

We are the United Kingdom's leading multi-channel electrical distributor with an annual turnover of £1.163bn, growing from a single branch based in Coventry to over 390 branches throughout the UK.

Wholesale distributors are the essential link between manufacturers of electrical products and the electricians and electrical contractors who install them.

Through a national network of branches located in all major UK towns and cities, (and online for next day delivery), CEF offers its customers an extensive range of over 44,000 products from over 300 leading supplier partners including lighting, cable, heating appliances and renewable energy products.

The customer sectors across which we trade are diverse – ranging from small to large electrical contractors, into industrial, commercial, and facilities management segments. We also extend our reach into both the public and private sectors, and non-residential and residential markets, ensuring that we address the unique needs of every aspect of our valued customer base.

Our People

CEF are a people first business, built on a foundation of family legacy and true talent with a tradition of promotion from within. Our goal is to further foster, create and grow a culture which allows our team members to be seen for who they are, and to truly feel part of our team. We employ 3,571 people in our branch network and support functions, employing from within as a priority and from the local community when possible.

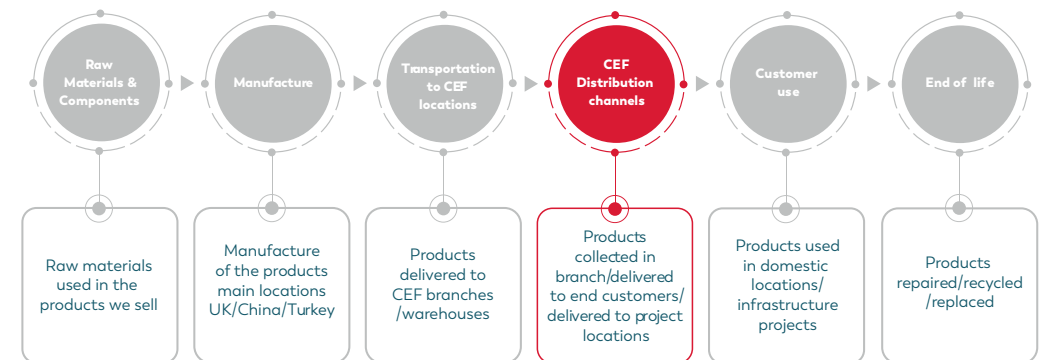
We are committed to providing everyone with the opportunity to build a long-term, diverse career. We have an ambition to lead the way, using our legacy, strength and reputation to do even more in the context of responsible business, sustainability, renewables and other topics that are important to us, and wider society.

We act ethically and with integrity in all activities and business relationships and it is important to CEF that everyone working for us, or on our behalf, can expect decent working conditions, that are safe and inclusive, and that they are paid fairly in return.

Our Supply Chain

CEF source products predominantly in the UK but with extended supply chains that stretch around the world. CEF does not import directly from low cost / higher risk countries but are supported by other Group companies who undertake product quality audits and have also introduced ethical audits of manufacturing facilities in the supply chain.

CEF Value Chain



POLICIES IN RELATION TO SLAVERY & HUMAN TRAFFICKING

We have several internal and external policies which set out our expectations and requirements encompassing the prevention of modern slavery in the workplace and in our supply chain. Copies of these are available to each employee through our online portal, CEF Hub and SharePoint.

These policies are reviewed by the Directors and senior management of the company on a regular basis, and an additional review would be undertaken in the event of changes to the Modern Slavery Act 2015

POLICY	SCOPE	RELEVANCE TO MODERN SLAVERY
Modern Slavery and Human Trafficking Policy	Sets out CEF's commitment to the prevention, detection, and reporting of modern slavery in any part of our business or supply chain. Training on this policy is provided to all new employees via our E-Learning module and refreshed every 2 years.	Mandates all persons working for CEF or on our behalf in any capacity, including our team members, supplier partners, agents, distributors, and all third parties to comply with the policy.
Sustainability and Social Value Policy	Outlines our commitment to nurture our people, protect the world, and enhance communities, building a sustainable business that we can continue to be proud of.	Recognises the positive impact CEF can have on people, planet, and communities.
Supplier Code of Conduct	Forms part of our Terms and Conditions of Purchase and acceptance is a requirement of our Licence to Trade supplier partner agreements.	Includes our commitment to anti-slavery, human trafficking, human rights and decent work. Encourages all supplier partners to publish a modern slavery statement regardless of legal obligation.
Anti-Bribery, Hospitality and Gifts Policy	Outlines a zero-tolerance approach to bribery and our commitment to acting ethically and with integrity in all of our business activities and relationships. Training on this policy is provided to all new team members via our E-Learning module.	Establishes an ethical and transparent approach to business.
Whistleblowing Policy	Sets out the internal procedure a team member 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.	Reported incidents are treated in the strictest confidence, taken seriously and fully investigated. This would include disclosures relating to modern slavery or human trafficking.
Bullying and Harassment Policy	Sets out the position that bullying and harassment of any kind will not be tolerated.	This type of behaviour could be an indication of worse forms of exploitation.
Equality & Diversity Policy	Aims to remove unfair and discriminatory practices.	Recognises and respects the importance of an inclusive and diverse workforce. Discrimination could be linked to exploitation.
Health and Safety Policy Statement	Aims to ensure the safety and welfare of all team members, customers and people who are affected by CEF operations.	By everyone playing a part the health, safety and welfare of all can be protected.
Human Resources Security Policy	Applies to all individuals working at all levels and grades, including remote workers.	Identity, background checks and proof of eligibility to work in the UK are conducted during the recruitment process which could flag potential risks of exploitation.
Recruitment Policy	Ensuring that all applicants are treated fairly.	All offers of employment are subject to the receipt of appropriate documentation related to rights to work which could flag potential risks of exploitation.



RISK ASSESSMENT AND MANAGEMENT

We acknowledge that any large-scale operation, such as ours, carries the risk of modern slavery in their business or supply chains.

Our People

CEF employs 3,571 team members in the UK, all of whom are subject to UK employment laws and, with robust recruitment policies in place, we believe the risk of exploitation in our own operations is minimal.

Recruitment is handled locally, and all applicants are required to provide photographic evidence to prove their identity and enable verification 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 and 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 team member. Once all checks have been satisfied the team member is processed on to the payroll.

Current team members with work permits which give them the right to work in the UK are subject to review prior to the expiry date of the permit.

Occasionally we employ temporary team members; these are sourced locally using approved specialist employment agencies. These agencies have in place stringent recruitment processes to mitigate the risk of exploitation and modern slavery in any of the temporary team members they provide, including identity verification, right to work checks, bank account checks and employment history checks.

Our Supply Chain

We purchase goods and services from mainly UK-based supplier partners, who share the same commitment to addressing the issues of exploitation, modern slavery and human trafficking as ourselves, and we have long term relationships with these partners.

Our product range is extensive, and we have an established Procurement team to manage specific categories of spend. Product level risk is determined based on criteria which could increase the potential level of exposure to exploitation. These key factors include country of manufacture, the associated industry risk, the level of manual or seasonal labour required to manufacture products and the supply chain complexity/levels of subcontracting.

Most of the products we supply are sourced from Tier 1 supplier partners based in the UK however the products themselves are often manufactured in other countries. We recognise the potential risk of modern slavery and exploitation is within this extended supply chain. We are therefore undertaking more detailed engagement with our key supplier partners to identify country of manufacture of products, as well as any potential risks associated with raw materials including conflict minerals.

The renewables sector has already been identified as an area of potential risk in our product portfolio due to complexity and recognised issues in the supply chain, the rapid increase in demand and the proliferation of products on the market. CEF have been working closely with the supplier partners of solar panels specifically and have requested evidence of due diligence including mapping of the supply chains back to core raw materials. This is an ongoing focus area for supplier partner engagement.



DUE DILIGENCE PROCESSES

At CEF we respect human rights and have a zero-tolerance approach to any form of exploitation including modern slavery. We recognise that no business is without risk of exploitation, including modern slavery, and it is our responsibility to ensure we undertake due diligence to understand the potential risks and work in partnership with our employees, contractors, supply chains, customers and all other stakeholders to mitigate them.

A core principle of our approach is to be transparent, credible, and measurable. We are assessed through [EcoVadis](#), the world's most trusted business sustainability ratings platform and have achieved a silver medal rating, putting us in the top 15% of companies assessed. We are encouraging and supporting our supplier partners to join us on this journey to continue to build a high quality, responsible and ethical supply chain.

As well as having silver medal rating with EcoVadis, CEF have also achieved Constructionline Gold level membership which provides assurance against a company's credentials for environmental management, quality management, equal opportunities, Modern Slavery Act adherence and anti-bribery and corruption policies.

CEF takes the health and safety of its team members, customers and supply chain extremely seriously

and encourages a safety conscious culture within our workforce – putting human welfare first. The impact on health and safety is an important consideration in any decision we take and will often be the motivation for our action.

Our success as a business depends on our people and the diversity of our workforce. We do not discriminate on the grounds of age, sex, disability, sexual orientation, marital status, race, colour, religion, ethnic origin, political beliefs, or any other unlawful reason. We are committed to ensuring all team members will have equal opportunity in their employment. We expect our supplier partners to take similar steps to protect their own team from discriminatory practices.

The wellbeing of our team members, contractors and supply chain is a fundamental priority. We want to ensure we have healthy and engaged team members and expect our supplier partners to take the same approach to ensuring wellbeing is a priority within the workforce.

The majority of CEF team members are permanent employees however we expect employment agency partners to uphold the same standards of employment that we offer our direct employees and adopt the "employer pays" principle. This means that no worker should pay for a job opportunity and the cost of recruitment should be borne not by the worker but by the employer and we expect our supplier partners to uphold the same principle.

The National Minimum Wage and National Living Wage increases every year on 1st April. CEF has set our own standard for all employees, the CEF Living Wage, that is benchmarked against this and meets these requirements. We also expect our supplier partners to pay their employees in line with the National Living Wage and National Minimum Wage as a minimum.

CEF have a three-stage due diligence process,

with our supplier partners managed under a central Procurement team with Category Manager and Product Manager ownership.

Stage 1

The first stage is a contractual commitment to our requirements, including sustainability and social value, which is delivered through acceptance of our Supplier Code of Conduct ("the Code") in our standard Licence to Trade (LTT) agreement.

This positions CEF's zero tolerance to modern slavery.

DUE DILIGENCE PROCESSES



As part of our annual LTT supplier negotiations, the Procurement team require acceptance of the Code. CEF expects all its supplier partners to ensure, as far as is reasonably practicable, that their own supplier partners and agents, who are directly or indirectly involved in the provision of goods to CEF, comply at all times with the Code and all applicable national and international laws, statutes and regulations including the Modern Slavery Act 2015. They are required to publish their own Modern Slavery and Human Trafficking statement, regardless of whether this is a legal requirement.

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

During the financial year ending 30th April 2024 we increased the number of Licence to Trade supplier partners to 211, all of whom embrace the conditions placed upon them.

Stage 2

The second stage of our due diligence process is through our supply chain contract with EcoVadis, the world's most trusted business sustainability ratings platform which helps track and report CEF's progress in sustainability.

As an industry leader and a responsible business, we want to use our influence in the sector to promote the highest standards of ethical business conduct and sustainable business practices wherever we operate. We encourage our supplier partners to have the same level of commitment to these standards.

The EcoVadis platform allows CEF to assess, monitor and benchmark the sustainability performance of large parts of our supply chain via a digital platform against four themes: Environment, Labour and Human Rights, Ethics, and Sustainable Procurement.

A 360° Watch Findings is incorporated into the EcoVadis assessment and can have a positive, negative or no score impact. This includes relevant public information about a company's sustainability practices that have been identified via more than 100,000 data sources (including NGOs, press and trade unions).

As of the end of April 2024, CEF had engaged all our LTT supplier partners to commit to have their sustainability performance assessed by EcoVadis and over 100 supplier partners were rated, representing circa 72% of our spend. CEF has a commitment to increase the number of supplier partners assessed to cover 80% of spend by the end of 2024. This will allow us to gain deeper insights into the key sustainability risks and opportunities in our supply chain.

The assessment provides the supplier partner with recommended areas for improvement and actions are tracked through ongoing engagement with bi-annual meetings and evidenced through annual re-assessment. We have received positive feedback from supplier partners who have completed the EcoVadis assessment at CEF's request stating this has helped provide them a framework to benchmark their level of maturity and identify areas of improvement.

"I actually used the first EcoVadis assessment as a discovery tool... now we are using the EcoVadis scorecard to drive improvement in different areas of the business."

Manuela Rubino Courtney,
Group Legal and Compliance Manager, Scolmore

"We got holistic feedback on where we are with our sustainability management... other companies asked for the EcoVadis assessment and we were proud to present our badge."

Tanja Hoppmann,
General Management, WISKA Hoppmann GmbH

Stage 3

The third stage is a more detailed follow up and deep dive depending on the output of the EcoVadis assessment and the associated risk of the supplier partner and their supply chain.

As part of our due diligence process, we have an on-going dialogue with our major supplier partners to ensure they fully understand and support our zero tolerance to modern slavery.

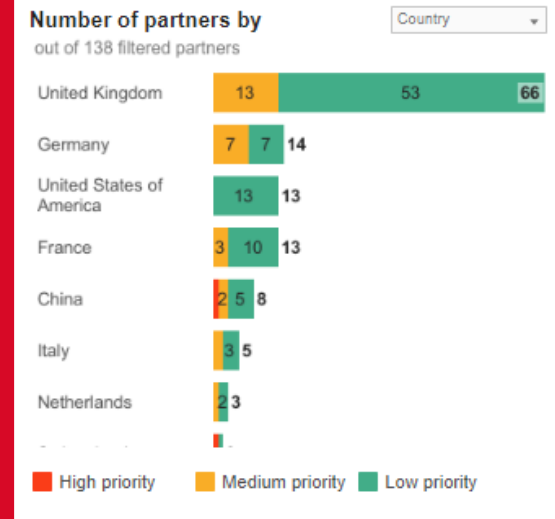
We recognise that collaborative working with our supplier partners is vital to effectively mitigating the risks and ensure continual improvements against the agreed actions plans.

The EcoVadis 360° Watch Findings service also delivers live news monitoring which provides up to date risk information relevant to our supply base. Any risks flagged would escalate engagement.

In addition, EcoVadis provides a suite of reporting insights including how readily our supplier partner network is managing child labour, forced labour and human trafficking, based on assessment results. The less mature a partner's management system is the higher the action priority to engage them on improvement. The majority of our Tier 1 supplier partners are based in the UK and the likely risk is low however we recognise the products supplied may be manufactured in other locations and we are asking for this additional information to inform our risk assessment.



EcoVadis Modern Slavery Dashboard



This third stage may also include the requirement for an on-site ethical audit. Many companies often take an audit-led approach to supplier due diligence; however, an audit on its own can have limitations in identifying instances of modern slavery. CEF recognise that building relationships and trust with the partner you work with is just as crucial when it comes to increasing transparency and accountability and will help to prevent and identify incidences of modern slavery. On site assessment has been prioritised for a small number of supplier partners responsible for the sourcing and production of our own exclusive in-house branded products. They have been identified as having a potentially higher risk due to their geographical location and we have continued to monitor their compliance for both product quality and labour standards.

As part of our due diligence process, CEF have developed a Sustainability and Social Value Audit Protocol with our partner company based in China, aligned to the Ethical Trading Initiative (ETI) Base Code and the Sedex Members Ethical Trade Audit (SMETA) audit protocol. To ensure we build trust, supplier partners are engaged directly to outline our approach and provide guidance prior to on-site assessments being carried out. Detailed audit reports are completed for the assessments and any concerns or non-compliances identified are summarised for remediation. Eight audits have been completed since implementation in March 2024 up to the end of April 2024 and no issues have been identified relating to exploitation and the Modern Slavery Act 2015. To avoid audit duplication, where supplier partner sites already hold an internationally recognised ethical audit report aligned to SMETA, these are reviewed and where appropriate accepted by CEF.

Where issues of non-compliance relating to exploitation and the Modern Slavery Act 2015 are identified, appropriate investigative and remedial actions will be taken. Where supplier partners can demonstrate a commitment and ability to close identified issues, we will work with them to do so, however, we reserve the right to terminate our relationship with any organisations working on our behalf where non-compliances are identified and there is no evidence of sustained improvement.

SPEAK UP CULTURE

Anyone employed within our business, whether on a permanent or temporary basis, wishing to raise concerns about any issue or suspicion of exploitation and 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 CEF Whistleblowing policy. We will support any individual who raises a genuine concern even if this turns out to be mistaken. We have included guidance on speaking up in our Supplier Code of Conduct to give our supplier partners a similar route to raise any concerns.



TRAINING & CAPABILITY BUILDING

Management at all levels are responsible for ensuring the team members reporting to them **understand the seriousness of modern slavery and human trafficking.**

Adequate training should be provided, and team members should be aware of the realities of modern slavery and exploitation and understand the relevance for CEF's business and supply chains.

During the financial year ending 30th April 2024 CEF actively increased team member awareness of modern slavery and human trafficking, as evidenced below:

- As part of their induction to the Company, 841 new team members received training through an e-learning module on the risk faced by our business from modern slavery and human trafficking.
- The e-Learning module continues to be used to train all new team members and has been introduced as a refresher training module required to be completed every 2 years.
- We are silver level members of the [Supply Chain Sustainability School](#) and people in relevant roles make use of the free resources available covering a range of sustainability topics including modern slavery.

We are an active member of the [Electrical Distributors Association \(EDA\)](#) and promote use of their training resources which include modules created by the Supply Chain Sustainability School. The supplier partners we engage through EcoVadis have access to a suite of training modules through the EcoVadis Academy including modern slavery.



EFFECTIVENESS

No incidents of modern slavery or exploitation were identified in our own business or our supply chains during 2023/24.

However, as outlined in this Statement, we recognise potential risks are within our extended supply chain in countries identified as being higher risk, where the products may be manufactured and/or raw materials are sourced. We will continue monitoring our value chain to make sure we are aware of any potential cases that may arise.

Progress against commitments in the 2022/23 statement

IN OUR LAST STATEMENT, OUR COMMITMENTS WERE AS FOLLOWS:	THIS IS THE PROGRESS WE MADE AGAINST THE COMMITMENTS:
Complete B-Corp gap analysis and develop action plan to achieve certification.	The B Corp gap analysis has been completed and action plans are in place to achieve certification in 2025. This has been undertaken working with our strategic external partner, Seismic.
Implement CEF EcoVadis action plan and enhance rating.	CEF implemented an action plan to address areas for improvement identified through the EcoVadis assessment which resulted in an increase in rating score from 60 to 68. This puts us in the top 15% of companies assessed globally.
Complete risk assessment of priority supplier partners accounting for 80% of spend.	CEF have engaged supplier partners to complete the EcoVadis sustainability assessment which provides an individual assessment of key themes including labour and human rights. This was completed for 104 supplier partners accounting for 72% of spend. In addition, a supplier questionnaire has been developed to inform a greater level of risk assessment including country of manufacture.
Implement supplier engagement programme to follow up on EcoVadis assessments and risk prioritisation.	A supplier engagement programme has been implemented based on the EcoVadis assessment. 1:1 sessions have been set up with 6 monthly follow ups scheduled.
Promote learning and capability building with supply chain using EcoVadis Academy and the Supply Chain Sustainability School.	The Supply Chain Sustainability School and EcoVadis Academy are promoted as part of supplier engagement sessions and specific modules/learning sessions are shared for registration.
Collaborate with relevant industry initiatives to drive positive change.	CEF are members of Solar Energy UK and are represented on the Responsible Sourcing Steering Group. CEF promote the Solar Stewardship Initiative (SSI) with relevant supplier partners.
Develop suite of supply chain sustainability KPIs aligned to commitments that evidence effectiveness.	A KPI dashboard has been created to share with customers including supply chain metrics. As part of the B Corp action plans supply chain metrics have been proposed to drive positive impact.

EFFECTIVENESS

KPI's 2023/24

KPI	ACHIEVED
Spend covered with EcoVadis rated suppliers	72%
% of supplier partners achieving an EcoVadis rating above 45 which evidences a structured and proactive sustainability approach (EcoVadis global average of 60%)	90%
Average supplier partner rating performance in EcoVadis (EcoVadis global average of 46.4)	59.4

Focus Areas and Commitments for 2024 / 25

We recognise and fully support the need to demonstrate continual improvement and commitment to tackling the risk of modern slavery and human trafficking in our business and supply chains. We will continue to develop realistic, whilst challenging, commitments that will make a difference and enhance our approach, including:

- Implement B Corp action plan to meet certification requirements
- Implement CEF UK Ltd EcoVadis action plan and enhance rating
- Supplement supplier risk assessment with a focus on manufacturing locations and conflict minerals
- Continue supplier engagement programme to support supplier partners to build capability
- Implement Sustainability and Social Value reporting dashboard including supply chain sustainability KPIs

Ongoing Review

To ensure we meet the commitments set out in this Statement, we have recruited and built a team of sustainability and social value professionals, as well as establishing a Sustainability and Social Value Steering Group, chaired by our CEO, to ensure effective governance, accountability and delivery.

CEF's Directors and senior management team will continue to review the effectiveness of the steps taken to identify and mitigate for any risk of modern slavery or human trafficking in the business or supply chains.

CEF 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 team member training. It sends out a clear message to all team members about CEF's zero tolerance approach to modern slavery and the actions they 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.

The effectiveness of the module to communicate the issue of modern slavery and human trafficking clearly and accurately will be reviewed on a regular basis and updated where necessary to ensure maximum team member engagement.

CEF will continually monitor and consider the wider landscape and evolving standards, regulations and legislation including:

- British Guidance Standard on Modern Slavery, BS 25700: Organisational responses to modern slavery
- UK Procurement Policy Notice, PPN 02/23: Tackling Modern Slavery in Government Supply Chains
- CSDDD - the EU Corporate Sustainability Due Diligence Directive
- CSRD – the EU Corporate Sustainability Reporting Directive
- Draft EU Supply Chain Law
- UK Procurement Bill



EFFECTIVENESS

Signed:

Date:

8th October 2024

Mark Stephen Jacobs - Finance Director

This statement was approved by the Board of Directors of City Electrical Factors Limited and CEF Holdings Ltd on 8th October 2024 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 30th April 2024.

Mark Stephen Jacobs was authorised by each Board member to sign the statement on their behalf.