Modern Slavery & Human Trafficking

Statement 2025/26

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) for the financial year ending 30th April 2026.



C E F YOUR ELECTRICAL EXPERTS

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Introduction

As the UK's leading multi-channel electrical distributor and a family business, City Electrical Factors (CEF) recognise our responsibilities to our team members and the communities in which we serve. As the business grows, extending this same level of care to our wider supply chain has become an increasing part of those responsibilities.

CEF is an electrical distributor, with in-house manufacturing and distribution operations, and has a leading role to play in the transition to a low carbon economy, working with our customers and supply chain to deliver a clean energy future. We are conscious that we need to do this responsibly, treating people in our end-to-end value chain with respect and integrity.

Over the past year, CEF has continued to focus on where we can create the most value and positive impact aligned under our Purpose:

Together, we inspire the exceptional every day.

We're committed to transforming our purpose into meaningful actions, guided by our Goals:

People First
To create an inclusive, caring and rewarding culture which attracts, retains and develops the very best talent.

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.

Force for Good
To be a leader in our sector, and a force for good, with a focus on people, planet and communities.

'We are a caring family' is one of the key Values that underpins our Purpose and Goals. At CEF, we care about our people, as individuals, as a community and as one team. We value each other, our customers, and our supplier partners.

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 UK's leading multi-channel electrical distributor with almost 400 branch locations, supported by our own in-house manufacturing and distribution operations with an annual turnover of £1.28bn.

As an electrical distributor, CEF are the essential link between product manufacturers and suppliers and the electricians and electrical contractors who install them.

Through a national network of branches located across the UK and Ireland (and online for next day delivery), CEF offers its customers an extensive range of over 44,000 products from over 300 leading supplier partners in categories such as lighting, cable, switchgear, heating, ventilation and renewable energy products.

The customer sectors across which we trade are diverse – ranging from small to large electrical contractors, to industrial, commercial, and facilities management segments. We also extend our reach into both the public and private sectors, and non-residential and residential markets.

Following a company restructure in May 2024, City Electrical Factors Limited now also includes our in-house manufacturing and distribution operations.

Our People

CEF are a people first business, built on a foundation of family legacy and 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 feel connected to the business. We employ over 4,000 people in our branch network and support functions, promoting from within and employing from the local community where possible.

We are committed to providing everyone with the opportunity to build a long-term, diverse career and have implemented a new onboarding programme to ensure that all of our new team members get off to the best possible start.

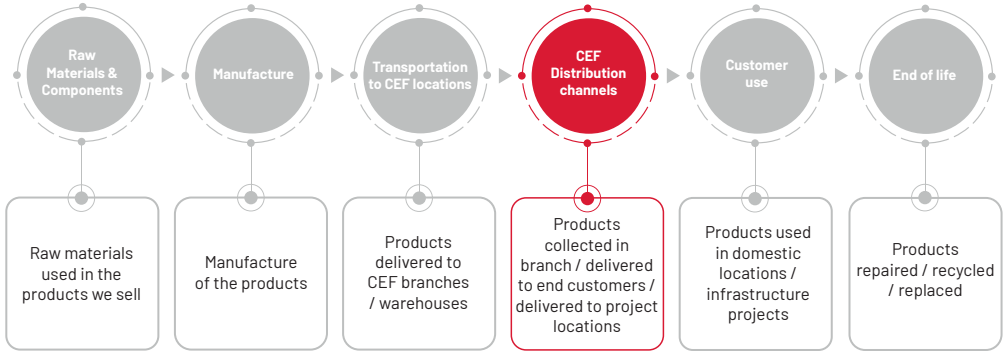
We have an ambition to do more in the context of responsible business, sustainability, renewables and other areas that are important to us, our industry, and wider society.

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 in the UK, and via extended supply chains that stretch around the world. CEF in-house divisions import directly from other countries and are supported by other Group companies who undertake product quality audits as well as conducting sustainability and social value audits of manufacturing facilities across the supply chain.

CEF Wholesale 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 of our team members through our online portals, The Hub and SharePoint.

These policies are reviewed by the Directors and senior management on a regular basis, considering any relevant changes to regulatory requirements and perceived risk.



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 completion required 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 & 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 our business activities and relationships. Training on this policy is provided to all new team members via our E-Learning module and completion required every 2 years.	Establishes an ethical and transparent approach to business.
Whistleblowing Policy	Sets out the procedure a team member should follow to make a disclosure should they observe any malpractice, impropriety, fraud, or the maltreatment of people within the business 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.
Diversity and Inclusion 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.
Sexual Harassment Policy	Aims to ensure that all members of our workforce are aware of the codes of conduct that are expected of them, and that they are aware of how to raise concerns, should they arise.	Provides team members with guidance on how to raise an anonymous complaint.
Health and Safety Policy Statement	Aims to ensure the health, 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 team members 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	Ensures 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 & Management

We acknowledge that **any large-scale operation** with a complex supply chain such as ours, **carries the risk of modern slavery.**

Our People

CEF employs over 4,000 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. This check ensures that the people working for CEF are legally able to work in the UK.

For successful applicants, documents are forwarded to the Payroll team 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, sourced locally using approved specialist employment agencies. These agencies have stringent recruitment processes in place to mitigate the risk of exploitation and modern slavery, including identity verification, right to work checks, bank account checks and employment history checks.



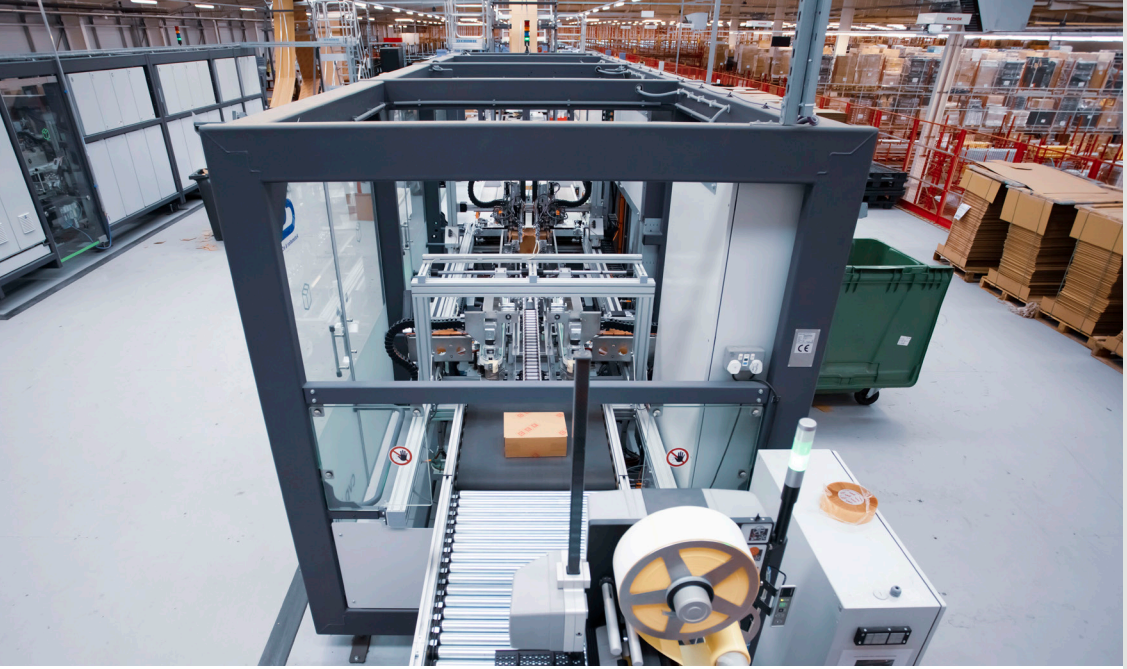
Our Supply Chain

For our wholesale business, we purchase goods and services primarily from UK-based supplier partners, who share the same commitment to addressing the issues of exploitation, modern slavery and human trafficking as ourselves. Typically, we have long term relationships with these partners. For our in-house manufacturing and distribution operations we work with long standing manufacturing partners both within and outside of the UK.

Our product range is extensive, and we have a dedicated Procurement team to manage spend using a category management approach. Product level risk is determined based on criteria which could increase the potential level of exposure to exploitation, including country of manufacture, the associated industry risk, the level of manual or seasonal labour required to manufacture and supply chain complexity / levels of subcontracting.

We recognise the potential risk of modern slavery and exploitation is within our extended supply chain and are therefore undertaking more detailed engagement with our key supplier partners to identify country of manufacture as well as potential risks associated with raw materials – including conflict minerals.

The renewables sector has already been identified as an area of heightened risk due to its complexity and recognised issues in the supply chain, the rapid increase in demand, and the proliferation of suppliers in the market. CEF have worked closely with supplier partners of solar panels specifically and have obtained evidence of due diligence, including on site audits and, in some cases, mapping of the supply chains back to core raw materials. This is an ongoing focus area for supplier partner engagement.



Due Diligence Processes

CEF respect human rights and have a zero-tolerance approach to any form of exploitation.

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 team members, 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 achieved a silver medal rating in this reporting period, putting us in the top 15% of companies globally. We also encourage and support 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 a silver medal rating with EcoVadis, CEF retained the Sedex Supplier Plus certification and the 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 & safety of its team members, customers and supply chain 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 action.

Our continued success 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, religion, ethnic origin, political beliefs, or any other unlawful reason. We are committed to ensuring all team members 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 also a 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.

The majority of CEF team members are permanent employees, but we expect employment agency partners to uphold the same standards of employment that we offer 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 pays its team members in line with this as a minimum and we expect our supplier partners to do the same.

CEF Wholesale have a three-stage due diligence process with supplier partners managed under a central Procurement team with Category Manager and Product Manager ownership. In-house teams follow a similar process with their supplier partners.

Due Diligence Processes

Stage 1

Stage 1 is a contractual commitment to our requirements, including sustainability and social value, which is delivered through our Supplier Code of Conduct ("the Code") in our standard 'Licence to Trade' (LTT) agreement, which establishes CEF's zero tolerance to modern slavery.

As part of our annual LTT supplier negotiations, the Category team require acceptance of the Code. CEF expects all its LTT supplier partners to ensure, as far as is reasonably practicable, that their own supplier partners, 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 encouraged 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 and Conditions of Purchase and the Code.

During the financial year ending 30th April 2026 we increased the number of Licence to Trade supplier partners to 233, all of whom embrace the conditions placed upon them.

Stage 2

Stage 2 of our due diligence is driven through our supply chain contract with EcoVadis, the world's most trusted business sustainability ratings platform, which helps track and report CEF's progress on sustainability.

As an industry leader and responsible business, we want to use our influence in the sector to promote the highest standards of ethical conduct and sustainable business practices. We actively 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 within 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).

CEF has engaged with all LTT and key in-house supplier partners and expects a commitment to have their sustainability performance assessed by EcoVadis. As of the 30th April 2026, 272 supplier partners were rated, representing circa 72% of spend. CEF has an ongoing commitment to increase the number of supplier partners assessed to cover 80% of spend. This will allow us to gain deeper insights into the key sustainability risks and opportunities in our supply chain.

The EcoVadis assessment provides recommendations 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 improvement actions.

Stage 3

Stage 3 is a more detailed follow up and deep dive depending on the output from the EcoVadis assessment and the associated risk profile of the supplier partner and their supply chain.

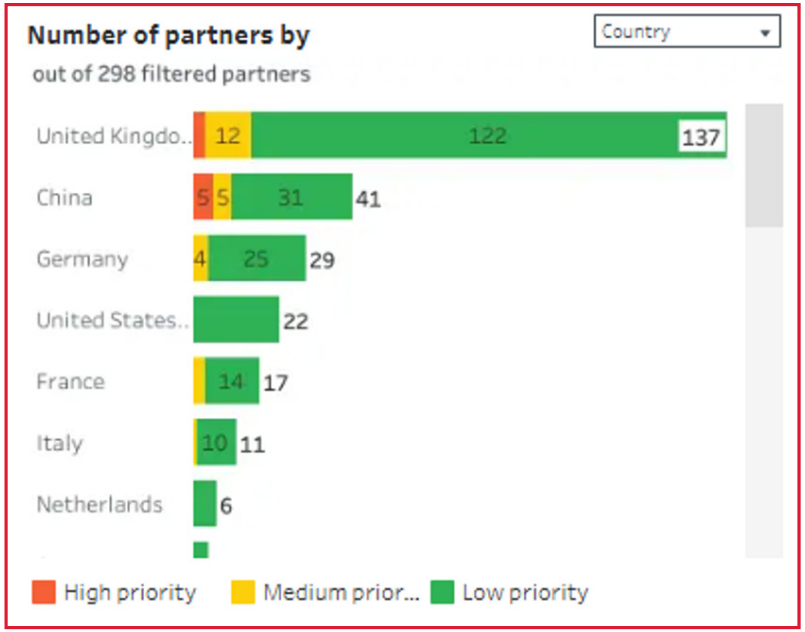
As part of this process, we have an on-going dialogue with our supplier partners to ensure they fully understand and support our zero tolerance to modern slavery. We recognise that collaborative working with our supplier partners is vital to mitigating risk, ensuring continual improvements against the 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 chain. Any risks flagged lead to further engagement.

In addition, EcoVadis provides a suite of reporting insights including how our supplier partners are managing child labour, forced labour and human trafficking, based on assessment results. The less mature a partner's management system the greater the requirement to engage with them on improvement areas. 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 requesting this additional information to inform our risk assessment.



Summary of Tier 1 supplier partners' country locations - from the EcoVadis dashboard - which outlines exposure to modern slavery



Stage 3 may also include the requirement for an on-site ethical audit.

Many companies 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 supplier partners is crucial when it comes to increasing transparency and accountability and helps to prevent and identify incidences of modern slavery. On-site assessment has been prioritised for 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 continue to monitor their compliance for both product quality and labour standards.

As part of the due diligence process for in-house operations, CEF have developed a Sustainability & Social Value Audit Protocol with our sister company based in China, aligned to the Ethical Trading Initiative (ETI) Base Code and the Sedex Members Ethical Trade Audit (SMETA) protocol. To ensure we build trust, supplier partners are engaged directly, so we can outline our approach and provide guidance prior to on-site assessments being carried out. Detailed audit reports are completed and any concerns or non-compliances identified for resolution.

Since inception in March 2024, 35 on-site audits have been completed, 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, resulting in 41 supplier partners being evaluated in total.

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 remedy 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 action and 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 is encouraged to speak to the senior management team. As a matter of policy, any concern in relation to modern slavery or human trafficking can be raised 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 concerns.

Training & Capability Building

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

Training is accessible and team members should be aware of the realities of modern slavery and exploitation and understand the relevance for CEF's business and supply chain.

During the financial year ending 30th April 2026, CEF actively increased team member awareness of modern slavery and human trafficking, as evidenced below:

- As part of their induction to the Company, 467 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 requires refresher training to be completed every 2 years.
- We are gold level members of the Supply Chain Sustainability School and team members in relevant roles can access resources 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 variety of training modules through the EcoVadis Academy including modern slavery.
- We are active members of the LIA (Lighting Industry Association) and BEAMA (the UK manufacturing trade association for the electrotechnical sector) and are part of their sustainability working groups which include supplier engagement.





Effectiveness

No incidents of modern slavery or exploitation were identified in our own business or our supply chains during our 2025 / 26 financial year. However, as outlined in this Statement, we acknowledge a higher potential risk within our extended supply chain in certain countries and will continue to monitor these more closely.

Progress against commitments in the 2024 / 25 Statement

2024/25 COMMITMENTS	PROGRESS MADE
Update our Modern Slavery training module and enhance communication and awareness of the topic.	The Modern Slavery training module was updated and communication was issued during Anti-Slavery week in October 2025.
Execute the CEF EcoVadis Action Plan to enhance our rating and deliver our ambition to achieve a gold medal.	CEF retained the Silver medal in 2025, increasing our score from 68 to 73 and putting us in the top 15% of companies assessed globally.
Continue our supplier engagement programme and support supplier partners' capability building and obtain case studies of positive impact.	A supplier engagement programme is ongoing based around the EcoVadis assessment. Including 1:1 sessions with 6 monthly follow ups. This is has resulted in over 90% of our supplier partners engaged with, scoring above 45 in EcoVadis with an average increase of 5.8 points during re-assessment.
Undertake further due diligence and supply chain mapping for high-risk categories of spend.	Supply chain mapping undertaken for specific categories of spend including solar panels. Evidence of on site audits requested for potentially higher risk categories.

KPI's 2025 / 26

KPI	PREVIOUS YEAR	ACHIEVED
% spend covered with EcoVadis rated supplier partners	71%	72%
Number of EcoVadis rated supplier partners	224	272
% of supplier partners engaged with who achieved an EcoVadis rating above 45 (which evidences a structured and proactive sustainability approach) EcoVadis global average = 60%	89%	91%
Average supplier partner rating in EcoVadis. EcoVadis global average = 46.4	61	65

Effectiveness

Focus Areas and Commitments for 2026 / 27

We recognise the need for continuous improvement and a commitment to tackling the risk of modern slavery and human trafficking in our business and supply chain. We will continue to develop realistic and progressive commitments that will make a difference and enhance our approach, including:

- Execute the CEF EcoVadis Action Plan to enhance our rating and deliver our ambition to achieve a gold medal.
- Continue our supplier engagement programme and support supplier partners' capability building Undertake further due diligence and supply chain mapping for high-risk categories of spend
- Undertake further due diligence and supply chain mapping for high-risk categories of spend
- Implement the new Modern Slavery Training Module for all team members alongside communication and awareness around the topic
- Introduce the new Health and Safety Speak Up Line to provide safe and trusted channels to raise Health and Safety concerns if something does not seem right.



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, and a Sustainability and Social Value Steering Group, chaired by our COO, 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 the risk of modern slavery or human trafficking in our business and supply chain.

CEF will continue to conduct risk assessments of our supply chains, to ensure compliance with the Modern Slavery Act 2015.

Our modern slavery e-Learning module sends a clear message to all team members about CEF's zero tolerance approach and the actions required should they need to raise concerns about an issue or suspicion of modern slavery.

The relevance and effectiveness of the e-learning module will be reviewed and updated where necessary to ensure maximum team member understanding and 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: Organizational Responses to Modern Slavery
- UK Procurement Policy Notice, PPN 02/23: Tackling Modern Slavery in Government Supply Chains
- The Home Office statutory guidance on Section 54 of the Modern Slavery Act 2015 – the Transparency in Supply Chains (TISC) provision
- CSDDD - the EU Corporate Sustainability Due Diligence Directive
- CSRD – the Corporate Sustainability Reporting Directive
- Draft EU Supply Chain Law
- UK Procurement Bill



Signed: _____ **Date:** 6th October 2026

Linda Hanley - Chief Finance Officer

This statement was approved by the Board of Directors of City Electrical Factors Limited on 6th October 2026 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 2026.

Linda Hanley was authorised by each Board member to sign the statement on their behalf.