

Introduction

The UK Modern Slavery Act 2015 stipulates that businesses are required to publish a statement each financial year demonstrating an understanding of the Act and the steps that are being taken to ensure that modern slavery and human trafficking are not taking place, whether within the business or its supply chains, in any way.

Modern slavery and human trafficking in all their various forms and guises are a crime in the UK and much of the world. They are a violation of fundamental human rights and as such Stearn Electric Company Ltd will not tolerate or condone slavery or human trafficking in any part of our organisation. We have a zero-tolerance approach to modern slavery and human trafficking and are totally committed to acting ethically and with integrity in all activities and business relationships and we expect our supply chain, contractors, employees and all other business partners to commit to the same.

The company will not knowingly support or deal with any business involved in slavery or human trafficking.

Stearn Electric Company Ltd have published this statement relating to the financial year ending 31st December 2021.

There were no reported incidents of modern slavery or trafficking in the 2021 financial year.

Our business

Stearn Electric Company Ltd is a well-established National Super Distributor, serving the electrical industry with an outstanding reputation for good service and excellent customer relations. With over 400 dedicated and well-trained employees serving more than 5200 customers from our sites across the UK Stearn Electric Company Ltd constantly strives to maintain this reputation.

All company sites are based in the United Kingdom. The majority of our sales are within the UK, however we have a strong customer base in the Republic of Ireland and Gibraltar, with a small percentage of sales to the Caribbean, Dubai and the United States of America. Stearn Electric Company Ltd works with a number of international suppliers from a number of countries, including:

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| • Belgium | • Italy |
| • Finland | • Malaysia |
| • China | • Republic of Ireland |
| • France | • Romania |
| • Germany | • Sweden |
| • Hong Kong | • Switzerland |
| • India | • The Netherlands |

While many of our suppliers operate within the European Union, we are conscious of the increased risk posed by the trade undertaken outside of this area and are working on building stricter controls to reduce our risk of exposure to unethical practices and procedures.

The majority of Stearn Electric Company Ltd.'s workforce is employed permanently, using agency workers as required.

Policies

Our policies, including Modern Slavery are available on our online document storage facility, accessible by all employees electronically. They are also displayed on notice boards in our

locations. We update our policies annually. We also publish our Modern Slavery statement on the government registry.

Code of Conduct: All new starters to the business are provided with our Code of Conduct on employment as part of the Company Handbook and specifically in our Standard Practice Instruction, Business Ethics. A declaration of compliance to the behaviours expected is required and refreshed.

Adult and Child Safeguarding Policy: Communicates the safeguarding of vulnerable adults and children.

Equal Opportunities Policy: Within our own business we ensure that all employment laws and Right to Work checks are adhered to through thorough policies, incorporating high standards of conduct communicated in our Employee Handbook. We have a confidential reporting line for whistleblowing, accessible to all employees and notices with information regarding this reporting line are clearly displayed at all locations.

All persons working for us in any capacity must read, understand, and comply with our Modern Slavery policy and avoid any activity that might lead to, or suggest, a breach of this policy.

Training

Modern Slavery training is now embedded in our structure and all employees are expected to complete our online course on induction and annually thereafter. The training module focuses on understanding, identifying, and reporting suspected modern slavery. The completion of this training is monitored centrally, and we have since improved our reporting of each employee's training status.

Due Diligence

One of our goals set in the financial year 2021 was to improve our Supply Chain Due Diligence process. We have successfully developed a program which is in the process of being rolled out.

The Directors and senior management team at Stearn Electric Company Ltd have overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all persons working for us or on our behalf comply with it.

The prevention, detection, and reporting of modern slavery in any part of our business or supply chain is the responsibility of all persons working for us, or on our behalf, in any capacity.

Stearn Electric Company Ltd is satisfied from its own due diligence there is no evidence of any act of modern slavery or human trafficking within its own organisation.

As part of Stearn Electric Company Ltd.'s due diligence processes into modern slavery and human trafficking the supplier approval procedure incorporates a review of the controls undertaken by them. The Company also conducts premises visits, as deemed necessary, to overseas suppliers to ensure due diligence is observed.

Risk Assessment

Our business is based in the United Kingdom and as such has a low risk of exposure to modern slavery or trafficking. However, we do acknowledge that some areas in our supply chain are at an increased risk of modern slavery occurring (based on information taken from Global Slavery Index).

Our Modern Slavery training includes important information regarding red flags and how to report concerns and we hope that this will encourage any individual with genuine concerns to raise them immediately and with confidence.

Monitoring Working Conditions

Through a process of regular audits, conducted by our internal audit team, we monitor the working conditions of our employees within our organisation. The findings are fed back to the operational directors and shareholders.

Our new Supplier Due Diligence program encourages our suppliers to assist us with assessing the conditions within our supply chain as well as visits to our suppliers and customers by our commercial teams.

Looking forward

We aim to work on the following in the 2022 financial year:

Supplier Due Diligence – The program has been developed and is currently being utilised with a sample of suppliers to identify any issues. We aim to have this program formally issued in policy by the end of the financial year 2022.

Risk Assessment – We continue to work on developing our risk assessment and improving the recording of our findings and assessment, with the aim to incorporate the new supply chain due diligence responses.

Stearn Electric Company Ltd will review both its supply chain and internal operations on an annual basis to check compliance with the above policy, and to ensure that our policy is being implemented effectively.

The Directors and senior management team will review the Company's statement in response to any major business, organisational or legislative changes or as a result of any breach or concern regarding modern slavery and approved this current statement.

Approved

Steve Westbrook

Chief Executive

Effective 28.06.22