

SUBJECT:

**MODERN SLAVERY AND HUMAN TRAFFICKING**

### 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.

There were no reported incidents of modern slavery or trafficking in the 2024 financial year.

Stearn Electric Company Ltd have published this statement relating to the financial year ending 31<sup>st</sup> December 2024.

### 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 300 dedicated and well-trained employees serving more than 4800 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, Barbados and The Channel Islands, with a small percentage of sales to Gibraltar and the Falkland Islands. Stearn Electric Company Ltd works with a number of international suppliers from a number of countries, including:

- China
- Malaysia
- Netherlands
- Germany
- Indonesia
- Sweden

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.

In our 2023 statement we set out to implement our new Supplier Due Diligence Questionnaire across the Company. Unfortunately, the rollout has not progressed as quickly as planned therefore a renewed focus on following up responses has been scheduled to improve engagement.

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.

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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.

### **Policies**

All our policies, including Modern Slavery, are available on our online document storage facility, referred to as our Portal and this is made available to all employees electronically. An introduction to this Portal forms part of our Induction process for all new employees. Our key policies are also displayed on the notice board at all locations. These policies are reviewed 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 which may 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**

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 regarding 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.

This process will be made more robust with the use of our Questionnaire alongside existing controls.

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In the event that modern slavery is suspected or confirmed within our organisation or our supply chain, the Director of Operations Development must be made aware at the earliest possible opportunity, either directly or via the previously mentioned confidential reporting line. The Director of Operations Development will then review the evidence and notify the appropriate Senior Team members and the Chief Executive. All evidence will be evaluated and an impact assessment carried out to determine the best course of remedial action and an expected timescale.

Where the contravention is deemed to be a major breach, the relationship with the supplier will cease immediately. Where the contravention is deemed to be recoverable, corrective actions will be set out with a timeframe for them to be completed. Suppliers will be supported where possible to ensure these actions are undertaken and regular reviews will be scheduled.

### **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 the 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 own organisation. The findings of these audits are then fed back to the Operational Directors and shareholders.

Our new Supplier Due Diligence Questionnaire requires our suppliers to provide information surrounding working conditions enabling us to better assess the overall conditions within our supply chain. Working conditions are also assessed during supplier and customer visits conducted by our commercial team.

### **Looking forward**

We aim to work on the following improvements in the 2025 financial year:

Supplier Due Diligence Questionnaire – Continue to implement the Questionnaire for all new suppliers. All existing suppliers will be required to have completed the Questionnaire by December 2026, with a target of 50% completed by December 2025. Solicit feedback on the content and scope of the questionnaire to ensure it is as effective and comprehensive as possible ongoing.

Risk Assessment – We will work on developing our overriding risk assessment for engaging with a new supplier and improving the recording of our findings and assessment, with the aim to incorporate the new Questionnaire responses.

Policy development – We have reviewed the new statutory guidance on Transparency in Supply Chains and will be using this as a basis for which to review and improve this policy ongoing, looking to meet all Level 1 requirements initially, before working towards Level 2 where possible.

# STEARN

ELECTRIC COMPANY LTD

STANDARD  
PRACTICE  
INSTRUCTION

SPI No: **546**

ISSUE: **11**

SUPPL'T:

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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.

