

STATEMENT

MODERN SLAVERY



INTRODUCTION

This is the seventh Modern Slavery Statement published by Commercial Corporate Services Ltd. It has been prepared according to the Modern Slavery Act 2015. This statement includes the following subsidiaries: Commercial Ltd and Commercial IT Services Ltd for the allocated reporting period of 1st of July 2023 to 30th of June 2024.

However, as of July 2024, Commercial Ltd and Commercial IT Services Ltd will have merged into one entity, under Commercial Ltd with Commercial Corporate Services Ltd as the ultimate holding company.

Commitments made by all the above companies have not changed. The strengthened financial position will create greater collective action. Throughout the report Commercial Limited will be referred to as Commercial.

Commercial aims to lead the way when it comes to both our actions, our reporting transparency, and sustainability. As always, we are committed to eliminating any form of modern slavery from our supply chain. To achieve this, we are taking an active and collaborative approach within our value chain.

We undertake continual, internal and external risk-based assessments to determine any prevalence of modern slavery within our global supply chain. This includes evaluating our internal operations.

Commercial is committed to always acting ethically – and with integrity –. Our Modern Slavery Statement sets out to provide information about the actions we take to understand our supply chain and to combat any form of modern slavery.

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1. ORGANISATION STRUCTURE AND SUPPLY CHAINS

Commercial's broad range of products and services requires our organisation to have access to an extensive array of suppliers and product lines. Our aim is to provide clients with everything they require to establish the complete modern work environment, from designing, establishing, and re-imagining their workspace, to supplying the technology and business essentials they need to operate smoothly and successfully.

| | | |
|--------------------|---------------------|---------------------------|
| Turnover £89.1m | Suppliers 950+ | Total Products 42,000+ |
| Employees 297 | Customers 1,500+ | Own-brand products 48 |

Commercial source products from UK and EU-based manufacturers and wholesalers. Each supplier is responsible for curating their own product portfolio. This includes the sourcing of goods from elsewhere in the world.

Commercial, and its clients, have access to all - or parts - of these sourced products. Commercial is not a direct importer and/or manufacturer of products; however, we supply four specific Commercial-branded product lines by appointed manufacturers.

Commercial-branded products have been mapped down to manufacturer level. To better understand factory information on the remaining products we source, we are actively collaborating with our supply chain partners to obtain comprehensive information on all products. Commercial has complete visibility of our immediate Tier 1 suppliers, and partial visibility of Tier 2 suppliers. Overall, Commercial is committed to engaging with our suppliers and maintaining an accurate map of our entire supply chain.

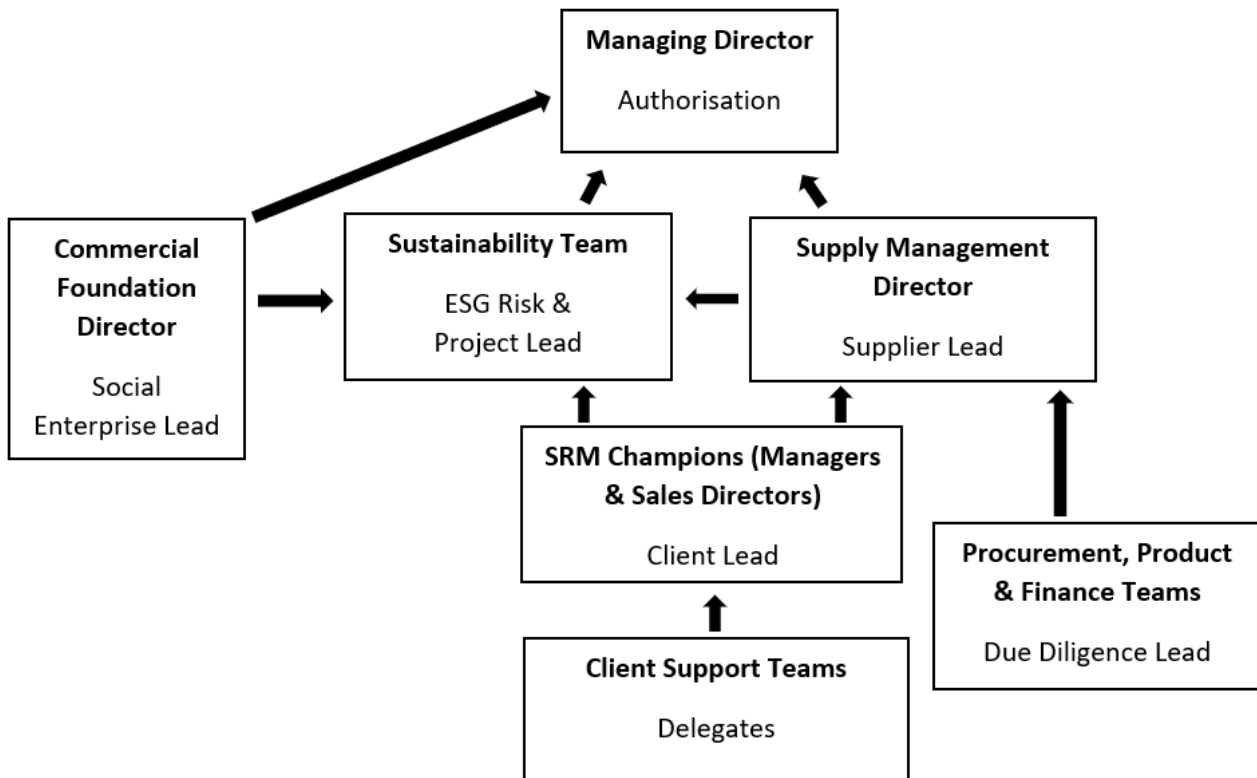
The flowchart below illustrates Commercial's internal reporting hierarchy for onboarding new suppliers and maintaining labour rights within the supply chain beyond supplier onboarding.

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INTERNAL ACCOUNTABILITY STRUCTURE



To find out more about our business structure and sustainability strategy, please visit our website www.commercial.co.uk and download our Social Impact Report.

2. SUSTAINABLE DEVELOPMENTS, PARTNERSHIPS, COMMITMENTS AND POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

Commercial are business transformation specialists who inspire the best businesses to become better, for the benefit of people and the planet, profitability and growth. Our vision is to make the impossible possible, by succeeding in balancing the triple bottom line throughout our value chain.

Providing transparency for our clients has always been a key priority. In 2010, we established our first tool to help clients assess the supply chain behind the products they purchase. In the following years, we have made substantial progress towards creating a more transparent, interactive reporting system where clients can better understand their buying habits and where we can champion sustainable products that don't cost the earth.

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OUR SUSTAINABLE DEVELOPMENTS

Products with Purpose



Commercial launched its 'own brand' products in 2015, and the Products with Purpose range in 2021, to give clients the opportunity to buy sustainable items, while supporting Commercial Foundation, a B Corp-accredited social enterprise.

Our Products with Purpose (PWP) items are highlighted with our teal heart logo on our e-commerce purchasing platform due to being either or all of the following categories: Ethically produced; made with recycled materials; produced in an environmentally-friendly way; and/or sourced from, or manufactured by, a social enterprise. There are now more than 14,000 items within the Products with Purpose range, with plans to develop the range even further. For more on our PWP range and our long-term ambitions, please refer to section KPIs below.

Product Origin Map



In 2019, Commercial invested heavily into Microsoft Power BI to bring together data and sustainable best practice. This software gives us the opportunity to show the origin of our own-brand products, plus the metrics we believe to be important when gathering information on appointed manufacturers. Our ambition is

to create an interactive map of all products, purchased and sold. Commercial's own-brand product map is publicly available on our website.

Open Supply Hub



In 2024, Commercial decided to take own-brand product mapping a step further and support the wider industry in creating a public and global supply chain map using Open Supply Hub. Open Supply Hub makes it easy for companies, who source in similar geographical areas to network together. Through collaboration, companies are able to identify risks and maximise their effectiveness on addressing modern slavery and remediation processes. We want to support global efforts on addressing supply chain transparency and enhancing our

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commitment to the Ethical Trade Initiative's Corporate Transparency Framework (see Partners section, below).

OUR PARTNERS

Commercial could not be as successful as it is without the help and tools provided by our partners. These partnerships help guide us when expanding our internal projects and, more importantly, help guide us when managing our value chain.



In 2011, Commercial became a member of The Ethical Trade Initiative (ETI). As a member, we have adopted the ETI Base Code which was founded on the conventions of the International Labour Organisation and is an internationally recognised code of labour

practice. Participation with ETI has given Commercial the tools to identify and mitigate acts of human violation. In addition, our participation helps to improve our understanding of complex global supply chains and enables us to share best practice with other members.

As part of this membership, Commercial adheres to the Corporate Transparency Framework. This framework ensures members stay ahead of upcoming legislation and raise the bar when it comes to improving public reporting on human and labour rights-concerns within a global supply chain.



Commercial were first rated by EcoVadis in 2014 in order to support its clients in better understanding their supply chain. This platform also gave Commercial the ability to showcase our ESG efforts to our prospects and stakeholders. Commercial achieved 'Gold' status (top 5%, globally) in 2021. We will continue to be ambitious and have set goals to achieve 'Platinum' (top 1%, globally).

In 2020, Commercial started to utilise EcoVadis to audit its supply chain, further strengthening a desire to find the most sustainable, ethical, and socially conscious suppliers on the market.

Commercial have a large number of suppliers, and as we look to streamline supply chain partners, this evidence-based assessment tool gives us a monitoring platform that evaluates all suppliers, equally, and without audit duplication. Commercial are now able to benchmark all suppliers' environmental, social, and ethical performance, allowing us to

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establish our best-performing suppliers at any one time. For more information, please refer to KPIs section, below.



Commercial is a “B” member of SEDEX – the Supplier Ethical Data Exchange. SEDEX offers Commercial a simple and effective way of understanding ethical and responsible best practice, while assessing performance and meeting client requirements. This includes completing a Self-Assessment Questionnaire (SAQ) on labour standards, health and safety, environmental management and business integrity. This membership also provides Commercial’s Sustainability and Purchasing experts with the ability to read SMETA audits, that are conducted around the world, to better understand supply chain practices at a factory level.



Commercial remains committed to being a Living Wage Employer and has been accredited by the Living Wage Foundation since 2017. We believe all people should be given fair monetary value for their work.

In terms of Commercial’s own internal commitment, we are committed to equal, fair and unbiased pay for all. Salary bandings are in place where applicable, and all salaries are benchmarked on an annual basis to ensure they are in line with the market rate for the work that is performed, skills and knowledge required, and responsibility. This is based on a wide range of criteria including inflation, location, industry and necessary education.



Commercial signed up to the Disability Confident Scheme because we are trying to change perceptions and attitudes for a better working environment and proudly remains a Level 2 Accredited employer. We want our recruitment process to be inclusive and accessible for all, and are committed to ensuring disabled people and those with long-term health conditions have the opportunities to realise their aspirations and fulfil their potential. We will continue to pioneer a sustainable working environment and strive to achieve Level 3 status as a Disability Confident Leader.



In 2021, Commercial signed up to the United Nations Global Compact and is now a participant in the UN Global Compact Network, UK. Commercial joined this partnership because we wanted to showcase a commitment to sustainability and responsible business practice.

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Commercial have embedded the 10 Principles of the United Nations Global Compact into our strategies and operations. We manage our initiatives to ensure they are aligned to the targets and indicators associated with the UN Sustainable Development Goals. We are also committed to respecting human and labour rights, while safeguarding the environment, and working against corruption in all its forms.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

As part of Commercial's commitment to Principle 3 of the UN Global Compact and more importantly the ETI Base Code, we understand and fully support the importance of all employees having the ability to negotiate for better pay and working conditions.

All Commercial suppliers must sign and agree to the Suppliers Ethical Code of Conduct Policy when contracts commence. The Policy states that "...Commercial suppliers must adhere to the ETI Base Code throughout their operational chains... and must...provide information on your companies engagement with NGOs, Trade Unions or any other organisation that looks after employee welfare..."

Commercial's interactive and transparent Supply Chain Map (located on our website) also showcases how Freedom of Association and Collective Bargaining are an important part of our due diligence process. Moreover, Commercial's appointed manufacturers and wholesalers have also been mapped against the International Trade Union Convention (ITUC) Global Rights Index.

| Products with Purpose Origin Country | ITUC Risk (1-5+) |
|---|-------------------------|
| Germany | 1 |
| Italy | 1 |
| Estonia | 2 |
| Finland | 2 |
| Poland | 3 |
| UK & Ireland | 4 |
| China | 5 |

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Where there is risk, Commercial may ask for an up-to-date audit and/or offer an appropriate recommendation on how to mitigate this risk associated with Freedom of Association and Collective Bargaining. Depending on the severity, it may be necessary to re-source a product. Our work with ETI and its Trade Union partnerships helps us understand areas where we can leverage our buying power to improve the welfare of the workers within our supply chain. Likewise, EcoVadis' 360 Watch Findings assures Commercial that no violations have been reported by a Trade Union, NGO or Environmental Agency within the last five years.

In term of Commercial's own internal commitment, we acknowledge the right for all employees to have a Trade Union membership. Our primary aim is to work directly with our team and actively seek their feedback on any proposed changes within the workplace. We currently do not have any recognised union membership but Commercial supports all employees who have a union membership, and they are entitled to union representation at any formal meeting. In addition, Commercial's internal Employee Engagement Programme and Health and Safety Committee meetings help ensure social sustainability remains embedded within our business operations.

POLICIES AND PROCEDURES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING:

In addition to our sustainable developments, partnerships, and stance on Freedom of Association and Collective Bargaining, Commercial has a zero-tolerance policy with regards to matters of harassment, discrimination, modern slavery, bribery, inequality, and any other act that may make an individual feel uncomfortable or at risk of danger.

Provided below is a list of internal documents that help ensure Commercial maintains an ethical value chain, which can be provided upon request:

1. Suppliers Ethical Code of Conduct

Commercial's commitment to address supplier performance, so progress can be assessed continuously.

2. Anti-Bribery and Anti-Corruption Policy

Commercial's commitment to honesty, transparency, and integrity.

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3. Equality and Diversity Policy

Commercial's commitment to equal opportunity for all; regardless of background, religion, gender, and race.

4. Anti-Harassment and Bullying Policy

Commercial's commitment to prevent unwanted behaviour that could negatively affect someone's wellbeing.

5. Grievance Procedure

Commercial's commitment to identify and promptly deal with, any matter of concern within the workplace, as well as acknowledge the right for workers to submit a grievance without repercussion.

6. Whistleblowing Policy

Commercial's expectation for employees to report any procedures and/or situations that they feel goes against the company's ethos and results in a conflict of interest.

3. DUE DILIGENCE PROCESSES

Commercial has sought to build stable and long-lasting relationships with strategic suppliers, many of which have been established for more than 20 years. Any new Supplier will only be appointed if they have aligned with our company's ethos. All products are evaluated on a supplier-by-supplier basis, by our Product and Procurement Team and we favour those partners who align with our culture and values. We have introduced authorisation workflows ensuring that no products are activated on our back-office administration system without prior approval from a Product Manager, Inventory Manager and/or Purchasing Manager. Ultimate accountability lies with our Supply Management Director.

In 2024, Commercial successfully implemented our new back-office system, Phoenix. This system has been designed in-house by our own developers and to provide tighter data governance through stricter data validation and role access. Moving forward, data transparency and reporting on product information will become more robust, giving us the ability to have open and honest conversations with our wholesalers and customers on product sales.

Commercial works closely with EcoVadis to improve the visibility of our supplier's business procedures and manufacturing practices. Our Procurement and Sustainability experts meet

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regularly with a dedicated EcoVadis Account Success Manager, to ensure continual improvement. This includes going through a global Sustainable Procurement Maturity Review to better understand how we compare to others within the platform.

In addition, Commercial attends quarterly General Merchandise Meetings with other ETI members to share best practice. Our ETI Advisors support our efforts to be sustainable leaders and ensure continuous improvement in our reporting against the Corporate Transparency Framework. Commercial work closely with the ETI to ensure all suppliers adopt the ETI Base Code and adhere to its requirements.

For own-brand products Commercial has an in-depth Request for Quotation (RFQ) questionnaire, while for all other new and existing suppliers, a Due Diligence Questionnaire is submitted. The Due Diligence Questionnaire gives the procurement teams a clearer understanding of a supplier's strengths and weaknesses, and provides an opportunity for continual improvement.

The Due Diligence Questionnaire assesses suppliers on several factors, including:

- Modern slavery compliance,
- Freedom of association and collective bargaining,
- Financial stability,
- Living wage,
- Information security,
- Workplace policies,
- Transparency of operations, and,
- ISO compliances (where applicable).

SRM PROCESSES

The quest for continual improvement, and the passion of our employees to create positive change, is a major part of our success as a company. Commercial's internal processes and procedures are constantly evolving to ensure they suit the business as it grows. One area of improvement that Commercial identified was our collective Due Diligence process. Even though all the steps were being completed it, it was being done to different levels.

Therefore, our ISO Compliance, Procurement and Sustainability Teams came together to create a Supplier Relationship Management (SRM) project plan and unified onboarding and management process.

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| STAGE 1 | SRM PILLARS | TOOLS | METRICS | MANAGEMENT |
|--|---------------------|--|--|--|
| Supplier Onboarding | Sustainability | EcoVadis ETI (Ethical Trading Initiative) | Environment Ethics Labour & Human Rights Sustainable Procurement Corporate Transparency Framework Net Zero Carbon Reporting | Data Sharing EcoVadis Scorecards 360 Supplier Reviews Annual Supplier Open Day Supplier Awards |
| | Performance | In-house Reporting | On Time in Full Performance Supplier Identification SLAs Stock Outs KPI's Finance Reporting | |
| | Contract Management | SharePoint/Software | Due Diligence Legal KPI's Certifications (ISO) Pricing | |
| | Data | Data Templates EDI/APIs Supplier Portals Fusion | Net Zero Carbon Reporting Price Files Product Data | |
| | Support | Category Management | #ProductswithPurpose Product Marketing Pricing | |
| Underpinned by Supplier League Tables (Dependant on size, SKU count, Turnover) | | | | |

This approach has given employees the opportunity to follow a singular process, storage system and commitment to being one company with one goal that is tackling sustainability head on.

As part of our due diligence process to manage beyond Tier 1 Suppliers, our main logistic and wholesale partner VOW is a member of the group called, Interaction. Interaction is a group made up of 14 likeminded companies across Europe who provide a number of sourcing services including the managing of Tier 2 Suppliers across both Europe and the Far East. As part of Interaction's supplier-onboarding procedure there are extensive compliance and sustainability requirements that need to be demonstrated before they can become a supplier to the group. Interaction also has 'feet on the ground' in the Far East and has a regular annual audit scheduled with these manufacturers to ensure compliance. Interaction's due diligence software allows Commercial to have access to these audits to better understand our Tier 2 Suppliers.

COMMERCIAL'S COMMITMENT

In terms of Commercial's internal due diligence, pre-employment screening checks are completed by our People and Culture Department (HR). This includes checking proof of

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Right to Work in the UK (including details such as age), DBS clearance checks, credit checks and satisfactory employment referencing. Employment is only subject to the above checks being successfully completed. This process applies for all employees and/or contractors of Commercial. In addition, this process is included in our ISO 9001 and ISO 45001 Management System which is audited each year for recertification by BSI to ensure quality is maintained in the business; procedures are correctly followed; and no form of modern slavery exists within our business.

Commercial will be hosting a Supplier Day in October 2024. Inviting 100 suppliers to attend our #ProcurementWithPurpose event. The event will be hosted by our co-founder and Managing Director, along with our Supply Management Director, Finance Director, Operations Manager, Product Managers, and Sustainability Manager. The Supplier Day will focus on sustainable products and Commercial's commitment to Net-Zero. Commercial's internal Operations and Sustainability Team have worked tirelessly to understand our Scope 3 emissions across a global value chain. Scope 3 reporting will become a crucial part of Commercial's wider offering, enhancing our ability to provide the most sustainable and ethical products to clients. We ensure this event will - unlike others - have two seats available for each invited organisation. One designated for our direct contact and the other for an in-house sustainability expert. We want the topics discussed on the day to be heard by those who can create positive change, so they can share best practice within their organisation and value chain. Commercial wants to work with purpose-driven suppliers, that are making a positive social and environmental impact, throughout their operations. We want the event to inspire our suppliers and provide motivation for how we can all work together to create change for people, planet and profit.

4. RISK ASSESSMENT AND MANAGEMENT OF OUR SUPPLY CHAINS

The range of products available to our clients is extensive and contains items sourced from across the world. The complexity of products, their sub-assemblies and materials used, make it challenging to have full visibility of the supply chain and this increases the potential risk of modern slavery occurring. The majority of the 42,000+ product lines are sourced through a multi-tiered supply chains. These products are beyond Commercial's immediate sphere of control, which is a risk that we are seeking to minimise.

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Commercial has far greater operational control over our own-brand products including notebooks, paper, inkjet cartridges, highlighters, permanent markers and toner cartridges. Potential suppliers are required to fill out an internal RFQ, to which more than 50% weight is given toward ESG related questions. This means all Commercial-brand suppliers must be environmentally and ethically-conscious in order to win a tendered contract. Our current contracts include Victor (Estonia), UPM (Finland and Germany), Hainenko (Italy) and Lexmark (China and Poland).

Commercial carried out an RFQ in 2024 for our three main paper product lines: COMVALPAPER, COMPAPER and COMPAPERA3. The outcome of the tender meant that Commercial's highest selling product COMVALPAPER was consolidated to the same mills that produce our COMPAPER and COMPAPERA3 (UPM Kymmene and UPM Nordland). This allowed Commercial to change this product from being reactively-sourced from a variety of mills around the globe, to a consistent, highly-sustainable, and accredited paper product. Commercial also added this product to the Commercial Foundation contribution list which means 5% of the profits are donated to our B Corp-accredited Social Enterprise.

Commercial's public and interactive Supplier Map (located on our website) discloses our country sourcing against our Commercial own-brand range, which includes China, Finland, Estonia, Poland, Italy, and Germany. After desk-based research, and following meetings with suppliers, we have evaluated our most urgent salient risks, in line with the ETI base code, to be:

- 6: Working hours are not excessive and
- 7: No discrimination is practised

based on our medium and high-risk countries.

In addition, the table below illustrates Commercial's geographical spread of production and sourcing from Low to High risk.

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| Manufacturer List by Country | Commercial's Risk Assessment |
|------------------------------|------------------------------|
| UK & Ireland | Low |
| Finland | Low |
| Germany | Low |
| Estonia | Low |
| Italy | Medium |
| Poland | Medium |
| China | High |

In order to address No discrimination is practised in China, we required a follow-up audit and the findings demonstrated how this specific risk had been addressed over the reporting year. Commercial remain satisfied with the current audit but will keep a close eye on the issue to ensure this does not become a risk again.

In regards to Working hours are not excessive in China, findings from additional worker interviews show that, overtime work was voluntary, and that workers could refuse to work overtime without punishment. We are also aware that, while not enforced, working overtime may be necessary in order for workers to earn a living wage. That is why, Commercial will ensure that our RFQ, for toner products, in September 2024, will require prospects to provide in-depth evidence on resource planning and other actions that will ensure fair working hours and correct pay, to ensure no discrimination is being practised.

RISK MAPPING

In addition, to improve Commercial's visibility of manufacturers beyond our own-brand products, we created two algorithms to quantify the risks associated with other manufacturers. The first algorithm focuses on environmental metrics which include:

- Financial spend
- Carbon intensity associated with a country's grid (Ember)
- MtCO₂e per country (Climate Watch)
- Number of recognised environmental certifications (e.g. ISO14001)

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- EcoVadis score.

The second algorithm looks at human rights indicator which include:

- Financial spend
- International Trade Union Confederation (ITUC) global rights index,
- Global Slavery Index Prevalence Rating,
- Number of recognised social certifications (e.g. SA8000)
- EcoVadis score.

By utilising these two algorithms, each manufacturer receives a risk rating between 1 to 25, 1 being very low risk, 25 being extremely high risk.

To date, we have assessed 20 manufacturers, and over the next 12 months we will work to assess our top 200 manufacturers (representing more than 80% of our turnover). We will later convert this into a Power BI-generated map and that will, in turn, support the development of a targeted auditing programme. Commercial also refers to EcoVadis 360 Watch Findings, publications from Human Rights Watch, ITUC Global Rights Index, SEDEX, and ETI to help inform us of any other significant human rights risks.

CAMPAIGNS

In 2023, we launched our Green Audit Campaign, Putting the Value in Zero, designed to show organisations practical and achievable ways they could rationalise energy usage, reduce their energy bills, and cut carbon.

Many of the services provided through our Green Audit include smart technologies such as battery storage, solar panels, and smart screens.

However, with the increase in sales of these products comes associated risks, and we have identified our salient risks as:

- 1. Employment is freely chosen, and
- 7. No discrimination is practised

because of recent links to forced labour within the Xingjang region of China.

To mitigate these risks, we require SMETA audits, alongside our Due Diligence Questionnaire and ISO certification requirements. Commercial recognises the importance

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of these issues and is actively working with our UK wholesalers to understand this supply chain.

We have carefully-selected suppliers who have direct contact with manufacturing sites to maintain these standards. This gives Commercial the confidence that if any issues are raised, they would be dealt with swiftly and without obstruction. Additionally, Commercial is committed to ensuring a PWP range for our Smart Technology team by 2025.

We focus our efforts on the supply chain where we consider we have the most leverage and can achieve positive impact. In 2023, Commercial formally launched its Managed IT and Technology Products with Purpose (PWP) range under the title Squaring the Circle. It was a campaign designed to address the issues carbon emissions and labour risk within our supply chain.

The Commercial Managed IT and Technology Teams have worked hard to gather more information on each of our main suppliers to ensure mitigation against the following salient risks on the ETI Base Code:

- 3, Working conditions are safe and hygienic, and
- 4, Child labour shall not be used.

Unfortunately, IT products continue to have a high risk of forced labour working within Artisanal and Small-Scale Mining, within the Democratic Republic of Congo, with little to no oversight. The Squaring the Circle campaign addressed this complex industry head on, by promoting sustainable and re-manufactured IT products. Our PWP range uses accreditations such as TCO Certified, Energy Star, Water-Based inks, Fairtrade Gold, and EPEAT.

Commercial understands that 80% of IT emissions are made up from the production and manufacturing of IT equipment. Therefore, we are determined to break down biases regarding re-manufactured products to promote sustainable IT. We feel this campaign will achieve greater clarity, promote sustainable products and partners, but most importantly, strengthen our supply chain map for technology hardware and services. For more on our PWP range and our long-term ambitions, please refer to section KPI's below.

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GOVERNANCE

Commercial has clear visibility and substantial operational control over our UK and Ireland based wholesalers, distributors, and manufacturers on sustainability metrics, both social and environmental. Internal operations teams often visit factories and wholesaler sites located within the UK and Ireland. All information gathered by our team on products and Tier 1 suppliers is stored centrally, on Microsoft SharePoint, and audited within our ISO 14001 certification.

| KPI | FY23/24 | FY24/25 Target |
|---|---------|----------------|
| Percentage of targeted suppliers covered by a Sustainability assessment | 63% | 70% |
| Number of targeted suppliers covered by a Sustainability on-site audit | 4 | 15 |
| Number of all buyers who received training on sustainable procurement | 18 | 20 |

Commercial has implemented steps which require all key strategic supplier partners to complete an EcoVadis assessment, which evaluate individual companies on their Environmental, Labour and Human Rights, Ethics and Sustainable Procurement performance.

Commercial now regularly issues suppliers with Corrective Action Plans (CAP) through the EcoVadis portal to encourage improvement in high-priority areas against their recent performance score. These areas are flagged by EcoVadis based on the area where underperformance occurs. Progress against the CAP is then discussed throughout supplier account reviews.

In the past year we have issued a total of 11 CAPs. We recognise that this number is low because our focus was to ensure majority of our suppliers were onboarded and rated within the EcoVadis platform. Now that we have strong representation, our ongoing commitment and focus will be to develop our suppliers' sustainability reviews, issuing a minimum of 40 CAPs, starting with our lowest-performing suppliers. We will achieve this by broadening the number of employees across the company that will receive CAP training.

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| KPI | FY23/24 | FY24/25 Target |
|---|---------|----------------|
| Number of audited/assessed suppliers engaged in corrective actions or capacity building | 11 | 40 |
| Sustainability Risk Analysis (i.e. prior to supplier assessments or audits) | | |

Commercial is committed to being an adaptable supply chain partner by safeguarding sustainable purchasing practices and ensuring we do not compromise the bottom line. Therefore, Commercial continues to be flexible with suppliers and clients on payment terms. As a business, we were happy to pay upfront or on delivery for all our suppliers. Commercial also ensures we do not cancel orders placed due to time constraints and impose any sanctions for late orders. Instead, we have created positive and helpful communication when relaying relevant information to our clients about time constraints, increased costs and/or product shortages.

Finally, all supplier information gathered throughout the year is shared internally with our SRM Champions Team. These Champions are procurement leads around the business and help maintain relationships with our supply chain partners. SRM Champions are responsible for engaging internally with their respective buying teams to ensure issues, such as, workers' rights are addressed. Each SRM Champion is also responsible for communicating the requirements of the Supplier Code of Conduct to their suppliers and for collating supplier related data.

We now report openly on the total number of suppliers signing and adhering to our Contract and Supplier Ethical Code of Conduct.

| KPI | FY23/24 | FY24/25 Target |
|---|---------|----------------|
| Percentage of company spend from suppliers who have signed the supplier code of conduct | 79% | 85% |
| Percentage of company spend from suppliers with contracts that include clauses on environmental, labour & human rights requirements | 79% | 85% |

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COMMERCIAL'S COMMITMENT

In terms of Commercial's internal assessment, Commercial continues to encourage employees to talk openly during daily team catch-ups and monthly reviews with dedicated line managers. More importantly, if team members feel uncomfortable talking to someone internally, Commercial has provided all employees with a free of charge and confidential counselling service with a dedicated psychologist. In addition, all employees are given the chance to fill out a confidential Employee Experience Survey.

The Survey conducted by our People and Culture team starts with the following passage: "Our people really are our most valuable asset and each and every one of you contributes towards our growth; your opinions are therefore extremely important to us, and this survey is your chance to express them." The services and programmes, put in place by our People and Culture team, help improve our staff wellbeing but also help Commercial ensure all our employees feel safe at home and at work.

5. KEY PERFORMANCE INDICATORS TO MEASURE EFFECTIVENESS OF STEPS BEING TAKEN

Commercial has never been afraid to make bold and ambitious targets. We believe that being ambitious is far more powerful than adopting a business-as-usual approach and, as such, this is reflected in our internal KPIs.

Company-wide KPIs, are focused on becoming a Net-Zero business by 2028, in line with The Science Based Target initiative. Subsequently, Commercial's Purchasing KPIs have integrated with this Net-Zero timeline.

Commercial aspire towards a goal of 100% of all sales originating from our Products with Purpose range by 2028. In 2023, more than 33% of our sales were generated from our PWP range. In 2024, 44% of our sales were generated from our PWP range and we are expecting this to reach in excess 50% of our sales by next year. This means Commercial will only work with suppliers who are pushing forward the most responsible products on the market. This KPI will help consolidate our supply chain and reduce our Scope 3 emissions.

Underpinning this product strategy is a process to ensure continual improvement within our #ProcurementWithPurpose strategy. That strategy involves reducing our supply chain

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partners. In 2023/2024, our Suppliers decreased from 1000+ to 950+. Our ambition remains to reduce this number to 200 strategic suppliers and 200 supporting suppliers. We will work with our supply chain partners to drive efficiencies and sustainable procurement practices through regular meetings and audits on performance and conformance measures.

Furthermore, through our partnership with EcoVadis, all new strategic supplier partners are required to register for assessment within three months of trading with us. Across our Procurement Team and Inventory Team, we hold regular account reviews with existing suppliers. As part of the review, EcoVadis features as a standard agenda point where we discuss audit status, the scorecard and any Corrective Action Plans that may have been put in place.

We have an updated KPI to hold a minimum of 250 reviews per annum which has increased from last year's target of 100. An additional KPI is to audit the entire supply chain by the beginning of 2028.

As of August 2024, Commercial has more than 90 suppliers rated, meaning 63% of our spend is audited in line with our EcoVadis KPI. In addition, Commercial has based its required standard score based on EcoVadis' current platform standard (>45 out of 100) with a plan to develop this programme over the next year. Commercial's key objective is to ensure continual improvement within our supply chain.

A further target is to ensure an increase in Social Value spend, with at least 5% of sales originating from a Community Interest Company (CIC) by the end of 2026. To date we have invested 1% of our supply chain spend with social enterprises and are looking to onboard a number of new products that support a CIC. Social Value spend supports local communities and increases the importance of social enterprises, which helps create a sustainable world, in line with the UN Global Compact and Sustainable Development Goals.

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ADDITIONAL KPIs

| KPI | FY23/24 | FY24/25 Target |
|---|---------|---------------------------------------|
| Supplier Diversity: Actions to work with women-owned businesses in the supply chain | N/A | Full investigation to identify figure |
| Supplier Diversity: Actions to advance diversity, equity and inclusions in the workforce of suppliers | N/A | Full investigation to identify figure |
| No. of suppliers that are SMEs/MSMEs | 106 | 130 |

6. TRAINING ON MODERN SLAVERY AND TRAFFICKING

All new starters have a formal induction day at Commercial HQ. This is designed to help newcomers understand our values and objectives. One key session is a 45-minute presentation on Commercial's overall ESG strategy. During which our Sustainability Manager covers our Supplier Relationship Management procedures and best practice, and an additional session completed by our IT Infrastructure and Security Manager addresses topics such as Anti-Bribery and Corruption. This induction day sets the tone for how we conduct ourselves as a business and our continued commitment to being a sustainable leader .

Commercial employees regularly attend conferences, networking events, and training courses that increase our awareness on issues of modern slavery and broader human rights abuses.

In 2024, our Sustainability Coordinator attended ETI Member Induction Day which provided an overview of the fundamentals of ethical trading (including modern slavery) as well as guidance for implementing ethical policies and programmes within a business.

Commercial's Product and Sustainability Manager also attended ETI's full Member Day to meet with likeminded organisations and talk about supply chain management and the impact of climate change on workers globally. This included meeting and networking with representatives from NGOs and Trade Unions.

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Any training completed or new information gathered is replicated within the business through monthly SRM Champion meetings. SRM meetings, led by the Product and Sustainability Manager, give senior managers an open space to talk about sustainable developments and consolidate ethical trade procedures. These meetings are intended to help our employees understand modern slavery issues and understand the importance of Commercial's continuous success. When issues arise, we can collectively work together on an action plan and how we can learn from past experiences.

Commercial also regularly attends the BOSS Federation Environmental Forum meetings to help connect with office product manufacturing brands and resellers, to understand upcoming legislation, and discuss common sustainability issues and goals. In a recent BOSS meeting, our Product Manager sat on a panel, as a key speaker, to share Commercial's insights on how we use and analyse data to better understand environmental and ethical claims being made against products. Working side-by-side with industry peers, we are better-placed to deliver more accurate product information, and therefore champion sustainable purchasing practices, for our clients. When it comes to a subject as important as tackling modern slavery, and cutting carbon emissions, we have always believed that there is no such thing as a competition. Our industry must work collaboratively. It is by working together that the biggest impacts can be achieved. It is not a race any one organisation can win alone, it's a race we must all win together.

Connectivity and training continue to be a key priority. Our Managing Director created weekly company-wide Learning Days to keep the business connected and encourage training across the business. These meetings give every employee the opportunity to present to the whole company on a new (or old) business practice, area of expertise, and/or procedures. Over the reporting period, a number of presentations touched on Commercial's commitment to work with ethical suppliers. Examples included our Scope 3 emissions associated with products purchased, our new EcoVadis scorecard and our ISO and SRM procedures and best practice documents. Commercial has a belief that every employee, plays an important part in reducing modern slavery and believes that openness and transparency are the key components to tackling modern slavery.

Equally important, our Managing Director presents Commercial's Social Impact Report to both clients and suppliers to educate and inspire fellow corporate decision makers on the necessity of environmental and social governance. She openly and honestly presents the

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company's efforts towards achieving Net-Zero while addressing the complexity of a global supply chain. Over the past year she has donated more than 50+ hours of her time to explain the importance of being a purpose-led organisation.

Ultimately, Commercial understands that education is always an ongoing journey. We will continue to strive for a sustainable world, to be a business for good, and continue to educate our staff and external partners on the different forms of modern slavery and trafficking.

Commercial will continue to develop strong relationships with suppliers and partners, alongside championing best practice. Most importantly, we are committed to being a leading advocate for ethical and sustainable trade.

This statement was approved by all board members and will be reviewed annually.

Signed Arthur Hindmarch

(Chairman) 

Date August 2024