



VITAL HOLDINGS LIMITED ANNUAL MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT 2020

INTRODUCTION

This statement covers the activities of Vital Holdings Limited and its subsidiaries (including Vital Energi Utilities, Vital Solutions, Vital Residential EScO Limited) and sets out the actions the group is taking to understand all potential modern slavery risks related to its business and the steps it is taking to ensure there are no slavery or human trafficking in its businesses and supply chain.

The Company is committed to preventing slavery and human trafficking in its corporate activities, and to ensure its supply chains are free from slavery and human trafficking.

This statement relates to actions and activities during the financial year ended 30th June 2020.

DEFINITIONS

The Organisation considers that modern slavery encompasses:

- human trafficking
- forced work, through mental or physical threat
- being owned or controlled by an employer through mental or physical abuse or the threat of abuse
- being dehumanised, treated as a commodity or being bought or sold as the property
- being physically constrained or to have a restriction placed on freedom of movement.

COMMITMENT

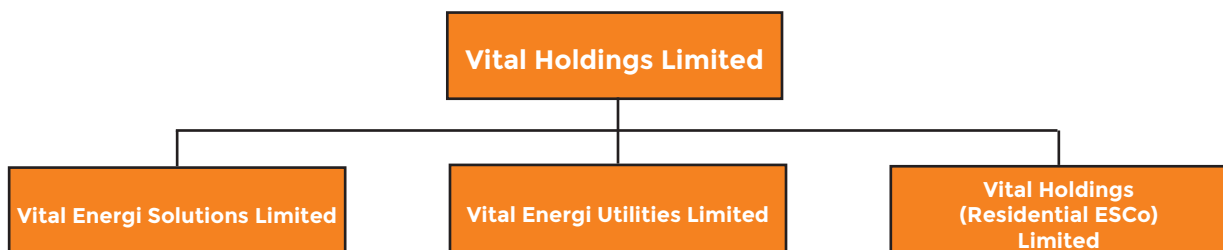
Vital acknowledges its responsibilities in relation to tackling modern slavery and commits to complying with the provisions in the Modern Slavery Act 2015. Vital understands that this requires an ongoing review of both its internal practices in relation to its labour force and, additionally, its supply chains.

Vital does not enter into business with any other organisation, in the United Kingdom or abroad, which knowingly supports or is found to involve itself in slavery, servitude and forced or compulsory labour.

No labour provided to Vital in the pursuance of the provision of its services is obtained by means of slavery or human trafficking.

OUR STRUCTURE

A subsidiary business of Vital Holdings Limited; UK based and operating in the construction field across a large variety of sectors including healthcare, education, industrial, residential, justice, and defense. Vital Energi Utilities Limited together with its sister businesses Vital Energi Solutions Limited and Vital Holdings (Residential EScO) Limited and any subsidiaries provide and maintain on customers behalf, community energy generation and distribution solutions for public and private sector projects.



We employ over 300 highly trained and qualified Engineers, Surveyors and Skilled site personnel and approximately 150 head office support staff, all based primarily in the UK. Our Head office, which is in Blackburn, North West, where the majority of our support staff, along with a large amount of our Design, Commercial and Metering & Billing Department are based. We have two other offices; one in Glasgow and the other in London. Our operational workforce (i.e our project managers, engineers, surveyors and site support staff) are based on various sites throughout the UK, in line with contract awards and client's requirements.

Our main activities whilst **on site** are to plan, execute, and finalise projects (including design, installation and routine maintenance of client's assets) within strict deadlines and budget; acquiring resources and coordinating the efforts of team members and third-party contractors/ consultants to deliver projects according to required/ agreed plan. Once the design and build stages have been completed, where appropriate our Operations functions will undertake Planned Preventative and Reactive Maintenance in accordance with Site Procedures, Rules and Line Management Instructions to ensure the longevity and sustainability of the energy centres meet the contractual demands and obligations agreed with the clients.

Whilst working from the **Head office or one of our subsidiary offices**, the main duties from the various support functions are to assist with:

- the production of design information for specific projects; taking concept designs and producing a fully detailed design for the projects team to install. This includes initial project conceptual work, site investigations and surveys, client meetings and input into project submissions and presentations.
- the commercial management of Contracts, in partnership with the Contracts Managers and/ or Project Managers.
- providing essential management in the areas of Safety, Health, Environmental and Quality, Human Resources and financial management to ensure we meet the necessary standards required

SUPPLY CHAIN

The majority of our suppliers are UK based, with one exception from a provider of Pipework in Denmark and Poland. We do, however, recognise that our supply chains may extend at specific times, beyond the UK, presenting a different level of risk.

Our supply chain includes approximately 566 contract companies and suppliers of varying size and expertise including services, and material supply of goods.

RESPONSIBILITY

Responsibility for the Company's anti-slavery initiatives are as follows:

- HR Manager - Employment policies, vetting of candidates and the employee awareness/training.
- Commercial Directors - Supply chain policies, vetting & monitoring
- SHEQ Director - Oversight of risk assessment & internal assurance

PROCESSES AND DUE DILEGENCE MADE IN THE PREVIOUS 12 MONTHS

We are committed to implementing and maintaining effective systems and controls to prevent, detect and eradicate modern slavery within our business and that of our suppliers. Previously and during the last 12 months, we:

1. Have undertaken an annual risk assessment to identify key vulnerabilities and an ethical approach to procurement.
2. For new suppliers and renewals of existing contracts, we include contractual provisions to ensure our suppliers understand the company's approach to modern slavery in supply chains.
3. Encourage all of our employees to report any concerns related to its activities or supply chains. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. The Company's whistleblowing procedure is designed to make it easy for workers to make disclosures without fear of retaliation.
4. Are assessed and audited annually by Achilles (external auditors). This enables us to ensure compliance with legal requirements and the best practice in respect of the management of our supply chain.
5. Only use specified, reputable employment agencies to source labour and verifies the practices of any new agency it is using before accepting workers from that agency.

Following our last annual review in May 2019, it was agreed at Board level that we would be implementing several additional processes in the latter quarter of our 19-20 financial year as a means to monitor the risks of modern slavery and human trafficking that can occur mainly within our Operations elements of the business. Unfortunately, COVID-19 (March 2020 - July 2020) prevented these factors to be implemented within the timescales originally identified. Therefore, they have now been identified as key improvement factors within our next years' proposed improvements.

FURTHER STEPS TO BE UNDERTAKEN DURING OUR FINANCIAL YEAR 2020-21

- Continue to build upon actions made in the prior year.
- The company will undertake due diligence when considering appointing new and existing key suppliers which include those identified in our risk assessment. We are looking to engage a third-party this process to monitor this vetting process for us. Talks are already in place with this third-party. Key suppliers will be put through a screening process to check they meet our ethical standards and values and we will conduct regular reviews of our existing suppliers. We aim is to take additional steps to further develop our supply chain vetting processes in line with our commitment to continuous improvement; this will be done via annual audits and risk assessments.
- Awareness Training to be identified and implemented within the business: Policy and relevant website links will be distributed to all employees with responsibility for recruitment and purchasing to raise awareness and respond to any slavery and, or human trafficking risks.
- Further communicate our updated statement to all our employees via internal communications, to continue to promote and encourage awareness. This could be done via a Publication of an article in the Company's internal newsletter to all employees raising awareness of modern slavery issues and providing a link to our statement and the government's guidance.
- In tender processes, we will ensure the prequalification criteria of suppliers incorporates a requirement to confirm compliance with the Act together with the requirement to maintain a Modern Slavery Act Statement.
- Develop links with external (independent) authorities such as the Gangmasters and Labour Abuse Authority with a view to becoming a member and advocate of their Construction Protocol.
- Communication issued to our key suppliers advising them of our commitment to ensuring that modern slavery is not taking place within our business or supply chain and setting out our expectations that they hold the same high standards. We fully expect that our suppliers will share our zero-tolerance approach and will hold their suppliers to the same standards.
- Continue to review and evolve our anti-slavery and Human Trafficking policies and procedure.

TRAINING

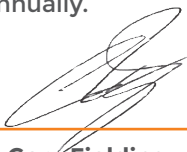
The organisation requires all supply chain managers and HR professionals within the Company to confirm they have read and understood the Company's policy statement on Modern Slavery and the following guide: [Transparency in Supply Chains etc.: a practical guide](#) as part of their continuous professional development and to comply with our policy commitment.

AWARENESS PROGRAMME

As well as training relevant employees, the Company raises awareness of modern slavery issues by publishing its statement on the Company's Home Page of its intranet and its external website.

BOARD APPROVAL

This statement has been approved by the Managing Directors and SHEQ Director, who will review and ensure it is updated annually.



Gary Fielding

Joint Managing Director
Date: August 2020



Ian Whitelock

Joint Managing Director
Date: August 2020



Sean Black

SHEQ Director
Date: August 2020