



MODERN SLAVERY STATEMENT

vital energi information for a sustainable future



MODERN SLAVERY STATEMENT

Policy statement: This statement has been prepared and is published in accordance with the requirements of Section 54 of the Modern Slavery Act 2015. It sets out the steps which Vital Holdings Ltd and its subsidiaries (the Company) has taken and continues to take in order to prevent and detect modern slavery and human trafficking in its own business and its supply chain, and its assessment of the respective risks.

ABOUT OUR BUSINESS

Vital Holdings Limited and its subsidiary businesses Vital Energi Utilities Limited, Vital Energi Solutions Limited and Vital Community Energi Limited (and their subsidiaries) is a UK-based private company operating in the built environment and energy sectors. We deliver innovative sustainable energy solutions for energy generation, distribution and energy demand reduction, focusing on three main areas; creating sustainable and viable means of generating and distributing energy; the management, measurement and

reduction of consumption; and the long-term operation and maintenance of low or zero carbon energy infrastructure. Offering strategic and multi technology solutions, we model bespoke technical solutions based on the best carbon and energy savings for clients' projects, achieving carbon reduction targets now and in the long term.

We operate exclusively in the United Kingdom and our customers are drawn from both the public and private sphere across a wide spectrum of sectors, including healthcare, education,

industrial, commercial, leisure, residential, justice and defence. The Company is committed to transforming the energy system to net zero in an ethical and sustainable way. Our company values demand that we operate to the highest levels of ethical standards and treat all stakeholders with integrity and respect, fostering confidence that Vital is responsible company to work for, buy from, invest in and partner with. We fully support the UK Modern Slavery Act and the UN Universal Declaration of Human Rights and Associated Standards.

WE SAID WE WOULD...	THIS IS WHAT WE DID...
<p>Set measurable KPIs as part of the development of our overarching ESG strategy</p>	<p>We have set KPIs for completion of modern slavery training, % of supply chain assessed for risk of modern slavery and % of high/medium risk suppliers subject to more detailed due diligence. The first targets have been set by the end of 2025.</p>
<p>Focus on increasing the number of suppliers who provide us information on their approach to modern slavery through engagement and awareness-raising</p>	<p>We have initiated a programme of online supply chain workshops to engage more regularly and effectively with our suppliers, and to allow focus on specific issues, including modern slavery. The number of our vendors registered on Alcumus who have provided a copy of their Modern Slavery Statement remains at 72%; however we have also conducted our own Modern Slavery gap analysis through which we have identified valid modern slavery annual statements and/or policies for a further 10% of these suppliers. We will look continue to encourage our suppliers to publish a Modern Slavery Statement, regardless of turnover.</p>
<p>Continue employee engagement and further roll-out training by curating SCSS courses and incorporating evidence of completion in annual reviews</p>	<p>A modern slavery learning pathway has been created on our SCSS platform and issued to all staff. We have set a KPI of 100% completion of this training by end of FY24-25</p>
<p>Keep abreast of developments in the solar industry (for example, the SCSS guidance, the Solar Stewardship Initiative Code and Assurance Scheme) and embed into our procurement strategy and due diligence</p>	<p>We continued to conduct detailed due diligence of our solar supply chain in FY23-24, reducing the number of suppliers on our preferred supplier list to those able to provide sufficiently detailed information to satisfy our checks</p>



MODERN SLAVERY STATEMENT

OUR WORKFORCE

Vital Energi's workforce is predominantly directly, permanently employed. Our Head Office is located in Blackburn, Lancashire, and is where the majority of our support and office-based staff are located. We have three other offices; Glasgow, London and Hereford, as well as our Energy-from-Waste plant located in Drakelow, Burton-upon-Trent. We added two new office locations in FY23-24, Newcastle and Swansea, bringing our total number of locations to seven.

There is an unprecedented demand for labour in the construction industry and as a result attracting candidates for vacancies is challenging for many businesses. We understand that this creates incentives for people prepared to resort to exploitation to fill positions lower down the construction supply chain, where we have less control and less visibility over hiring practices. For indirect employees, we require labour agencies to satisfy us that all staff have written employment contracts, have not had to pay for the opportunity to work, and are legally able to work within the UK.

We do not use umbrella companies. We employ contractors in very specific circumstances. Contractors are normally highly skilled and possess a unique or rare skill-set that is required to overcome a short-term challenge. There are no significant risks of modern slavery associated with our use of contractors.

OUR SUPPLY CHAIN

The majority of our suppliers are UK-based; 84% of our suppliers comprise micro, small and medium-sized businesses (MSMEs) and 91% of our total spend is with UK registered businesses. However, we do source some significant items of low carbon technology and equipment from overseas, including solar panels, CHP engines, batteries and pre-insulated pipework, mainly from Denmark, Poland, China, Germany and the USA. We recognise that as our supply chains extend beyond the UK, the level of risk increases. Where we work with overseas suppliers, we carry out detailed due diligence to understand sourcing arrangements and the implications for our risk profile. We have long-term relationships with many of our supply chain partners and seek to use our spending power in a way that leaves a positive legacy.

DUE DILIGENCE, RISK ASSESSMENT AND MANAGEMENT

The Company's business model is to deliver an end-to-end service for the pre-development, design, build, operation and maintenance of our projects, using in-house teams. This reduces the risk of modern slavery on our projects significantly. However, we are aware that certain business activities, such as procurement of goods and materials (particularly from overseas), and the use of subcontractors and labour agencies, increases the risk of modern slavery taking place within our supply chain.

We pre-qualify our suppliers and subcontractors using vendor registration systems operated by Alcumus, called SafeContractor and SafeSupplier. As part of the onboarding process, vendors are asked to provide a copy of their most recent annual Modern Slavery Statement, as well as questions around other policies and procedures related to modern slavery. We have a number of strong

At the end of June 2024 our headcount was **740 employees**, which breaks down as follows:



local supply chains across the UK and are committed to local investment, local employment, community benefit and maximising local supply chain spend, as set out in our Social Value and Sustainable Procurement Policies. We engage with MSMEs and other local businesses through "Meet the Buyer" days, conduct desk-based research and seek independent recommendations for new suppliers. Once we have selected our supply chain for a particular project, meetings are set up between the supplier and the relevant Vital departments to confirm various aspects of the work, including our expectations regarding working practices and management of their supply chains. Each member of our supply chain has both a primary and secondary point of contact within Vital, to ensure effective communication and maximum transparency throughout the duration of the works.

We are currently convening an internal working group to identify the most at-risk areas of our UK supply chain and review our pre-qualification processes, including the percentage of our supply chain (both suppliers and subcontractors) who are fully compliant with Alcumus. We have already been through this process for the highest risk activity within our supply chain, the procurement of solar panels (see end of document for case study).

OUR POLICIES

The Company maintains an Integrated Management System, comprising our externally certified ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 27001:2022 Information Security Management System, ISO 45001:2018 Occupational Health and Safety Management System and ISO 50001:2018 Energy Management System. We adhere to a comprehensive suite of policies and standards which are reviewed at least annually by our Board and signed off by the Group Chair and Chief Executive Officer. Our policies form part of our conditions of contract with Contractors and Sub-Contractors. Acceptance of our policies and standards is a pre-qualification requirement. We regularly monitor compliance with our policies and report performance figures to our operational boards and Group Board. Key policies relevant to modern slavery are described below.



MODERN SLAVERY STATEMENT

POLICY	SCOPE	RELEVANCE TO MODERN SLAVERY
Modern Slavery Policy	Sets out the steps we will take to ensure that we identify, tackle and eliminate any instances of modern slavery in our supply chain	Explains to all employees, subcontractors and consultants their responsibilities in relation to modern slavery, defines our Principles of Conduct in relation to modern slavery, explains how we will tackle training and raising awareness, and explains what actions we will take to reduce risk, deal with non-compliance, remediation, reporting, & support
Sustainable Procurement Policy	Sets out the standards we expect our suppliers to work to and extend to their own supply chains	Informs suppliers of the requirement to provide information on modern slavery as part of pre-qualification checks and includes reference to national and international human rights standards and regulations, they are expected to comply with
Supplier Code of Conduct	Reviewed, updated and sent to all suppliers annually on how we expect suppliers to comply with our policies	Encourages all suppliers, regardless of size and legal requirement, to publish an annual Modern Slavery Statement
Sustainability Policy	Ensures that we make ethical and sustainable decisions that create and share value for our stakeholders and wider society	Includes the principle of embedding a stakeholder-focused mindset in our business, balancing people, planet and profit over the short-, medium- and long-term, commitments to align to the UN SDGs and publish data on our performance annually
Social Value Policy	Communicates our approach to identifying, delivering and measuring social value	The Policy makes specific reference to employing fair payment practices and eradicating exploitation in our supply chain through enforcement of our Modern Slavery Policy
Whistleblowing Policy (Internal)	Sets out steps employees can take if they experience or witness wrongdoing in the workplace	Specific reference to modern slavery as an example of a concern that can be raised in confidence through our whistleblowing procedure
Anti-Bribery and Corruption Policy	Sets out the ethical, professional and legal standards we expect all internal and external stakeholders to adhere to	Sets out the duty of all employees to be vigilant in guarding against unusual activity or payments and confirms our commitment to zero tolerance of all forms of corruption
Health & Safety Policy	We are committed to preventing injury and ill health and seek to provide a safe and healthy working environment to all	A safe working environment cannot be achieved where people are working under duress. Our policy sets out the duties on employees to ensure that the behaviours we exhibit keep everyone safe and ensure that any instances, suspected or otherwise, where that is not the case are reported promptly
Equality, Diversity & Inclusion Policy (Internal)	Confirms our commitment to providing equal opportunities and promoting an inclusive, fair, and decent working environment	Recognises and respects the importance an inclusive and diverse workforce and supply chain
Recruitment Policy (Internal)	Ensures that employees have equal opportunities, the relevant rights to work and are employed in line with all local and national legislative requirements	Our recruitment checks safeguard human rights and minimise the risk of directly employing someone who is being forced to work or has been trafficked
Disciplinary Policy (Internal)	Sets out actions when employees deliberately breach the Employee Code of Conduct and other policies	All employees know what is expected of them in terms of conduct, and the consequences of misconduct
Employee Code of Conduct (Internal)	Our company code of conduct, applicable to all employees. This document sets out our values and how we expect our employees to behave when working on behalf of the company	Includes sections on discrimination, harassment, bullying and human rights and sets out Vital's commitment to zero tolerance of all forms of corruption, as well as the avenues available for raising concerns
Fair Work First Statement	Confirms our commitment to the Scottish Government's Fair Work First criteria	Describes the channels we provide to give employees an effective voice and affirms our commitment to avoid the use of zero hours contracts, pay the real Living Wage and oppose the use of fire and rehire practices



MODERN SLAVERY STATEMENT

TRAINING AND AWARENESS

We continually promote openness and transparency and provide avenues available to all employees and those working on our behalf to raise concerns, set out in our Whistleblowing Policy, Supplier Code of Conduct, Modern Slavery Policy, and on posters displayed at our sites.

We take all allegations of any type of unethical or illegal behaviour very seriously and our HR and SHEQ teams are trained to deal with all reported concerns sensitively and thoroughly. In the event of a complaint, we carry out independent investigations and take appropriate action. Any outcomes and findings from such investigations are reviewed at Board level.

Our employee induction programme provides training and awareness of our company mission, vision, and values as well as our policies and procedures to all new starters. In addition, we have ongoing mandatory training for all employees on topics related to our ethics and values, and enhanced training on modern slavery for employees more likely to encounter instances of modern slavery, including commercial and procurement staff, human resources staff, and any staff involved in due diligence or auditing.

We encourage both our employees and suppliers to utilise the free training and resources that are available through the Supply Chain Sustainability School. Our solar team has reviewed the School's recent guidance on Addressing Modern Slavery and Labour Exploitation in Solar PV Supply Chains (prepared on behalf of the School by Action Sustainability) and have attended webinars related to the guidance.

Gary Fielding
Chairman

Date: January 2025

FOCUS AREAS FOR 2024/25

We recognise and fully support the need to demonstrate continual improvement and commitment to tackling the risk of modern slavery in our business and supply chains. We will continue to develop realistic and achievable commitments that will make a difference and enhance our approach. The areas that we will focus on in FY24/25 are as follows:



KEY PERFORMANCE INDICATORS

We will review progress against our KPIs at the end of FY24-25 and report as part of our annual Strategic Report.



SUPPLIERS

At least one online workshop will be held before the end of FY24-25 that is solely focused on modern slavery. In addition, we are strengthening the governance of our procurement strategy by appointing a dedicated Supply Chain Manager.



TRAINING AND AWARENESS

Target team leaders with 100% completion of the SCSS modern slavery learning pathway within their teams, regularly reporting progress to the Board. Modern slavery training will also be incorporated into our new Learning Management System, Kallidus.

BOARD APPROVAL

This policy statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Vital's slavery and human trafficking statement for the financial year ending 30 June 2024. This statement has been approved by the Chairman, Chief Executive Officer and SHEQ Director.

Ian Whitelock
CEO

Date: January 2025

Sean Black

Director of SHEQ

Date: January 2025



MODERN SLAVERY STATEMENT

Case Study - Procurement of Solar PV Panels: By 2050, solar PV is predicted to be the main electricity source across Europe. By the end of 2023, the UK is expected to have 15,574 MWp of installed solar capacity; a growth of roughly 20% from 2022. The renewable energy that will be generated by those panels is equivalent to the annual electricity demand of around 4 million traditional homes. Over the past two years, Vital's solar team has grown significantly to service this demand, and by 2024 we will have installed 37 MWp of capacity, with considerably more in pre-construction.

OVERVIEW

Solar panels are manufactured using silicon, which is the most abundant element in the Earth's crust. People are probably most familiar with silicon in the form of sand; however, it exists in a number of ore materials, including quartz. In order to manufacture solar panels silicon has to be processed, mainly into polysilicon, a high-purity form of silicon which has the semiconducting properties needed to make PV panels. Over 95% of the world's solar-grade polysilicon supply comes from China, and in particular 35% of the supply originates in the Xinjiang Uyghur Autonomous Region (XUAR) of China.

In 2021, a report published by Sheffield Hallam University ("In Broad Daylight: Uyghur Forced Labour and Global Solar Supply Chains") revealed the extent of forced labour in the XUAR and the dependence of the global solar supply chain on this forced labour.

RESPONSE

As a result of this report, Vital immediately took action. We carried out due diligence into our PV panel suppliers and engaged with their UK distributors. We enhanced our due diligence process to ensure that the suppliers could demonstrate that they:

- ▶ Had a Code of Conduct in place that included a ban on forced labour
- ▶ Could provide documentation providing the origin of key components
- ▶ Could provide evidence of independent audits of working conditions throughout their supply chain
- ▶ Were SA8000 accredited

We also carried out desk-based research to identify whether the suppliers had acquired any independent third-party sustainability benchmarks (e.g. EcoVadis) and engaged with Achilles to undertake an audit of our own policy.

As a result, we have now entered into two preferred supplier agreements with suppliers who have provided us with evidence of their own supply chain traceability. We are further augmenting our due diligence in this financial year by visiting a selection of our solar suppliers' manufacturing facilities in China. These suppliers have also

become the first to be issued with our bespoke ESG questionnaire, which will be issued to all suppliers. This detailed audit covers a wide range of ESG topics including modern slavery, Net Zero targets and embodied carbon, and will give us the most detailed picture of our supply chain that we have ever had. Once we have benchmarked the ESG performance of the businesses and products in our supply chain, we can work collaboratively with our suppliers to improve it.

The lessons we have learned from solar PV procurement are being embedded into our general procurement practices.

