



SUSTAINABLE PROCUREMENT POLICY

vital energi information for a sustainable future



SUSTAINABLE PROCUREMENT POLICY

Policy statement: As a leading provider of innovative sustainable energy solutions, Vital Energi's mission is to create sustainable, intelligent, and reliable energy solutions, that build healthy and thriving communities to drive a greener future. Guided by this mission, we will support the transition to a net zero future in a sustainable way, creating value for our customers, employees, suppliers, investors, local communities and the environment.

POLICY PURPOSE

We have significant ability to influence and address environmental, social, economic and innovative development through our supply chain. In order to deliver real long-term benefits to the environment and communities and to create best value for our stakeholders, we need to identify the optimum combination of whole life costs and benefits through design, construction, operation, refurbishment and retrofit, and end-of-life. This requires working collaboratively with our supply chain; we want to encourage our suppliers to factor environmental and social benefits into business decisions to contribute towards a sustainable economic future.

ROLES AND RESPONSIBILITIES

This policy applies to all Vital employees and those working on our behalf; everyone is responsible for ensuring the policy is adhered to. The policy describes Vital's commitment to deliver sustainable outcomes through our procurement activity and is to be applied to all goods, services and subcontracted activities. Whilst we recognise that some service providers will have limited scope to contribute towards our sustainability objectives, it is crucial that we know we are working alongside people and organisations who share our values. We will therefore apply this policy in a manner that is relevant and proportionate, but we do expect all suppliers and subcontractors to demonstrate commitment to the standards set out in this policy, and to comply with our Supplier Code of Conduct.

This is one of a suite of policies intended to communicate our values and

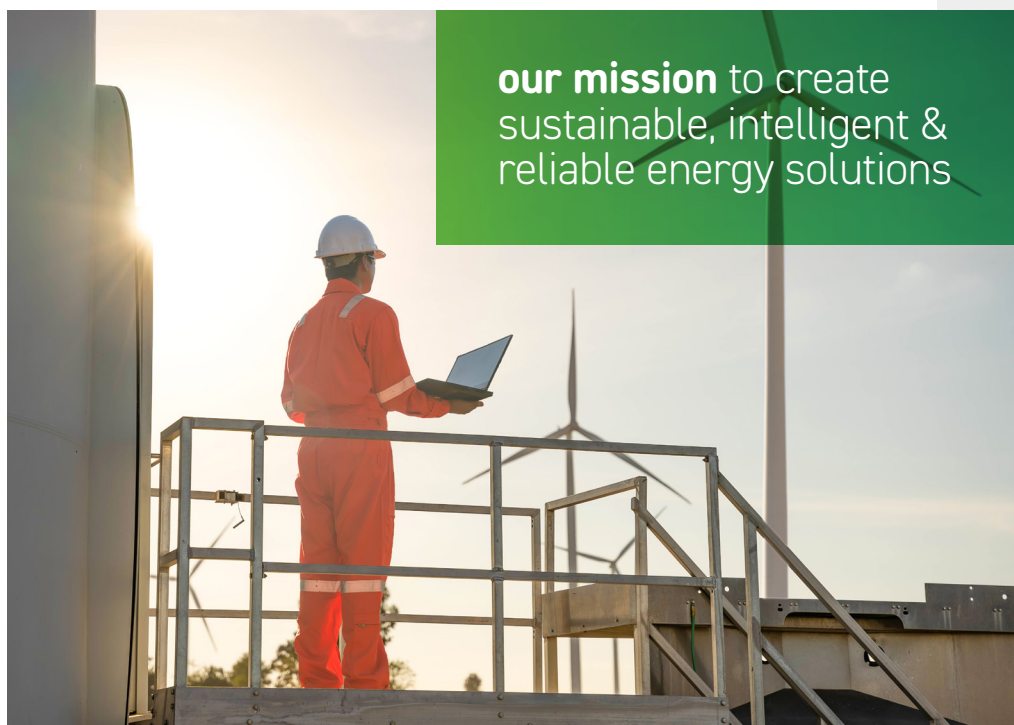
standards to all stakeholders, fostering confidence that Vital is a responsible company to work for, buy from, invest in and partner with. This policy is owned by the Commercial Directors with ultimate oversight resting with the Vital Group Board, including the approval of any changes to the policy.

PRINCIPLES OF CONDUCT

Vital Energi will select supply chain partners from an approved list meeting our pre-qualification requirements including vetting through our Alcumus SafeSupplier and SafeContractor platform. Any new suppliers and sub-contractors will be required to complete checks via the platform. This system strictly evaluates and monitors supply chain performance and documentation to determine their ability, compliance, reliability and competence in relation to:

- ▶ Financial strength and cost efficiency
- ▶ Standards of workmanship, skills and capability
- ▶ Training
- ▶ Quality, health, safety and environmental standards (9001/45001/14001)
- ▶ Demonstrable track record and appropriate experience
- ▶ Modern Slavery working practices
- ▶ Ethical procurement
- ▶ Locality and contribution to social value

There may be exceptional circumstances, for example micro-businesses or self-employed contractors, where use of the Alcumus platform is disproportionate, or where our customers have preferred supply chain partners that aren't available through the Alcumus databases. In such



our mission to create sustainable, intelligent & reliable energy solutions



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circumstances, Vital will endeavour to do all relevant checks in-house to ensure compliance with our policies, or will assist in getting the relevant contractors set up on Alcumus.

SUPPLIERS & SUBCONTRACTORS

Suppliers and subcontractors must comply with all relevant laws, regulations and standards in all jurisdictions in which they operate, including the United Nations Universal Declaration of Human Rights, the International Labour Organisation's standards on child labour and minimum age, the United Nations Global Compact, the Modern Slavery Act 2015, the Health & Safety at Work etc. Act 1974, all relevant environmental legislation and with other Vital Energi policies where applicable, including but not limited to our Modern Slavery Policy, Environmental Policy, Sustainability Policy, Health & Safety Policy, Quality Policy, Social Value Policy and our Supplier Code of Conduct.

Vital commits to using all reasonably available channels to deliver excellence for our customers through the best value sourcing of products and services, taking into account human rights, the environment, social, and ethical considerations over the whole life cycle of the product or service. Vital will identify the best procurement offer based on a total value assessment that includes an evaluation of how suppliers manage the expectations set out in this Policy. This will be achieved by:

- ▶ Including sustainability criteria in tenders and setting sustainability targets with key suppliers.
- ▶ Monitoring and evaluating the sustainability performance of key suppliers.
- ▶ Reporting on progress against this Policy annually.

OUR COMMITMENT TO SUPPLIERS

To create a sustainable supply chain, we commit to working in partnership with our suppliers to ensure they can comply with this Policy and supporting policies and strategies.

- ▶ We will pay our suppliers on time to agreed payment terms.
- ▶ We shall seek continuous improvement in our supplier relationships, based on knowledge sharing and joint initiatives to encourage innovation. A collaborative working relationship will be encouraged.
- ▶ We will provide support and guidance, where appropriate, to help suppliers understand our values and comply with our standards.
- ▶ We will maintain transparent lines of communication and provide mechanisms to receive feedback on our own performance and behaviours.
- ▶ We will keep our procurement processes under review and ensure that our behaviour supports suppliers in complying with our standards. This will include regular consultation to ensure that we understand the different perspectives of the members of our supply chain and where appropriate, involving suppliers in stakeholder discussions.
- ▶ We will commit to fair and ethical working practices
- ▶ Encourage and support on social value commitments

Vital employees making **procurement decisions** will therefore consider the following in addition to the commitments outlined above:



1 Offering level - have we considered all viable options to avoid or minimise resource consumption before deciding to place an order?



2 Product/service level - is the item being purchased the most sustainable option, or are there better alternatives?



3 Value chain level - is the supplier utilising efficiencies in their production, demonstrating ethical business practices and actively managing their own environmental performance?



4 Carbon footprint - has the supplier made a net zero commitment and can they evidence working towards a carbon reduction plan?



5 Social value - what impact, if any, will the proposed purchase have on economic, social and environmental wellbeing, as set out in the Social Value Act 2012?



6 Risk Assessment - Have all risks including business ethics been identified and moderated.

CONTINUAL IMPROVEMENT

Vital Energi is wholly committed to ensuring the continual improvement of sustainable performance throughout our business activities. We, therefore, commit to setting and periodically reviewing social and environmental targets, including procurement factors, in line with our vision, EMS/EnMS scope and determination to remain a market leader in sustainable energy solutions. As part of our commitment, we will communicate this policy to all employees and organisations working on our behalf and ensure the latest version is available on our website for interested parties to view it openly as appropriate. This policy will be reviewed at least annually.

Gary Fielding
Chairman
Date: January 2024

Ian Whitelock
CEO
Date: January 2024