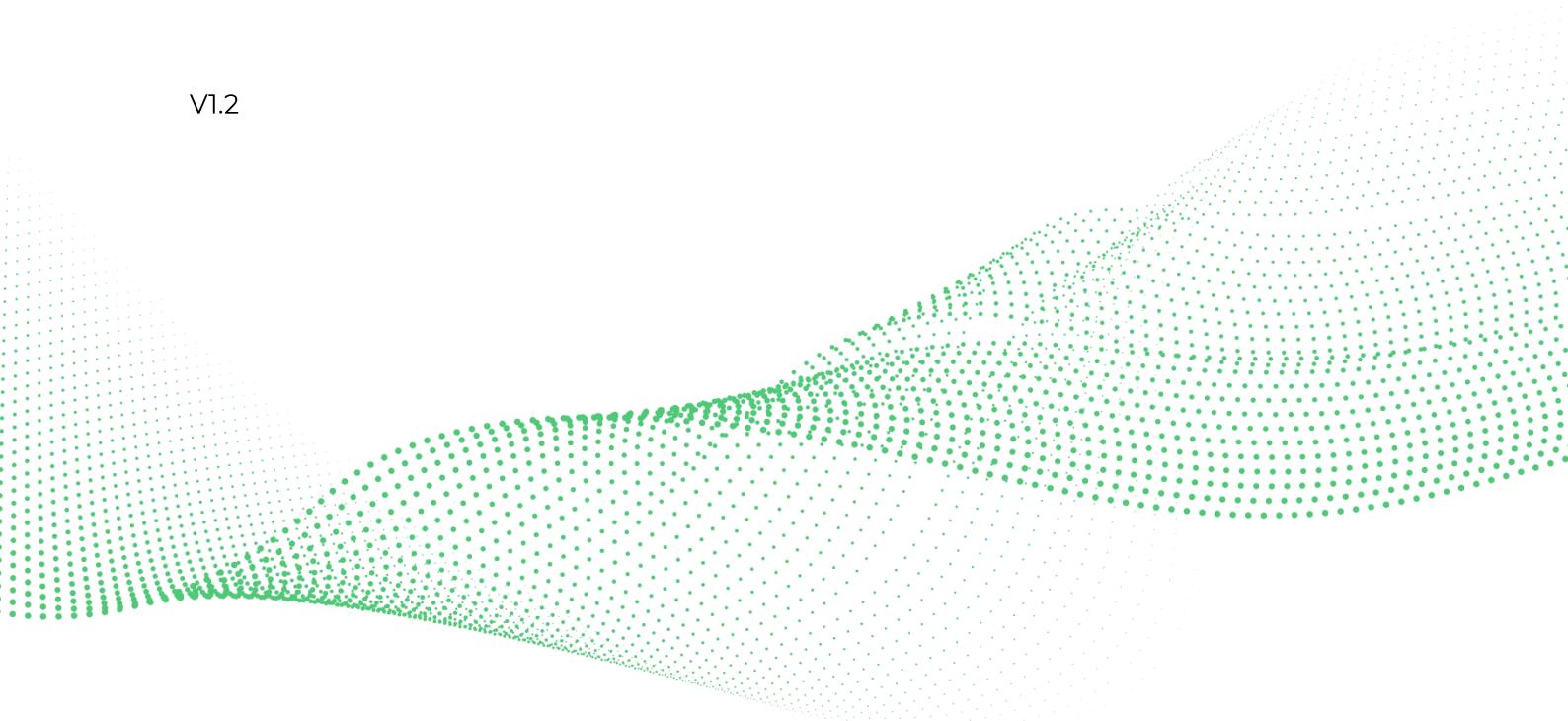


VCG

BP035 Modern Slavery Policy and Statement

V1.2



Contents

1.	Modern Slavery Statement 2022/2023	3
2.	Structure, Business and Supply Chains	4
2.1	Organisation Structure to Mitigate Modern Slavery.....	4
2.2	Our Supply Chains.....	4
3.	Policies in Relation to Modern Slavery	4
3.1	How We Tackle Modern Slavery.....	5
3.2	How We Buy Goods And Services	5
3.3	Procurement Policies	5
4.	Assessment and Due Diligence	6
4.1	Due Diligence with our Current Suppliers	6
4.2	Responsible Purchasing Practices	6
4.3	Understanding the Needs of Workers in our Supply Chain	7
4.4	Responsible Recruitment Practices	7
5.	Training and Awareness.....	7
5.1	Communication	7
5.2	Compliance with the Policy.....	7
5.3	Breach of Policy.....	8
6.	Goals and KPIs.....	8
7.	Document Control	9
8.	Authorisation.....	9

1. Modern Slavery Statement 2022/2023

Modern Slavery is a serious and cruel crime that sees exploitation of human beings around the world for financial and criminal gain.

There is no typical victim of modern slavery, and we recognise that acts of slavery could come from people exploited for work, labour, criminality, or domestic servitude. It is therefore imperative that we maintain our ethical and legal duties to prevent any form of human exploitation through the processes defined in this policy.

VCG has committed itself to ensure itself and its supply chains are thoroughly scrutinised to ensure that neither it nor its partners profit from the inhuman exploitation of others.

We have a zero-tolerance approach to modern slavery, and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implement and enforce effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or our supply chain.

We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chain. We expect the same high standards from all of our contractors, suppliers and other business partners. As part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude and we expect that our suppliers will hold their own suppliers to the same high standards.

This modern slavery policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, agents, contractors, external consultants, third-party representatives, and business partners. This policy does not form part of any employee's contract of employment, and we may amend it at any time.

A handwritten signature in black ink, appearing to read "Tom Kelly". The signature is fluid and cursive, with "Tom" on the left and "Kelly" on the right, connected by a flourish.

Tom Kelly
VCG Technology Chairman

Date: 25th April 2023

2. Structure, Business and Supply Chains

2.1 Organisation Structure to Mitigate Modern Slavery

VCG's strategy and policies to tackle modern slavery in its supply chains have been jointly developed by various department in consultation with its the business leaders.

The Procurement Department is responsible for the regularity VCGs suppliers, including the steps that the business has taken to prevent modern slavery in VCGs supply chains.

Department heads are directly and personally accountable to their own spending decisions.

The Head of Operations leads the procurement team, working with supply chain managers in the business to put in place processes including those that get a better deal for VCG from commercial decisions and supplier management.

The businesses departmental heads are advocates to develop and promote policies and programmes to address modern slavery in any commercial activity within their own department.

To develop our approach, VCG has sourced information about correct practices from Business Against Slavery, the Modern Slavery Strategy Implementation Group and the Office of the Independent Anti-Slavery Commissioner on the content of this statement, as well as self-assessing against the Ethical Trading Initiative's evaluation framework¹for modern slavery statements.

2.2 Our Supply Chains

VCG procures a range of goods and services, from networking equipment, licenses and facilities management. In 2020 we spent approximately £24 million buying goods and services from our suppliers. As of April 2021, there were around 550 registered suppliers, 250 regular suppliers and around 10 tier 1 suppliers to VCG, who account for around that £24 million annual spend.

The tier 1 and tier 2 suppliers offer a wide range of important goods and services to VCG, and over 85% of our direct suppliers are registered in the UK but many of their operations and supply chains are global. Some of our suppliers have complex supply chains with multiple tiers of sub-contracting and we have little visibility over where many products are made. We are taking a targeted approach, prioritising steps to achieve greater supply chain visibility where our risks are highest.

The procurement team aim to map the highest-risk supply chains, beginning with collecting data on their tier 1 and tier 2 suppliers in those supply chains, where it is not held already. By increasing the visibility of their high-risk supply chains, we will gain a better understanding of how and where to target our due diligence activity.

3. Policies in Relation to Modern Slavery

This section is about the VCGs policies to prevent modern slavery in our operations and supply chains. In particular, this section details how we identify and mitigate modern slavery risks throughout the commercial life cycle.

¹<https://www.ethicaltrade.org/issuesmodern-slavery/modern-slavery-statements-evaluation-framework>

3.1 How We Tackle Modern Slavery

This statement focuses specifically on what VCG has done to identify, prevent and mitigate risks of modern slavery within our own operations and supply chains.

Our work to tackle modern slavery forms part of the VCGs wider work to continual look at improving its practices including improving its suppliers and service providers. The continual improvement process will look at the business activities and where shortcomings in those activities can be remediated. This is inclusive of suppliers, and their practices and will look to ensure that suppliers that abide by correct ethical standards within its own operations are promoted, whilst those who do not abide by the same standards are removed from our supply chain.

3.2 How We Buy Goods and Services

Generally, departments are required to source services and supplies through the Procurement Department, though there are some exceptions. The Procurement Department has responsibility for setting the VCGs procurement policy and commercial standards which define how the business should conduct its commercial activities. These standards are set out in the various management system policies which all colleagues are obligated to abide by.

3.3 Procurement Policies

A Supplier Code of Conduct underpins all our commercial relationships and sets out the behaviours that VCG buyers and suppliers can expect of each other, including specific provisions on human rights and employment law.

The UK Government has provided guidance² which we use when setting out the action that we must take to identify and mitigate modern slavery risks throughout the commercial life cycle, from defining contract requirements and procuring goods, to managing supplier relationships and remediation where exploitation has been uncovered.

The policy requires all new procurements for suppliers that have tier 1 and tier 2 to be subject to a completion supplier onboarding process and assessment.

Potential suppliers who have failed to meet their legal obligations in the last three years risk being excluded from VCGs procurements, unless they can demonstrate that they have taken measures to remedy the failures and prevent recurrence. VCG when undertaking a compliance audit and may whistle blow companies who have not, or do not take steps to become compliant. Potential suppliers who have been convicted of certain modern slavery offences under the Modern Slavery Act within the last 5 years must be excluded from any procurements, unless they can demonstrate that they have taken measures to remedy the failures and prevent recurrence.

Suppliers are contractually obliged to inform us of any investigation, accusations or found guilty of modern slavery offences. Failure to do so may result in the breach of contract, termination of contract, prohibition from future business and legal repercussion should VCGs reputation be affected.

² https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/655504/6.3920_HO_Modern_Slavery_Awareness_Booklet_web.pdf

4. Assessment and Due Diligence

This section describes the modern slavery due diligence we have undertaken, and how we are implementing and incentivising responsible business practices to protect workers in our supply chains. This section also details our understanding of the most significant modern slavery risks in VCGs supply chains, and where we want to prioritise action.

4.1 Due Diligence with Our Current Suppliers

VCG will carry out Due Diligence with its tier 1 and tier 2 suppliers that review a number of items and will include Modern Slavery.

During this due diligence, VCG and its suppliers will check:

- ⊕ That supply chain contains reputable companies.
- ⊕ Anyone new in the supply chain has also been assessed.
- ⊕ Confirm Supplier Code of Conduct is followed.
- ⊕ The supply chain receives prompt and complete payment.
- ⊕ The supplier has not been under investigation or convicted of Modern Slavery offences since the last review.

Should a supplier fail to meet the standards when checked, they may be subject to contract review, and this will be reported back through the KPI reporting process.

4.2 Responsible Purchasing Practices

VCG can have a profound impact on the conditions of workers in supply chains through its own purchasing practices. Aggressive pricing, short lead times and late payments are just a few examples of purchasing practices that can unintentionally create modern slavery risks. Where suppliers (and their supply chains) are under pressure to meet buyer requirements, this can lead to exploitative situations, for example a supplier not receiving payment on time may not be able to pay workers their salaries.

We recognise the importance of embedding cross-cutting due diligence measures to prevent exploitation in our supply chains in addition to addressing risk in specific high-risk supply chains. This includes introducing and embedding responsible purchasing and recruitment practices, and prioritising efforts to listen and learn from the direct experiences of workers in our supply chains.

To ensure the VCG does not cause unintentional modern slavery risks, we make certain to pay undisputed invoices within 60 days to direct suppliers.

Should any of our suppliers and potential suppliers wish to raise concerns anonymously about unfair procurement practice, including supply chain issues. They can do so by contacting VCGs internal Compliance Department (compliance@vcg.group) who can investigate and resolve these concerns. The Compliance Department, in an effort to hold itself to account will also conduct regular internal audits on Modern Slavery in the supply chain. The results of cases are disclosed and communicated to the board as and when they occur.

4.3 Understanding the Needs of Workers in Our Supply Chain

We aim to introduce a worker-centred approach to due diligence, where workers are empowered to report issues and are directly involved in conversations about how to protect their rights. We will work with our suppliers to develop this approach.

We know how important it is for workers to trust the mechanisms in place and be confident that they will receive appropriate safeguarding and remediation. VCG's policy on tackling modern slavery in its supply chains encourages commercial and procurement staff to contact the GLAA or the police if they are concerned about a potential victim, or suspicious about a situation that is potentially exploitative. The policy also includes a blueprint for how VCG should work with suppliers to develop and enforce remedial action plans when issues are uncovered

4.4 Responsible Recruitment Practices

Indirect methods of recruitment can increase opportunities for exploitation, due to the absence of oversight by VCG of the recipient organisation.

Recruiters may charge workers excessive recruitment fees and related costs, creating a form of debt bondage over the workers. VCG therefore does not use recruiters that charge fees to the recruiter and expects the same of its suppliers. VCG encourages its suppliers, to strengthen their recruitment practices and endorse initiatives such as the Employer Pays Principle 3.

5. Training and Awareness

5.1 Communication

Training on this policy, and on the risk our business faces from modern slavery in its supply chain will be given during induction and through annual training.

Our zero-tolerance approach to modern slavery must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and reinforced as appropriate thereafter.

5.2 Compliance with The Policy

The prevention, detection, and reporting of modern slavery in any part of our business or supply chain is the responsibility of all those working for us or under our control. Colleagues are required to avoid any activity that might lead to, or suggest, a breach of this policy.

Colleagues must notify their manager or the Procurement Department as soon as possible if they believe or suspect that a conflict with this policy has occurred or may occur in the future.

Colleagues are encouraged to raise concerns about any issue or suspicion of modern slavery in any parts of our business or the supply chains of any supplier tier at the earliest possible stage.

³ <https://humanrights.wbcsd.org/project/six-steps-to-responsible-recruitment-implementing-the-employer-pays-principle/>

If a colleague believes or suspect a breach of this policy has occurred or that it may occur, they must notify your manager or report it in accordance with our Whistleblowing Policy as soon as possible.

If a colleague is unsure about whether a particular act, the treatment of workers more generally, or their working conditions within any tier of our supply chain constitutes any of the various forms of modern slavery, raise it with their manager or the Procurement Department.

We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. We are committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that modern slavery of whatever form is or may be taking place in any part of our own business or in any part of our supply chain. If they believe that they have suffered any such treatment, they should inform their manager immediately.

5.3 Breach of Policy

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

6. Goals and KPIs

There are key goals VCG has in place to ensure we are tackling Modern Slavery correctly within the business and its supply chain.

These goals are:

- ⊕ To ensure that 100% of our employees are exposed to modern slavery awareness training.
- ⊕ To ensure that 100% of our strategic suppliers have been assessed for Modern Slavery risk.
- ⊕ Ensure that all the procurement team have specific training in engaging with suppliers and addressing modern slavery as part of the on board of new suppliers.
- ⊕ Ensuring all our suppliers have any undisputed invoice paid within 60 days.

The business will monitor and report against Key Performance Indicators that will indicate whether there are issues with modern slavery in the supply chain. This includes:

- ⊕ The number of reported instances of modern slavery in our business operations and its supply chain.
- ⊕ Number of pieces of intelligence shared with law enforcement and Gangmasters Labour Abuse Authority (GLAA) and the number of instances of modern slavery identified as a result of intelligence shared with law enforcement, Gangmasters Labour Abuse Authority, Hope for Justice
- ⊕ The Modern Slavery standards being met for our tier 1 and tier 2 suppliers.

All KPIs and goals are reported to the board through the Business Objectives.

7. Document Control

The Board has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The **Executive Assistant**, has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering modern slavery.

Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given any required training.

Revision	Date	Author	Description
1.0	23/04/2022	Stuart Thomas	2022/2023 document initially drafted.
1.1	25/04/2023	Hollie Dixon	Updated CEO
1.2	19/02/2024	Craig Steele	Document owner changed from Compliance Manager to Executive Assistant

8. Authorisation

Title	Name	Signature	Date
Executive Assistant	Hollie Dixon		19/02/24
Chief Executive Officer	Robert Moss		19/02/24