

CARTER SYNERGY LIMITED
MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

Introduction

This statement sets out the actions taken by Carter Synergy Ltd to understand all potential Modern Slavery and Human Trafficking risks related to its business, and to ensure that the necessary steps are in place to monitor that there is no slavery or human trafficking in its own business and its supply chains.

This statement relates to actions and activities during the financial year 1 January 2018 to 31 December 2018, and plans for the financial year ended 31 December 2019.

Carter Synergy Ltd is a subsidiary of Carter Thermal Industries Ltd (referred to within this document as 'CTI Group'). Carter Synergy Ltd is a national provider of Refrigeration and Building Services (HVAC and M&E) design, installation, project management, service and maintenance.

The Company currently operates in the following countries:

- Distribution of Manufactured Product throughout the UK with Export of UK Manufactured Product to America and Eire.
- Inbound Supply Chain is predominantly from within the UK with global supply from: Switzerland, Sweden, USA, China, Australia, New Zealand, Netherlands, Poland, Italy, Germany, Portugal, France, Ireland, Romania, Czech Republic.

Our Commitment

We commit to ensure:

- For all directly employed employees, we will carry out 'Right to Work in the UK' checks and pay minimum wages or above in accordance with published UK government legal guidelines in respect of National Minimum and National Living Wage.
- For all indirect workers we will continue to carry out a Health & Safety and Contract Familiarisation prior to their acceptance as a sub-contractor, during which we will check their identity, qualifications and competence.
- We co-operate with our clients through regular client audits of our obligations under this policy, and undertake to support the client through effective supply chain management.
- We continue to regularly review and revisit our supply chain partners, to include identification of their individual approaches and commitment to Modern Slavery and Human Trafficking within their Supply Chains (including their countries' source(s) of materials and their labour resources) in support of our business operations to identify all and any potential areas and countries of risk.
- We are operating predominantly within the UK with the majority of our supply chain partners also based in the UK, and we therefore consider the overall risk of slavery and/or human trafficking to be low.

Risk Assessments

The Head of Procurement, supported by the Compliance Manager, will assess the risk of slavery or human trafficking within the supply chain as part of the Company's overall Risk Management and Governance.

We plan to conduct a rolling risk assessment of all supply chain activities across the business, including those overseas countries where there is considered to be a greater material risk of slavery or human trafficking in line with published Government figures. Where we identify a material risk we will conduct supply chain assessment audits to ensure compliance with the agreed policies.

It is the intention of Carter Synergy Ltd to implement updated supply chain processes in 2019, including compliance checks to ensure our partners meet or exceed our modern slavery and human trafficking policy requirements.

Relevant policies

Carter Synergy Ltd operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations:

Whistleblowing policy: The Company encourages all its workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, the organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. The organisation's whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation. Employees, customers or others who have a concern can raise this with the CTI Group HR Director.

Employee code of conduct: The Company's 'Code of Conduct' makes clear to employees the actions and behaviours expected of them when representing the organisation. The organisation strives to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing its supply chain. All employees are provided with a copy of the Ethical and Business Conduct Handbook upon commencement of employment which they are requested to read through and confirm is understood. Training takes place for key roles across the business on a periodic basis.

Purchasing & Supply Chain Code of Conduct: The Company is committed to ensuring that its suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they provide safe working conditions where necessary (RAMS), treat workers with dignity and respect, and act ethically and within the law in their use of labour. The organisation works with suppliers to ensure that they meet the standards of the Code and improve their workers' working conditions. Any serious violations of the organisation's supplier Code of Conduct will lead to the termination of the business relationship.

Recruitment and Agency workers' policy: The Company uses only specified reputable employment agencies to source labour and always verifies the practices of any new agency it is using before accepting workers from that agency, in accordance with the CTI Group Recruitment policy.

Due Diligence

The Procurement and Supply Chain team are responsible for ensuring that the Company's policies are communicated to the supply chain partners and form part of the supplier assessment process, which is managed by the Internal Audit Department with support from the Compliance Manager.

Carter Synergy Ltd undertakes due diligence when assessing new suppliers and regularly reviews its existing suppliers. The business is currently reviewing the following due diligence processes and methodologies:

- Mapping the supply chain broadly to assess particular product or geographical risks of modern slavery and human trafficking
- Evaluating the modern slavery and human trafficking risks of each new supplier
- Reviewing, on a regular basis, all aspects of the supply chain based on the supply chain mapping
- Conducting supplier audits or assessments through the Company's Compliance Team
- Creating a risk profile for each supplier, which will be kept up to date
- Taking steps to improve any substandard suppliers' practices
- Participating in collaborative initiatives with our customers, for example
 - "Stronger Together" <https://www.stronger2gether.org/resources>
 - "Ethical Trading" <https://www.ethicaltrade.org/about-eti/our-members>

Key Performance Indicators

Carter Synergy Ltd has reviewed its key performance indicators required in accordance with the policy. As a result, the organisation aims to achieve the following within the next financial year:

- All staff involved within any element of Purchasing or Supply Chain, as well as HR and Management, to complete training on Modern Slavery and Human Trafficking
- Further develop the system for supply chain verification where the organisation evaluates potential suppliers before they enter the supply chain
- Review existing supply chains where the organisation evaluates all existing suppliers

Training

All middle managers and above who will be engaged in procurement activities with supply chain responsibilities will complete training/refresher training on business ethics and modern slavery and human trafficking during 2019-2020.

All staff working in the supply chain within the organisation will be required to complete training on modern slavery within the next financial year.

The Company will also promote a greater awareness in all departments across the business of modern slavery issues. This will include the following:

- the basic principles of the Modern Slavery Act 2015;
- how employers can identify and prevent slavery and human trafficking;
- what employees can do to flag up potential slavery or human trafficking issues to the relevant parties within the organisation; and
- what external help is available, for example through the Modern Slavery Helpline.

Review

This policy will be reviewed on an annual basis by the Managing Director and Head of Procurement & Supply Chain for Carter Synergy Ltd, and by the CTI Group Financial Director and Group HR Director.

Board approval

This statement was approved on 28th March 2019 by the CTI Group Board of Directors.

Signed:

Name: J C Scott, Chairman

Date: 28 March 2019