Modern Slavery and Human Trafficking Statement

January 2023 - December 2023

1. Purpose

This statement (the **Statement**) is made on behalf of VSL Systems (UK) Limited in respect of its business operations in the United Kingdom (**VSL**) pursuant to section 54(1) of the Modern Slavery Act 2015 (the **Act**).

VSL takes its obligations in relation to the identification, prevention and reporting of modern slavery and human trafficking seriously. It is working hard to identify and reduce the risk of modern slavery or human trafficking in its supply chains or in any part of its business. Its anti-slavery policy reflects its commitment to acting ethically and with integrity in all its business relationships. VSL adheres to a worldwide group Code of Ethics personally supported by Martin Bouygues, Chairman of Bouygues SA, and pursuant to this undertakes to comply with the strictest legal and moral standards in the conduct of its operations.

The Statement sets out what VSL has done in the financial year ending **31 December 2023** to work towards to ensure that slavery and human trafficking is not taking place in any part of its businesses or supply chains.

2. VSL's structure, business and supply chain

VSL is a specialist provider of design and construction services in the field of structural systems, repairs and preservation and ground engineering. It is appointed both as a subcontractor (including, on occasion, as a joint venture partner) as part of more extensive construction projects and as main contractor to public sector and private clients in the United Kingdom. Examples of projects undertaken or in progress include High Speed 2 (viaduct construction and ground engineering), Hinkley Point C (post-tensioning), A180 Cleethorpes and Gilbey Viaduct repairs (structural repairs and carriageway resurfacing) and Sizewell C (ground engineering).

VSL is part of a group of companies worldwide which have Bouygues SA, a CAC 40 company listed on the Paris Euronext, as their ultimate parent and operates as part of the Bouygues Construction part of the group. The Bouygues group has over 200,000 employees worldwide and operates in nearly 80 countries. VSL employs around 125 staff via its sister Bouygues Construction company in the United Kingdom, Bouygues (U.K.) Limited. VSL has a leadership committee which meets regularly to ensure proper governance and performance.

As a specialist design and construction contractor, VSL has a supply chain model that both supports its core businesses and maintains its office and technology infrastructure. VSL heavily self-delivers its goods and services (including via intra-group supply) and therefore external supply chains are relatively limited. VSL's supply chains, either externally or from other companies within the Bouygues group, relate mainly to the following activities:

- *Labour Supply* – the supply of permanent and temporary labour for service contracts and projects;
- *Subcontracting* – the appointment of specialist contractors necessary to deliver certain construction operations on VSL construction sites;
- *Manufacture & Fabrication* – self-delivery of composite materials and equipment via multiple Bouygues group manufacturing hubs in Europe and South Asia.
- *Purchasing of Goods & Materials* – VSL purchases goods and materials to support delivery of its services.
- *Consultancy* – professional and consultancy services from design professionals in various fields, including, without limitation, engineering (such as structural, system, civil), geological and geotechnical, sustainability, project management, cost consultancy and surveying;
- *Business services* – a wide range of products and services necessary to maintain normal day to day operations in its offices and support its core business functions such as cleaning, catering, security, IT support and print services;
- *Professional services* – professional services such as external training, audit services and advisory services in areas such as tax, regulation, insurance and law;
- *Real estate* – the purchase or leasing of office space to accommodate staff and operate its business;
- *Technology* – the systems, software and equipment that are necessary to maintain the technology infrastructure that supports VSL's core business; and
- *Travel* –mobility is essential and VSL works with a service provider which manages its transportation and accommodation bookings.

3. Policies in relation to modern slavery and human trafficking

VSL has a number of policies and procedures which are complementary to the Bouygues group policies, and which are relevant to preventing instances of modern slavery from occurring in its business or its supply chains, including having a dedicated compliance team to whom breaches of any of the following policies can be notified. In particular, the following policies are directly relevant to the subject matter of this Statement:

- *Code of Ethics* – this requires employees to comply with the principles of the United Nations Universal Declarations of Human Rights, the fundamental conventions of the International Labour Organisation, in particular, concerning forced child labour and the principles of the United Nations Global Compact. The Code was updated in 2022;
- *Health & Safety policy* – this policy sets out VSL's commitment and approach to ensuring it provides a healthy, safe working environment for its own staff and contractors that work on-site;
- *Harassment & Bullying policy* – this policy sets out VSL's approach to preventing the occurrence of discrimination, harassment, bullying or victimisation in the work place;
- *Commitment and Control Procedures* - these procedures set out VSL's internal control and governance procedures with regard to approving financial transactions and signing contracts with clients and major subcontractors. They also include provisions for peer review and mandatory compliance checks on all clients and major supply chain members;
- *Whistleblowing policy* – this policy encourages employees to bring any bad practice they become aware of to the attention of senior management without fear of repercussions for doing so. This policy was updated in 2022. The accompanying whistleblowing platform is available to both employees and third parties, whether suppliers, subcontractors or members of the public;

- *Anti-slavery policy* – this policy specifically addresses the subject matter of the Act recognising and preventing trafficked, forced, bonded and child labour.

These policies are available on the VSL's internal management systems accessible to all employees.

In 2023, work began on updating VSL's Anti-slavery and Human Trafficking Policy to include a process for responding to reports of suspected instances of modern slavery and to make certain rights more explicit. This revised policy will be finalised, approved by the Board of Directors and rolled out to the business in 2024.

VSL supports a 'Speak Up' campaign, whereby an independent partner providing a telephone hotline and an online platform is available for employees to confidentially and anonymously (at their option) report incidences of harassment and bullying or incidences of suspected modern slavery. This ensures that those at risk and who may not have immediate access to email can report any concerns on a timely basis.

4. Due diligence processes

VSL and its suppliers are expected to live up to and adhere to the principles set out in the anti-slavery policy and demonstrate progress towards the standards set out in it.

VSL's direct procurement practices require that all new suppliers are subject to an appropriate level of screening. The scope of the screening VSL performs depends on the nature of the goods or services being procured but can include financial checks, data security assessments, reference checks, obtaining copies of relevant documents and/or site inspections.

VSL's pre-qualification protocol and requests for quotations from subcontractors may include questions about commitment to addressing modern slavery and human trafficking. Prospective members of the supply chain may also be asked questions on skills, education & employment, equality, diversity and inclusion, as well as on industrial relations and whether they allow their workforce to join trade unions. Each of the three joint ventures in which VSL participates involve agreements with supply chain members which pass down obligations contained in the main contract with the relevant client and require VSL to comply with legislation and corporate social responsibility regulation, including the Act, together various of other United Nations, European, International Labour Organisation, or Ethical Trading Initiative Base Code principles/requirements which include provisions relating to child labour and forced or obligatory labour.

For some strategic parts of the supply chain, VSL's on-boarding may include:

- identifying the modern slavery and human trafficking risks in high or medium risk sectors or territories;
- reviewing aspects of the supply chain based on supply chain mapping;
- conducting supply chain audits or assessments, which include a focus on slavery and human trafficking where high risks are identified;
- taking steps to promote best practice;

- monitoring use of non-compliant supply chain members; and undertaking business operations risk and opportunity reporting and maintaining a register reviewed periodically by the management functions of VSL departments.

Recruitment of labour is focused through a limited number of labour agencies with whom, for the most part, VSL has framework agreements. Pursuant to their contractual obligations, the labour agencies are required to conduct all the applicable 'right to work' checks and ensure that all legislation applicable to the workers are complied with. The labour agencies are also required to comply with VSL's Modern Slavery policy. The framework agreement authorises VSL to conduct audits to ensure, among other things, that the labour agencies are conducting all the applicable screenings to ensure that the workers they provide are not victims of modern slavery.

Further, VSL's site teams hold regular meetings with their subcontractors and consultants during which labour standards, health and safety, payment and performance issues are discussed. VSL's staff also conduct regular performance assessments of the supply chain, which involve evaluating criteria including environment, quality, resources, safety and sub-supply chain. Intrinsically this includes the well-being of their staff. This allows VSL to continuously monitor the performance of its supply chain. The evaluation of the supply chain partner including the aforementioned criteria is made on an ongoing basis and is considered in deciding whether to engage these supply chain partners for future projects. VSL's business review meetings with members of its key supply chain are another way in which performance is assessed and their compliance with VSL's contractual requirements such as the Modern Slavery and Health and Safety policies is also reviewed at these meetings.

5. Risk assessment and management

Overall responsibility for VSL's anti-slavery initiatives is held by the board and its directors. It is supported in this responsibility by a Commercial lead and Compliance Referent who have the power to make recommendations to the board for the introduction or amendment of policies and practices to ensure that VSL's activities display high expectations of ethical conduct. Representatives of the company participate in a Modern Slavery steering group which operates across the Bouygues Construction group in the United Kingdom tasked with identification of areas for improvement of current methods of tackling modern slavery, assisting in the risk management of VSL's supply chain and in the implementation of strategies and reporting and which shares best practices, knowledge and experiences relevant to VSL. VSL also has the support of a team of lawyers and has ethics and compliance officers to ensure compliance with its legal and ethical obligations.

It is considered that subcontracting, as set out in Section 2, above is a key area of VSL's business activities where there could be a higher risk of slavery or human trafficking taking place, though the level of subcontracting tends to be minimal on most projects due to the nature of the specialist service VSL provides and the extent of self-delivery usually operated.

VSL continues to rely on its risk mapping of modern slavery risks in its supply chain, which, together with

its gap analysis against its existing policies, procedures and activities enables it to be better able to detect and address any potential labour exploitation and human trafficking, identifying which supply chain sectors are most at risk of containing modern slavery.

When services are subcontracted, VSL's site-based teams are supported by a central procurement function within the wider Bouygues Construction group. Those responsible for procurement within VSL have renewed their specific awareness training on the issue of Modern Slavery to support in the risk assessment and management of modern slavery, particularly of subcontractors. The heat mapping exercise continues to assist with prioritisation of due diligence of higher-risk members of the supply chain and enables VSL to develop and prioritise its future actions.

With the support of the central procurement team, in collaboration with Supply Chain Sustainability School, a learning pathway is being prepared with the aim of involving VSL's personnel and its wider supply chain participating in webinars. This is due to be finalised and implemented in 2024. VSL provides its employees with access to an employee assistance programme (provided by an independent third-party company) that can be used by its employees for free and confidential advice in relation to workplace concerns or issues. VSL also has in place appropriate processes for reporting concerns with the business, including a whistleblowing policy and a designated Compliance Referent.

VSL includes clauses in its contracts with suppliers, subcontractors and consultants requiring compliance with the obligations contained in its main contracts (which may therefore include compliance with the Act and the other principles/requirements identified in section 4 above) and requiring corresponding terms be applied to the continuing supply chain. As a minimum, all subcontract and supply contracts require compliance with English law.

6. Evaluating VSL's effectiveness

VSL considers that it is a responsible employer, main contractor and subcontractor and that it has proportionately effective processes in place for management of the risk of modern slavery occurring on the sites it is in control of.

Nevertheless, VSL recognises that some areas of its operations, in particular a few areas of the supply chain, are exposed to parts of the industry that could be considered higher risk and recognises that in order to further mitigate the risk of modern slavery some further development of risk assessments and mapping of its supply chain could be beneficial in some areas of the business. It is committed to working with its supply chain partners to foster best practice. The business remains committed to developing its policies and processes to ensure that any occasion of modern slavery or human trafficking is identified and resolved in the best interests of the victim.

Any potential concerns about incidents of Modern Slavery on VSL sites would be investigated internally by senior management and, where appropriate, reported to the Modern Slavery Helpline, the Gangmasters and Labour Abuse Authority and/or local police. To the best of its knowledge, no cases have been reported on VSL sites during 2023.

7. Training in relation to slavery and human trafficking

In 2023:

- Inductions for all new staff include awareness of modern slavery and VSL's policy on modern slavery with 100% completion rate;
- In August 2023, the Supply Chain Sustainability School delivered a presentation on Modern Slavery risks to the staff of VSL;
- VSL has available a toolkit of materials and supporting communications for use on its construction sites to raise awareness of modern slavery, how to report, immediate action to take and VSL's policy on modern slavery. The materials include posters to be displayed on work sites in multiple languages urging anyone who is affected by these issues or who has a suspicion that modern slavery may be occurring on one of the VSL sites to contact their line manager, VSL' dedicated modern slavery reporting mailbox, the 'Speak Up' hotlines/online platforms or the relevant authorities so that the matter can be addressed.

8. Conclusion

This Statement was approved by the board of VSL Systems (UK) Limited on 26 June 2024.



Alain Rossetto
Managing Director