



SOCIAL VALUE POLICY

vital energi information for a sustainable future



Policy statement: Social value is created when buildings, places, and infrastructure support and enhance the quality of life of the people who use them. As a leading provider of innovative sustainable energy solutions, Vital Energi's mission is to create sustainable, intelligent, and reliable energy solutions, supporting the growth of healthy and thriving communities to drive a greener future. The environmental, economic and social outcomes that create social value are unique to each project. We want to understand and measure these outcomes to ensure that we best support the communities we work in and promote sustainable change.

POLICY PURPOSE

This policy is intended to communicate to our stakeholders our approach to identifying, delivering and measuring social value. It sets out how we can work together to maximise the opportunities to enhance the social, environmental, and economic wellbeing of the communities in which we operate.

ROLES AND RESPONSIBILITIES

This policy applies to all stakeholders including all employees, clients, suppliers, charitable partners and any other third party with whom we engage, as everyone has a role to play. It applies to the goods and services we procure, our direct operations and the services we provide to our clients. It 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. We will ensure compliance with the Social Value Act (2012) and Policy Procurement Note 06/20, the Procurement Reform (Scotland) Act 2014 and the Well-being of Future Generations (Wales) Act 2015; however, we take a beyond compliance approach to our business and will proactively seek to deliver social, environmental and economic benefits through all of our operations, whether required by legislation or not.

This policy is owned by the Managing Directors within the Group with ultimate oversight resting with the Vital Group Board, including the approval of any changes to the policy.

To ensure that we manage our activities to maximise the social value we are creating, we have adopted the following principles which apply to all our activities and are fully integrated into both our internal decision-making processes and our external interactions:



1 There is **no one-size-fits-all** approach to social value. We will develop a framework that supports identification and targeting of specific community needs on a case-by-case basis.



4 Support our employees, suppliers, communities and partners to **increase understanding** of social value and find new ways to promote and deliver social value in our activities.



2 **Build relationships** and form partnerships that create positive change and leave a lasting legacy in communities.



5 Regularly **gather feedback** from stakeholders to continually improve our performance.



3 Set ambitious but measurable targets to **monitor the impact** of our activities.



6 **Report transparently** on our progress to allow stakeholders to assess our performance.

Delivering social value is **fundamental to everything we do**. We are committed to contributing to a more inclusive and sustainable society as well as delivering our core purpose, transforming the energy system to net zero.

ACTION AREAS

Community Engagement

- ▶ Carry out stakeholder mapping to facilitate early engagement with residents, community groups and service users to understand their priorities and maximise opportunities to support their goals and initiatives.
- ▶ Carry out volunteering activities that deliver benefits to local communities.
- ▶ Partner with voluntary groups, charities, and social enterprises, at both national and local levels, to leverage our respective expertise to maximise benefits to local communities.
- ▶ Be accountable to communities where we work, be responsive to requests for information and ensure lines of communication are open to all.
- ▶ Collaborate with customers and supply chain partners to promote initiatives that create strong, healthy, and resilient communities able to generate local wealth and prosperity in the long term.

Economic Impact

- ▶ Procure goods and services locally where possible, supporting micro-sized, small and medium-sized businesses (MSMEs), social enterprises and minority-owned businesses contributing to the public pound.



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- ▶ Encourage the sustained growth of MSMEs by unlocking their potential, supporting upskilling, networking, consulting, and mentorship.
- ▶ Employ fair payment practices and eradicate exploitation in our supply chain through enforcement of our Modern Slavery Policy.
- ▶ Our integrated Quality, Health & Safety, Environment, Energy Management, and Information Security System sets the benchmarks by which our business operates and provides a framework for supporting businesses within our supply chain to improve their own systems and grow sustainably.

Employment, Skills, and Training

- ▶ Support our employees by providing structured programmes to upskill or learn new skills, sustainable learning as well as providing opportunities for cross-collaboration and career development.
- ▶ Empower our employees to act as agents of change to create thriving and healthy communities.
- ▶ Support local people into work by advising on routeways to employment, offering access to employability training and opportunities to complete meaningful work experience.
- ▶ Work with partner organisations to reach young people not in employment, education or training (NEET) or at-risk of NEET.
- ▶ Promote workforce diversity by targeting support at under-represented or disadvantaged groups.
- ▶ Tackle the skills gap across the UK in the growing "green" sector by continuing to develop future talent through our apprenticeship and graduate training schemes.
- ▶ Increase investment and participation in our highly successful Climate Education Programme.
- ▶ Increase the number of STEM Ambassadors within the business.

- ▶ Offer employment opportunities to those who serve or have served in the armed forces through our commitment to the Armed Forces Covenant.
- ▶ Contribute to the creation of more opportunities to reduce the skills gap in the heat sector through our involvement in the Heat Networks Industry Council (HeatNIC).

Environmental Impact

- ▶ Measure our greenhouse gas emissions as fully as possible and reduce them in line with a 1.5oC pathway.
- ▶ Strive for net zero emissions across our entire value chain.
- ▶ Ensure the efficient use of resources to reduce waste and support the circular economy.
- ▶ Protect the health and wellbeing of local communities by reducing or eliminating pollution incidents (to air, land, and water, as well as noise and nuisance) by adhering to our Integrated Management System.
- ▶ Promote sustainable and ethical procurement.
- ▶ Seek opportunities to enhance the health of natural assets and deliver biodiversity net gain, recognising the social value of the ecosystem services delivered by a healthy environment.
- ▶ Promote activities to influence staff, suppliers, customers and communities to support environmental protection and improvement.



CONTINUAL IMPROVEMENT

Vital Energi believes that holding ourselves accountable to our stakeholders for the social value we create will drive improvement in our performance. We commit to setting, measuring and monitoring social value objectives and targets and continually building on lessons learned to achieve annual continuous improvement in line with our vision, scope and ambition. As part of our commitment, we will communicate this policy to all stakeholders 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