

MODERN SLAVERY & HUMAN TRAFFICKING STATEMENT



This statement sets out the steps that Denholm Energy Services Limited and its subsidiaries (together Denholm Energy Services) have taken to ensure that slavery and human trafficking is not taking place in any part of our businesses or in our supply chains. We are fully committed to promoting transparency and collaboration to eliminate the risks of modern slavery by strengthening our knowledge and raising awareness throughout the group and our suppliers.

DENHOLM ENERGY SERVICES

We pride ourselves on running our businesses to the highest standards of ethical conduct. We strive to be a good corporate citizen and are committed, at all times, to doing business in a responsible way, ensuring that we have a positive impact on our stakeholders, our environment and the wider communities. We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our businesses and will not knowingly deal with or support any business involved in slavery or human trafficking.

1. OUR STRUCTURE, BUSINESS AND SUPPLY CHAINS

Denholm Energy Services is a multi-disciplined service provider predominantly to the international energy sector. We focus our activities on the fabrication and maintenance of assets and associated works to support the following markets: hydrocarbons, petrochemical, infrastructure, defence and general industry.

Headquartered in Scotland, our operations are focused around three main markets: the Caspian, Middle East and UK. We employ over 4,000 staff and have companies in 7 countries.

With over 40 years of operational experience in the energy sector, Denholm Energy Services has an annual turnover in excess of £150 million.

Currently our supply chain is managed at an individual company level which aligns to local business conditions and provides the benefit of strong regional relationship building.

Ensuring supply chain relationships are equitable, fair, and free from the risk of human rights abuses such as modern slavery and human trafficking, is critical to our success, risk management and reputation.

2. POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

We are committed to continuously reviewing and updating our policies and procedures to ensure they are up to date, and that their importance is at the forefront of our minds.

Our policies which relate to slavery and human trafficking were most recently reviewed in 2020 and include the following:

- Anti-bribery and Corruption Policy
- Whistleblowing Policy
- Employee Code of Conduct
- Supply Chain Code of Conduct
- Code of Conduct
- Supplier Vetting Procedure and Guidance

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At the heart of the business is our Code of Conduct which reflects our commitment to acting ethically and with integrity in all our business relationships. The Code of Conduct defines who we are, how we behave and what we stand for and it is built around our six core values:

- Safety
- People
- Integrity
- Excellence
- Relationships
- Responsibility

We will not tolerate the use of child labour, human trafficking, or any kind of forced compulsory labour. We are committed to treating our employees equally and with respect and strive to provide a fulfilling workplace where our workers can flourish, free from any kind of discriminatory behaviour, harassment, or victimisation.

We recognize our responsibility and we have defined in our Code of Conduct, the expectation on our agents or third parties, which states we only use them if they are known to act to standards consistent with our Code of Conduct and we will always follow an approved process before we engage with them.

Our Code of Conduct includes our commitment to behaving responsibly in all our business dealings, whilst ensuring that we comply with all applicable laws and regulations.

3. GOVERNANCE AND ASSURANCE

During the year we continued to reinforce the importance of our values which underpin our Code of Conduct and how we do business by ensuring that all relevant employees completed a declaration to demonstrate their commitment to conducting themselves responsibly in all their business dealings.

All major current and prospective suppliers are provided with our Supply Chain Code of Conduct which sets our expectations for suppliers, including upholding human rights and zero tolerance of abuses of human rights including of modern slavery and human trafficking.

During the year we have continued to run our Whistleblowing and Ethics hotline and email. This is aimed principally at colleagues working within the business; however, is also available to the public, including those working in our supply chain.

All our business worldwide hold an ISO 9001 accreditation which sets a globally recognised standard for supply chain management. To maintain Group compliance, we require vendors to provide confirmation of adherence to regulations preventing modern slavery and human trafficking, or to follow the Group's standards and procedures.

To maintain our ISO 9001 accreditation, an annual audit ensures the Group continues to meet the required standard for supply chain management including commitments regarding international modern slavery and human trafficking laws and regulations.

Human rights, including modern slavery and human trafficking, are of material importance to the Group and are covered in senior executive briefings and training to senior management.

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The Group identifies and manages risk across the business, with critical risk areas being documented on subsidiary and Group board risk registers.

4. ASSESSING AND ADDRESSING RISK

A strong supply chain is critical to our success. We have well established procedures for engaging with existing suppliers and taking on new suppliers. As noted above, we set out the values and standards to which we operate in our Supplier Code of Conduct and communicate this to our suppliers.

3 years ago, we carried out a detailed review of each business' supply chain to identify the risks of slavery and human trafficking, with the assistance of a third-party specialist. This review helped us improve the quality of our supplier vetting procedures.

Our internal audit process was adapted during the COVID-19 pandemic as social distancing requirements and travel restrictions reduced our ability to travel and meet people face to face. Internal audits were carried out via a self-certification check list, part of which included an audit to ensure that employee Code of Conduct declarations were up to date and that the supply chain Code of Conduct is issued to all major existing and prospective suppliers.

For our UK businesses, with limited use of non-UK labour, and relatively low volumes of purchasing of specialised materials and equipment from Europe, the supply chain and labour supply risks are deemed to be low.

In the Caspian where we employ predominately local staff on the major International and National Oil Company operational sites with a limited supply chain in country, the supply chain and labour supply risks are also deemed to be low.

In the Middle East, labour regulations have changed further to protect workers, with employers now prohibited from holding workers work visas; in addition, workers are free to move their employment from one employer to another, significantly reducing the risk of labour supply abuse. Agencies are not used in the region to employ workers, which further reduces the risk of labour abuse.

We are committed to always using the highest quality materials, goods and services, sourced from an industry leading supply chain, assessed by robust supplier vetting procedures. Focusing on a supply chain with internationally recognised accreditation provides a strong level of assurance that they too adhere to international regulations preventing modern slavery and human trafficking.

As a service provider, in some instances we are contractually obliged to work with a client's choice of supplier, with variable influence on procurement decisions. We always endeavour to apply the same level of quality assurance to these vendors as to the rest of Group's supply chain.

Whilst modern slavery and human trafficking can happen anywhere, it is a particular risk in countries where human rights are not well enshrined into domestic legal frameworks or are applied less vigorously to migrant worker populations. We are committed to ensuring that suppliers falling into these areas of heightened risk are identified, assessed and monitored as part of our routine supply chain governance and approach to managing the risk from modern slavery and human trafficking.

We believe that the most effective process in managing risk is vigilance. Our employee and supplier communities have clear standards to work through in the Code of Conduct, and we have established mechanisms for all

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stakeholders to raise issues to the company through our Compliance team or anonymously, if required, through the Whistleblowing and Ethics hotline. All significant incidents, including allegations of modern slavery and human trafficking, are investigated.

5. ASSESSMENT OF EFFECTIVENESS

Our senior management team play a critical role in embedding the culture and values within our Code of Conduct into the workplace.

Regular audit of the supply chain through internal review and by external international accreditation bodies ensures that we maintain compliance with its documented governance standards, can identify any gaps and take remedial action.

In 2021 no incidents of modern slavery or human trafficking were reported.

6. TRAINING

Our Code of Conduct is reinforced on an annual basis to relevant employees to ensure we continue to protect and enhance the dignity of our people and anyone who has dealings with our business.

Upon commencement of employment, new staff are taken through the company policies and the Code of Conduct and relevant employees also sign a declaration to show their commitment to conducting all their business dealings ethically and within the laws and regulations.

Our Anti Bribery, Corruption and Modern Slavery training has been delivered to senior management and procurement workers across our businesses.

7. WHAT WE WILL BE DOING IN 2022

We will continue to reinforce the importance of our values which underpin our Code of Conduct by ensuring that all employees have access to our Code of Conduct, and that relevant employees complete a declaration to demonstrate their commitment to conducting themselves responsibly in all their business dealings.

We will further promote the details of the Whistleblowing and Ethics hotline to ensure that all colleagues, in all locations can easily reach the group level compliance team in a confidential manner.

Our developing ESG focus incorporates a number of critical business risks, including in relation to human rights. Amongst other goals, we have undertaken to work with our customers and supply chain to address sustainability issues, to promote a zero harm work environment, and to promote equality in all aspects of our business.

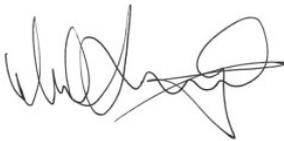
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BOARD APPROVAL

The board of directors of Denholm Energy Services Limited approved this statement at its meeting of 23rd November 2021 and this is our statement for the year ended 31st December 2021.

Signed for and on behalf of Denholm Energy Services Limited



Michael J Beveridge
Chief Executive Officer