

MODERN SLAVERY – ANNUAL STATEMENT 2021

This is the first Modern Slavery Statement of the ESS Modular Group and is made on behalf of Kardomagh Holdings Ltd and all its subsidiaries, including Spatial Initiative Limited and Extraspace Solutions (UK) Limited (referred to as 'ESS Modular').

Introduction

Following the change in ownership of Spatial Initiative Limited on 12 June 2020 and the continued growth of Extraspace Solutions (UK) Limited, the obligation for ESS Modular to publish a Modern Slavery Statement was triggered.

Modern Slavery

The rapid rise in global migration contributes to the increased risk of slavery, servitude, forced labour and human trafficking – together known as Modern Slavery. Every business, irrespective of the industry in which it operates, faces the very real risk that Modern Slavery exists within its supply chains. ESS Modular recognises that it is no exception.

ESS Modular is committed to a 'zero tolerance' approach to Modern Slavery and is working to continuously improve its response to the risk that Modern Slavery may exist within its supply chains – however small or seemingly insignificant such a risk may be.

We are working to eradicate the risk in a number of ways.

Management Responsibility

In recognition of the importance of managing both our supplier relationships and the risk within our supply chain, ESS Modular has recently appointed an experienced construction procurement professional in the role of Head of Supply Chain.

ESS modular is committed to ensuring it minimises risk and complies with its obligations and has created a new role of Director of Compliance and appointed an experienced Compliance professional.

Working closely with our Director of Compliance, our Head of Supply Chain will establish and lead a Modern Slavery Risk Team. Together, they will assess, and will continue to assess, the risk of Modern Slavery along with appropriate responses to it. The team will comprise managers from our Human Resources, Compliance and Procurement teams.

Our Head of Supply Chain has worked with Modern Slavery thought-leaders such as Stronger Together and BiTC and is passionate about driving improvements within supply chain management. In addition, this appointment will allow ESS Modular to capitalise on valuable previous experience of implementing risk management which is focussed upon tackling Modern Slavery within UK businesses.

We have registered with the GLAA Construction Protocol and the Head of Supply Chain and HR Director attend meetings and forums to increase our knowledge of current risks and to ensure that our procedures are fully up to date with current recommendations.

This appointment will be a key element of raising awareness of Modern Slavery within ESS Modular.

Human Resources

The fluctuating demands of project-based work determine that we often need to rely on agency or temporary staff. ESS Modular has relationships with a number of preferred supplier recruitment agencies. Service level agreements are in place with each of these agencies which allows us better visibility on their methods of recruitment and management of human resource. The relationships with agencies are reviewed annually.

Over the coming months, we will aim to enhance our focus upon Modern Slavery risk and prevention within service level agreements and through annual reviews.

Our Business and Supply Chains

ESS provides off-site precision manufacturing, design, project management and construction services to a variety of sectors, including education, healthcare, commercial, and residential. We subcontract many trades and services to third party organisations, and source all goods and materials (whether for our client's projects or for use by the business directly) through third party suppliers.

Working under the guidance and governance of our Compliance team, our manufacturing and site teams are responsible for ensuring that basic labour standards and welfare facilities are in place in all our factories and on all our sites.

All of this is underpinned by a commitment to working in accordance with our corporate values.

Policies and Contractual Controls

We have recently put in place an **Anti-Slavery Policy** which has been adopted across the business.

In addition, ESS Modular operates a **Whistleblowing Policy**. Although this is aimed principally at employees, it also extends to other workers and contractors. The policy encourages people to report any instances of wrongdoing or unethical behaviour without fear of reproach. All concerns will be investigated in line with the policy, and the company is committed to providing protection and support for whistle-blowers.

In the coming months, our Head of Supply Chain will give consideration to other policies and processes that would enhance Modern Slavery risk management, together with standard contracts that would also support risk our management objectives.

Modern Slavery Response Plan

ESS Modular has put in place a **Modern Slavery Response Plan**, which details the steps and measures that the company will take in the event of discovering evidence of Modern Slavery within its supply chain. The plan details how we will:

- Determine the appropriate enforcement body or victim support organisation to contact.
- Protect and support at risk individuals.
- Report to authorities
- Capture and protect evidence.

The Future

In the coming months, ESS Modular will assess the following elements of a long-term Modern Slavery programme. We will report on these in our next annual statement:

Management of Suppliers and Supply Chain

Taking into account the business sectors in which ESS Modular operates, over the coming 12 months we will consider how we might effectively assess and quantify the risk of Modern Slavery being a feature of our supply chains.

Wherever possible, we will look to enhance existing risk management to ensure that identifying and addressing the risk of Modern Slavery becomes, and remains, a focus.

Due Diligence

We will also give consideration to how we might efficiently and proportionately carry out meaningful due diligence on our suppliers.

Modern Slavery Training and Communications

Consideration will be given to how we might swiftly elevate awareness through site-based and business-focussed communications.

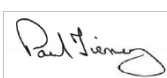
Priority will be given to staff training.

Continued Commitment

ESS Modular understands that the risk of Modern Slavery is dynamic and ever-evolving. For this reason, we intend to regularly review our approach to assessing and mitigating the risk of Modern Slavery. In doing so, we hope to guard against complacency and improve on a continuous basis.

This statement was approved by the Board of Kardomagh Holdings Ltd.

Signed



Paul Tierney, Chief Executive Officer

Date: 3rd June 2021