

Modern Slavery and Human Trafficking Statement for Falck Renewables S.p.A and its subsidiaries ("Falck Renewables Group")

Financial year 2021

1. Overview

- Our business is committed to improving our practices to combat modern slavery and human trafficking ("**Modern Slavery**"). Our approach is to:
 - design processes and systems that will reduce the possibility of human rights violations in our business and supply chain;
 - encourage the reporting of possible violations; and
 - take appropriate action to stop any identified violations.
- We have taken the following steps since the last statement:
 - created a new Procurement Procedure and trained all employees on the adoption of this procedure;
 - identified managers who will have key responsibility for ensuring that our Modern Slavery guidelines are implemented;
 - improved the Modern Slavery Guidelines (below), which we use for deeper due diligence on the suppliers; and
 - made further relevant improvements to our terms and conditions for suppliers of goods and services.

2. Modern Slavery Act 2015

This statement complies with the obligations under section 54 of the UK statute, The Modern Slavery Act 2015 and it applies to the operations of the Falck Renewables Group.

3. Our business

- Falck Renewables S.p.A. is the parent company of the Falck Renewables Group (including UK companies). It is listed on the Milan stock exchange in the STAR segment and is included in the FTSE Italia Mid Cap Index.
- Falck Renewables Group activities are divided into three sectors:

Falck Renewables S.p.A.

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Cap. Soc. € 291.413.891,00 int.vers. Direzione e coordinamento da parte di Falck S.p.A.
Sede legale: Corso Venezia, 16, 20121 Milano - Registro Imprese Cod. Fiscale e Partita Iva 03457730962 - REA MI - 1675378

- we develop, design, build and manages power production plants that use renewable sources (wind, solar, biomass and waste-to-energy technologies);
- we supply asset management and technical advisory services to the renewable energy market; and
- we deliver energy management services.

4. Our locations

- We generate power in Italy, United Kingdom, Spain, France, Norway, Sweden and USA.
- We have offices managing services in such countries and also in Mexico, Japan, Chile, Australia, Bulgaria and the Netherlands.

5. Our supply chain

Our supply chains include 1st tier suppliers in the following sectors:

- engineering & Construction - goods & services;
- operations & Maintenances services;
- biomass;
- waste disposal;
- transport services;
- professional services (business development, legal, accountancy, notarial, advisory);
- IT goods & services;
- rentals utilities (gas, heating, water, electricity, etc.).

6. Our relevant principles

Code of Ethics

All of our employees are expected to comply with our Code of Ethics and we train them to ensure that this happens. The following obligations are relevant to Modern Slavery:

- Section 2 of the Code of Ethics commits us to providing a work environment for our employees stimulating and rewarding for all;

- Section 3.2 of the Code of Ethics commits us to using suppliers who act in accordance with the Code of Ethics and requires identified suppliers to accept terms of business which:
 - ensure labour standards; and
 - allow for site inspections.

Our Diversity & Inclusion Policy

All of our employees are expected to comply with our Diversity & Inclusion Policy and we train them to ensure that this happens. The following obligations are relevant to Modern Slavery:

- Section 3.3 of our Diversity & Inclusion Policy commits us to monitoring the performance of contractors, sub-contractors and/or third parties and/or business partners and to taking all necessary steps to ensure good performance and compliance with appropriate behaviours;
- Section 4 of our Diversity & Inclusion Policy commits us to using best efforts to guarantee an inclusive workplace for all our employees and to requiring all the employees and our Board members to use best efforts to recognize and combat unconscious bias, as well as treat all the colleagues fairly and with respect.

Our Modern Slavery Guidelines

Our Modern Slavery Guidelines are as follows:

- we will not tolerate any form of Modern Slavery within our business or supply chains and, specifically:
 - slavery (a worker who is deprived of freedom);
 - forced labour (work which is coerced from a person by threatening them);
 - human trafficking (arranging migration of a person (illegally in most cases) so that they may be exploited); or
 - child labour (any labour involving children under 12 or labour involving children over 12 in situations where legal safeguards are not complied with);
- we will recognise that the following are indicators of Modern Slavery that we should investigate (the "**Indicators**"):
 - poor health and safety practices;

- excessive hours of work;
 - the withholding of wages from workers in relation to debts claimed by the employer or any other systematic deduction of wages (aside from deductions required by law);
 - payment in kind (such as accommodation and food) instead of cash;
 - evidence of breaches of labour standards, such as adverse court judgments against the employer;
 - any indication that a worker will suffer a penalty of some form or punishment if they choose to resign their employment;
 - evidence of violence/coercion/threats/intimidation directed towards workers;
 - any other forms of criminal conduct by the employer - tax evasion; or
 - the absence of the normal written employment records, including contracts of employment, payment records and immigration documentation;
- we will use risk factors (which shall be kept under review) to prioritise our investigation of possible Modern Slavery within our supply chain;
 - we will annually review our supply chain by reference to these risk factors to identify suppliers who we should pay closer attention to;
 - we will train those employees who procure goods and services from suppliers where there is a risk of Modern Slavery;
 - we will develop additional procurement policies and procedures that will help us to achieve the objectives of the Code of Ethics and these Guidelines;
 - we will encourage reporting of suspected Modern Slavery by:
 - publicising these Guidelines amongst employees;
 - encouraging employees and third parties to report indicators of Modern Slavery using the web-portal which we have designed to help whistle-blowers;
 - will refer all reports of suspected Modern Slavery to the Control and Risks Committee (“**CRC**”) which will arrange for the issues to be investigated and appropriate steps taken. The goal of any such steps shall be to stop Modern Slavery from occurring by demanding improvements for the victims. We will terminate contracts with offending suppliers if

improvements are not made. Where criminality or violations are clear, the Company will arrange for appropriate reports to be made to the authorities;

- we will keep these Guidelines under review and invite comment from employees and other stakeholders. All such feedback should be sent to the CRC via the email address: crc@falckrenewables.com.

7. **Due diligence**

- Our supplier due diligence process is integrated into our Procurement Procedure. We refer to it as supplier evaluation. This requires that "*Special attention to the respect of human and workers' rights of providers and their first tier of subcontractors shall be made*".
- Our procedure involves:
 - bidders providing us with information and documents in response to bidder questionnaires. This may include, in appropriate cases, reporting on 2nd tier suppliers (sub-contractors);
 - annual performance assessment of key suppliers; and
 - periodic checks on qualified suppliers' documentation.
- The focus of our Modern Slavery due diligence will be to look for the Indicators that are described above, and to carry out further investigations where appropriate.

8. **Risk areas**

- In the last year we believe that reduced international travel and the closure of economies due to Covid-19 may have temporarily reduced the prevalence of Modern Slavery but increased poverty levels caused by the pandemic may lead to a spike in Modern Slavery as economies re-open.
- We have reviewed our supply chain and we consider that the risk is greater where suppliers:
 - rely more heavily than normal on low skilled labour;
 - are reliant on labour supplier agencies or intermediaries to recruit workers; and
 - deliver work which is physically demanding/challenging.
- We believe that the risk is highest amongst our suppliers in the following areas:
 - construction;

- waste disposal; and
 - biomass.
- In addition, should it be the case that a supplier operates from a country where there is a recognised high risk of Modern Slavery (“**high risk countries**”), as determined by the Global Slavery Index, they will be regarded and treated as constituting a risk, regardless of sector.

9. **Outcomes**

In 2020-2021 we received no reports of suspected Modern Slavery. In particular:

- we conducted supplier evaluation checks on bids for the supply of goods and services in the identified risk areas, but these did not reveal any suspected infringement;
- we conducted performance reviews for contracts in the identified risk areas but these did not reveal any suspected infringement; and
- we did not receive any reports of suspected Modern Slavery infringement from employees or third parties.

10. **Our effectiveness in combating slavery and human trafficking**

In the last year:

- 221 of staff have been trained on Modern Slavery;
- specialist Modern Slavery training has been arranged for 30 managers with special responsibility for procurement; and
- we have been arranged a short online survey of all employees to test awareness of Modern Slavery.

11. **Training**

Our training strategy is to:

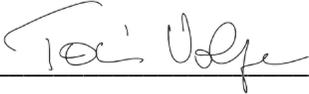
- ensure that all employees have a basic general awareness of the key issues of Modern Slavery and understand when it is appropriate to make a report and how a report should be made. This training will be incorporated into induction programs (either online or physical);

- provide Modern Slavery training for employees who are involved in purchasing goods and services. This may be incorporated into any procurement training; and
- create experts in Modern Slavery amongst key decision makers. These shall include selected members of the CRC and any manager who procures goods and services in countries where the risk of Modern Slavery is assessed as being high.

12. Comments and queries

We invite questions and comments on this statement from interested parties. In such cases, please contact the CRC via the email address: crc@falckrenewables.com.

This statement is approved by the Board of Directors of Falck Renewables S.p.A. on 10th November 2021.

Signed: 

Toni Volpe
Managing Director
Falck Renewables S.p.A