

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

Overview

1. Our business is committed to improving our practices to combat modern slavery and human trafficking ("Modern Slavery"). Our approach is to:
 - a. design processes and systems that will reduce the possibility of human rights violations in our business and supply chain;
 - b. encourage the reporting of possible violations; and
 - c. take appropriate action to stop any identified violations.
2. We are taking the following steps since the last statement:
 - a. implementation of due diligence checks on our suppliers; and
 - b. creation of an internal Modern Slavery training strategy.

Modern Slavery Act 2015

3. 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 Group.

Our business

4. 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.
5. Falck Renewables Group activities are divided into three sectors:
 - a. we develop, design, build and manages power production plants that use renewable sources (wind, solar, biomass and waste-to-energy technologies);
 - b. we supply asset management and technical advisory services to the renewable energy market; and
 - c. we deliver energy management services.

Our locations

6. We generate power in Italy, United Kingdom, Spain, France and USA.
7. We have offices managing services in these countries and also in Mexico, Japan, Chile, Australia, Bulgaria and UAE.

Our supply chain



8. Our supply chains includes 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.).

Our relevant principles

Code of Ethics

9. 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.
10. Section 2 of the Code of Ethics commits us to providing a work environment for our employees stimulating and rewarding for all.
11. 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:
 - a. ensure labour standards; and
 - b. allow for site inspections.

Our Diversity & Inclusion Policy

12. 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.
13. 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.
14. 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

15. Our Modern Slavery Guidelines are as follows:
 - a. 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);
 - child labour (any labour involving children under 12 or labour involving children over 12, in situations where legal safeguards are not complied with).
 - b. Will recognise that the following are indicators of Modern Slavery that we should investigate (the "Indicators"):

- poor health and safety practices;
 - bad work conditions;
 - workers sharing accommodation provided by the employer;
 - other forms of criminal conduct - tax evasion;
 - the absence of any employment records, including payment records and immigration documentation.
- c. will use risk factors (which shall be kept under review) to prioritise our investigation of possible Modern Slavery within our supply chain.
- d. Will annually review our supply chain by reference to these risk factors to identify suppliers who we should pay closer attention to.
- e. Will train those employees who procure goods and services from suppliers where there is a risk of Modern Slavery.
- f. Will develop additional procurement policies and procedures that will further the objectives of the Code of Ethics and these Guidelines.
- g. 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.
- h. Will refer all reports of suspected Modern Slavery to the Control, Risks and Sustainability Committee (“CRSC”) 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.
- i. Will keep these Guidelines under review and invite comment from employees and other stakeholders. All such feedback should be sent to the CRSC via the email address: crsc@falckgroup.eu.

Due diligence

16. Our due diligence process will be also integrated into our Procurement Operating Procedure. We refer to it as supplier evaluation. This includes evaluation of the bidders “ethics, reputation and treatment of sustainability issues”. Our procedures will shortly involve:

- a. bidders providing us with information and documents in response to bidder questionnaires. This may include, in appropriate cases, reporting on second tier suppliers (sub-contractors);
 - b. annual performance assessment of key suppliers;
 - c. periodic checks on qualified suppliers' documentation.
17. The focus of our Modern Slavery due diligence will be to look for the Indicators.

Risk areas

18. We have reviewed the risk of Modern Slavery in our supply chain and we consider that the risk is greater where suppliers:
- a. rely more heavily than normal on low skilled labour; or
 - b. deliver work which is physically demanding/ challenging.
19. In view of this, we have decided since the last report to pay greater attention to the management of suppliers in the following areas:
- construction;
 - waste disposal; and
 - biomass.
20. 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.

Outcomes

21. In 2018 we received no reports of suspected Modern Slavery. In particular:
- a. 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;
 - b. we conducted performance reviews for contracts in the identified risk areas but these did not reveal any suspected infringement;
 - c. we did not receive any reports of suspected Modern Slavery infringement from employees or third parties;

Our effectiveness in combating slavery and human trafficking

22. We have reviewed the level of awareness of Modern Slavery amongst our workforce. Our conclusion is that it can be improved and addressing this will be a priority for the coming year.
23. We will use the following key performance indicators (“KPIs”) to measure our effectiveness:
- a. total numbers of staff receiving training on Modern Slavery (whether standalone or as part of another course);
 - b. numbers of standalone training courses attended by key procurement managers; and
 - c. staff surveys that will test awareness of Modern Slavery. We shall promote the policy this year and then survey to obtain a score for workforce understanding, which can act as the **base-line for future testing**.

Training

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

Comments and queries

25. We invite questions and comments on this statement from interested parties. In such cases please contact the CRSC via the email address: crsc@falckgroup.eu.
26. This statement is **approved by the Board of Directors of Falck Renewables S.p.A. on 7 November 2019**

Signed: 

Toni Volpe, Managing Director, Falck Renewables S.p.A