

# Globeleq Modern Slavery and Human Trafficking Statement



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## 1. INTRODUCTION

Globeleq seeks to meet world-class standards across our operations in health and safety, environmental protection, social performance management and business integrity (including sound corporate governance and transparent accounting practices). This includes being dedicated to ensuring that our supply chains and business practices are free from any form of modern slavery and human trafficking.

This statement, in compliance with the UK Modern Slavery Act 2015 (the “**Act**”), is issued in respect of the financial year ending on 31<sup>st</sup> December 2022 and is made on behalf of Globeleq Limited<sup>1</sup> and its subsidiaries, including all of its UK incorporated and UK tax resident subsidiaries<sup>2</sup>. For the purposes of this Statement, where relevant, any references to Globeleq shall be deemed to include references to Globeleq Limited and all of its subsidiaries.

## 2. WHO WE ARE

Globeleq is a leading independent power producer in Africa, that develops, owns and operates thermal and renewable power plants across the continent. Taking projects from early-stage development into long-term operation, we focus on delivering sustainable, reliable and competitively priced power to governments and utility off-takers.

Our current operational portfolio includes more than 1,456 megawatts across projects in Cameroon, Cote d'Ivoire, Egypt, Kenya, Tanzania and South Africa, and a further 722 megawatts under construction in Mozambique and Cote d'Ivoire. You can find more information about our business [here](#).

## 3. OUR VIEWS ON MODERN SLAVERY AND HUMAN TRAFFICKING

Modern slavery is a heinous crime and a morally reprehensible act that deprives a person's liberty and dignity for another person's gain. It is a real problem for millions of people around the world, including many in developed countries, who are being kept and exploited in various forms of slavery. Every company is at risk of being involved in this crime through its operations and its supply chain.

Globeleq's supply chains include working with third-party service providers, suppliers and contractors which we discuss in more detail below. However, we recognise the risk of modern slavery and human trafficking in the [sector](#) and in some of the jurisdictions in which Globeleq operates and we take our responsibility to prevent any instances seriously. Globeleq condemns any form of slavery or human trafficking. We are committed to ensuring that we do not deal with any party that is engaged in slavery or human trafficking or has supply chains where instances of slavery or

<sup>1</sup> Globeleq Limited is Guernsey incorporated entity that has been a UK tax resident since 1<sup>st</sup> December 2017. The Company is fully compliant with the laws and regulations of England and Wales.

<sup>2</sup>Globeleq's UK incorporated and UK tax resident subsidiaries are as follows: Globeleq Africa Holdings Limited, Globeleq Africa Limited, Globeleq Holdings (Zambia) Limited, Globeleq Holdings (Tanzania) Limited, Globeleq Holdings (Songas) Limited, Globeleq Holdings (Kenya) Limited, Globeleq Geothermal (Kenya) Limited, Globeleq Overseas Services Limited, Globeleq Nigeria Limited, Globeleq Nominees Limited, Globeleq Somanga Limited, Globeleq Tanzania Limited, Globeleq Investment Limited and ARC Renewable Energy Limited.

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trafficking is taking place. We do not work with any party who we have reasonable grounds to suspect is engaged in, or has supply chains which are engaged in, slavery or human trafficking.

Globeleq's approach to ethical business practices is outlined in our [Code of Business Conduct](#) (the Code) and described in our [Annual Sustainability Report](#), our fourth and most recent issue covering our activities in 2022. Here we demonstrate the steps we are taking to manage environmental and social risks effectively and to act as a sustainable business.

Below we outline the measures and steps we have taken and continue to take to prevent, identify, and address any instances of modern slavery within our organisation and supply chains.

#### 4. RISK ASSESSMENT AND RISK MITIGATION

##### A. Business Structure and Supply Chain

Delivering power projects typically involves three main phases: development, construction and operations. We have determined that we are potentially most exposed to modern slavery risks during the construction phase of our projects. During this phase, the risk is twofold:

- we procure sophisticated technology from third parties who have their own complex supply chains; and
- we engage primary contractors to construct our generation sites who will in turn often sub-contract with local service providers.

With respect to the energy technology providers, these are typically first-tier suppliers who may meet the statement disclosure requirements under the Act and might therefore be required to disclose how they manage modern slavery risks in their own operations and supply chains. Where this applies, we would often assess their compliance with the Act through these disclosures. This allows us to focus risk mitigation on areas where we can have the most impact (such as in employment practices during construction phases).

In regions where regulation of labour and working conditions can fall short of international standards, we believe that it is imperative that we maintain effective oversight of the entire construction process to ensure that the expected standards are met. We set out further below out how we mitigate our risks during this phase.

For our operational assets (post construction), both the workforce and direct supply chain reduces in size in comparison to the workforce and supply chain during the construction phases, which reduces the risk of unethical employment practices commensurately. We also set out below how we manage inherent risk during operations.

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## B. Policies in Relation to Slavery and Human Trafficking

In addition to the Code, which sets out our approach to ethical business dealings, Globeleq also has a Health Safety, Environment, Social and Security (HSESS) Policy that establishes amongst others how we would like to treat our workforce and communities. Our HSESS Policy applies across all our businesses, irrespective of the jurisdiction of our operations.

The objectives of our HSESS Policy that relate to labour are to:

- prohibit child, forced or compulsory/bonded labour in all forms, directly or in our supply chain;
- ensure all staff and contractors understand company expectations for worker behaviour and always behave accordingly;
- treat all Globeleq employees fairly and to respect their dignity, well-being and diversity;
- employ zero tolerance for any form of abuse or exploitation, including workplace discrimination, harassment or unfair treatment based on race, colour, age, sex, sexual orientation, gender reassignment, disability, religion or belief, political opinion, national extraction, or social origin. We do not tolerate any gender-based violence, sexual exploitation and abuse or any form of workplace sexual harassment; and
- work towards full compliance of Globeleq operations with the IFC Performance Standard 2: Labour and Working Conditions, the International Labour Organisation Core Conventions and the UN Declaration of Human Rights.

The Globeleq HSESS Policy is reviewed bi-annually to maintain alignment with legislation and best practice. We also implement Labour Management Plans, which are more fully described below.

## C. Due Diligence Processes in Relation to Slavery and Human Trafficking

In the last financial year, we have identified two new due diligence processes from our risk assessments that will be put into place during 2023:

- we want to bolster our due diligence process by putting in place an additional set of conditions relating to modern slavery risk mitigation that third party suppliers within our supply chain will need to satisfy before being able to qualify when bidding to work with us; and
- we would like any first-tier energy technology supplier that we would like to instruct to first complete the [Slavery and Trafficking Risk Template](#) (STRT) as part of the due diligence process. This open-source template is designed to help companies assess their supply chains by highlighting areas of concern and where improvements can be made to better manage modern slavery and human trafficking risks.

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This process will consist of two phases: an initial assessment, followed by, in cases where the completed STRT demonstrates a high-risk rating, an enhanced due diligence review. In addition to using the STRT, Globeleq will pay greater scrutiny to the suppliers' compliance with Section 54 of the Act where the contract value is greater than US\$ 100k.

Our due diligence processes in relation to slavery and human trafficking risk will be reviewed periodically, with any key risks highlighted to Globeleq's management team and board through the ESSG Committee.

#### **D. Risk Assessment and Management**

##### Operating Phase

Globeleq maintains an ESG risk register for each of our operating assets to track and manage project risk profiles. Labour and working conditions are part of these asset-level risk registers. The risk register is reviewed quarterly by the ESSG Committee, which reports to the board of directors of Globeleq Limited. Following a management review of how we assess modern day slavery risks, Globeleq has committed in 2023 to start including risks associated with modern slavery and human trafficking within the ESG risk register. This will ensure that we are documenting this area in a more formalised manner and will also provide a way to measure the effectiveness of the mitigation measures being taken by Globeleq with respect to modern slavery and human trafficking risks.

##### Construction Phase

Globeleq implements practical steps to address modern slavery risks that may be presented by third parties contracted to work or act as suppliers to our assets.

For Globeleq's assets under construction, we ensure that a Labour Management Plan is included as a schedule to engineering, procurement and construction contracts to hold our contractors to the same standards outlined in our HSESS Policy. Contractors are required to extend these obligations in respect of labour and working conditions standards to their appointed sub-contractors. Construction agreements are executed to ensure that our sites are fully compliant with the International Labour Organisation and International Finance Corporation Performance Standards. Contractor adherence to Labour Management Plans is monitored by third parties who conduct labour audits during the construction process. The assessment of working conditions and labour rights of contractors and their sub-contractors is a key component of these audits.

Our contracts provide that we can seek improvements over an agreed timeframe where we identify non-conformity with agreed Labour Management Plans by counterparties. While we will always first pursue improvements in contractor labour standards, Globeleq reserves the right to terminate arrangements with the non-confirming counterparty if the remediation does not meet Globeleq's expectations. Globeleq will seek to discontinue business with any supplier or contractor found by the enforcement authorities to be involved in modern slavery. However, this will depend

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on a variety of factors, including the welfare of any affected persons, and we may need to carry out a risk assessment to identify any risk mitigation or remediation measures that might be required in this instance.

In addition to Labour Management Plans and appropriate labour audits, Globeleq requires that each project maintains access to a 'worker grievance mechanism'. This facility provides Globeleq staff and contractors employed on our sites a formal route to raise concerns without threat of recourse.

For every asset, our management teams are required to comply with the Globeleq Group Code of Conduct and HSESS Policy.

### 5. Training on Modern Slavery and Trafficking

We have been working on a new e-learning course that Globeleq intends to roll out to all employees during 2023. The course will cover:

- various forms of modern slavery in which people can be held and exploited;
- the size of the problem and the risk to our organisation;
- how employees can identify the signs of slavery and human trafficking, including unrealistically low prices;
- how employees should respond if they suspect slavery or human trafficking;
- how suppliers can escalate potential slavery or human trafficking issues to the relevant people within their organisation;
- what external help is available for the victims of slavery;
- what terms and guidance should be provided to suppliers about slavery policies and controls;
- what steps Globeleq will take if a supplier fails to implement anti-slavery policies or controls; and
- an attestation from employees that they will abide by Globeleq's modern-slavery statement.

This modern slavery module will form part of our compulsory compliance training, which must be completed by all staff within the Globeleq group at least every two years. The training programme will be reviewed and refreshed in 2025.

### 6. Continuous Improvement

Please see above the changes to our due diligence and risks assessment and management processes that we have identified as necessary to make during the course of 2023. We will continue to regularly review and update our policies, procedures, and training programs to ensure their effectiveness. We will also continue to monitor our supply chain, the performance of our suppliers and our portfolio more generally with a view to identifying and managing any heightened risk of modern slavery.

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## **APPROVAL**

This statement is made in pursuance of Section 54(1) of the Modern Slavery Act 2015 and applies to Globeleq Limited and its subsidiaries. It will be reviewed and updated for each financial year.

This statement was approved by the Board of Globeleq Limited on 25<sup>th</sup> May 2023.



Mike Scholey

Chief Executive Officer