



Slavery and Human Trafficking Statement 2020

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1. Modern Slavery

Modern Slavery is an umbrella term that encompasses slavery, forced labour, servitude and human trafficking. It is a crime and a violation of fundamental human rights. Under the UK Modern Slavery Act 2015, businesses are required to report on what actions they have taken to ensure there is no modern slavery within their supply chains and business operations.

Clarke Energy has a zero tolerance approach to slavery and human trafficking and all forms of human rights abuse. We are committed to ensuring there is transparency within our business and throughout our supply chain, and will only conduct business with suppliers who share that commitment.

2. Our Business

Clarke Energy is a multinational specialist in distributed power generation solutions. Our international headquarters are located in Knowsley, near Liverpool in the United Kingdom. Our capabilities range from the supply of a gas fuelled power generation engine, through to the turnkey installation of a multi-engine power plant. Clarke Energy is an authorised distributor and service provider for INNIO Jenbacher (formerly GE Jenbacher) reciprocating gas engines with a strong focus on aftersales support. Clarke Energy's relationship with Jenbacher and in-country resources gives us an ability to provide unparalleled service and maintenance, along with local supply of original equipment manufacturer approved spare parts.

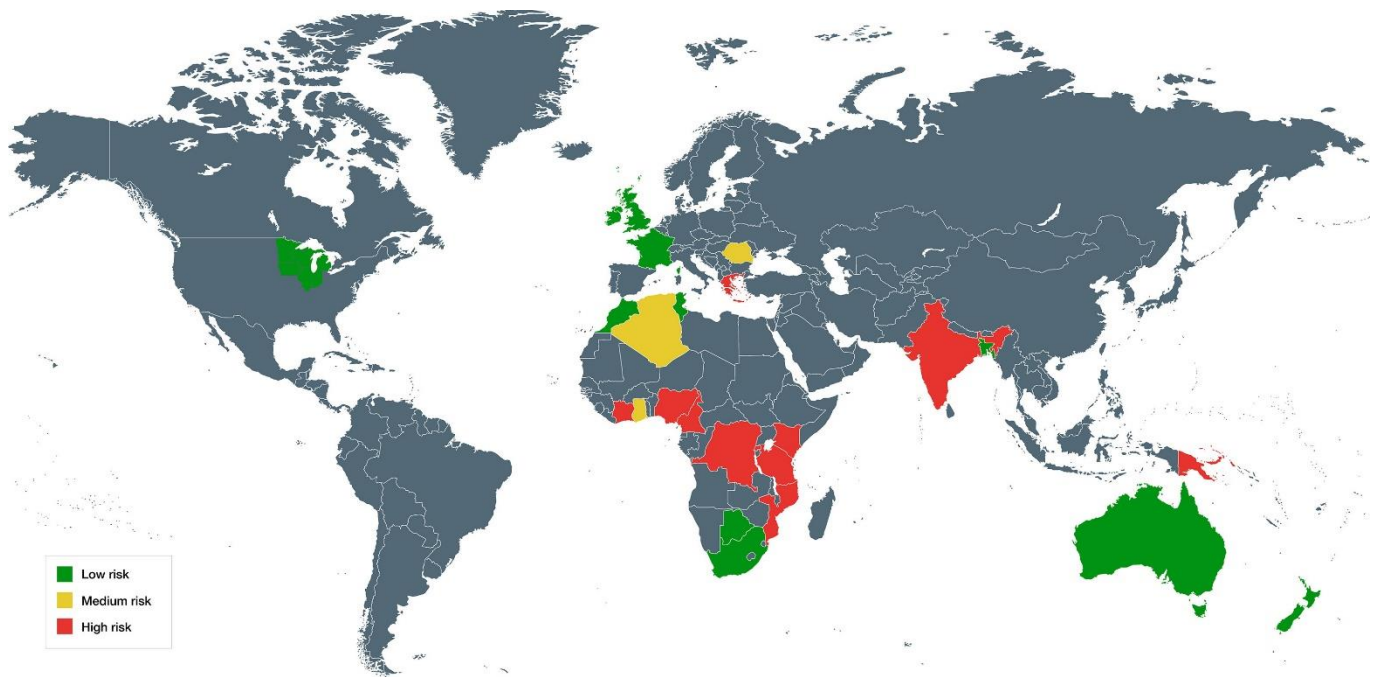


Figure 1

Our UK operations have the largest store of Jenbacher approved spare parts located outside of Austria. The store is located with ready access to the motorway network for rapid dispatch around the country and, if need be, the wider world. Clarke Energy's service facilities have a Jenbacher authorised engine overhaul capable of rapidly refurbishing a number of used engines in parallel and a cylinder head refurbishment line. The company also stocks a number of engine short blocks and is able to provide swing engines in order to minimise the downtime of generation assets at the point of overhaul.

3. Due Diligence

We consider comprehensive and robust internal and external due diligence a key part of our modern slavery risk assessment framework in helping us to understand, identify and manage potential modern slavery risks for our business.

3.1. Labour Force

Clarke Energy employs circa 380 people in the UK and Ireland and over 1100 people globally. We understand that the risk of modern slavery in labour forces are high. Our human resources team ensure that all our employees are subject to various and stringent human resources processes to ensure a right to work. We treat all our employees with equality and respect and ensure, among other things that: (i) working hours comply with relevant national laws; (ii) our employees are remunerated with wages and benefits set at or above local minimum wage requirements; and (iii) our working conditions meet the standards of the International Labour Organisation (ILO) and the Universal Declaration of Human Rights (UDHR). We therefore expect and require our suppliers to demonstrate the same level of commitment with the existence of processes and procedures to ensure our high standards are met.

3.2. Our Business Operations & Supply Chains

We operate in c. 27 countries around the world. In November 2019, Clarke Energy expanded its business operations with the acquisition of two companies in Romania and Greece. We conduct a risk assessment of every country we operate in or source our goods from. We found that whilst we operate in countries which are deemed to be high risk countries of modern slavery and human rights abuses as our risk map (Figure 1) highlights, we do not manufacture or distribute goods which according to the Global Slavery Index 2018 are at risk of modern slavery. We do however source high risk goods from suppliers such as laptops, computers and mobile phones, along with garments in the form of workwear for our employee and business needs. We have therefore conducted audits and assessed our suppliers to satisfy ourselves that they meet our strict criteria and that they are taking a proactive approach to ensure there is no modern slavery occurring in any part of their supply chain. Clarke Energy is therefore satisfied that, at the present time, we are of low risk to modern slavery.

4. Our Policies

All our employees, suppliers, contractors and sub-contractors must adhere to all our policies relevant to modern slavery, including our Ethical Procurement Policy, HR Policies, and our Anti-Slavery and Human Trafficking Policy. All of our company policies are reviewed annually or when there are changes in legislation, regulations or best practice guidelines to ensure they are effective.

5. Training

In 2019 Clarke Energy provided employees with training specific to modern slavery. All new employees are trained with respect to modern slavery on induction to the company, and all UK based employees are provided with modern slavery training every two (2) years. Further to our commitment in our 2019 report, we strengthened our employee training by offering more in-depth training to relevant employees who will continue to receive this training annually. Relevant departmental employees are those whom we consider having the potential to be exposed to modern slavery and include our:

- (i) Purchasing Department. The heart of our supply chain management. We hope by equipping our team with in-depth training, it will enable them to make informed buying decisions which will ensure that any potential risk of slavery within our supply chain is eradicated.
- (ii) Human Resources Department. The HR team has a crucial role in ensuring the talent which we source for our business during the recruitment process and beyond meets our strict recruitment criteria, including having a legal right to work in the country to which prospective candidates seek employment. Compulsory and forced labour is just one form that modern slavery takes, and through providing in-depth training to our HR team it provides them with further tools to spot any potential violations, of which they can act upon accordingly.
- (iii) Warehouse Department. All our warehouse employees are directly employed by us, which therefore provides us with a lower risk of modern slavery than if we sub-contracted these employees. However, we as a business recognise the risk that modern slavery has in terms of the distribution of goods and we provide our warehouse department with the knowledge and skills required to identify modern slavery within our business.

We actively encourage our employees, in line with our whistleblowing policy, that should they have any genuine concerns of modern slavery or human rights abuses within our supply chain or our labour force, they should report their suspicions immediately for further investigation. Even if an employee is mistaken with their suspicions, we are fully committed to supporting our employees and ensuring they are treated fairly with no repercussions.

6. Supplier Audits

In our 2019 report for the financial year ending 2018, Clarke Energy committed to providing bespoke awareness training to all our suppliers and strengthening our supplier audit process in relation to modern slavery by introducing a toolkit to all our suppliers. Following discussions with our purchasing department, we decided to postpone the bespoke awareness training until the year 2020 to provide us with additional time to deliver a training programme which we consider to be one of excellence. However, by working with our purchasing manager and QUENSH department, modern slavery was included within our supplier audits which involved going onsite to meet and assess our suppliers, focussing on their processes and procedures on modern slavery. Whilst our smaller suppliers are exempt from the reporting requirements of modern slavery, we hope that by bringing an awareness to this issue and the many forms which modern slavery encompasses, we can assist in ensuring that any potential risk of modern slavery not just within our supply chain, but that of other businesses supply chain will be reduced.

7. Forward Looking

We are committed to fighting modern slavery and ensuring our supply chain and labour force is free from any form of human rights abuses. We will continue to take a proactive approach in mitigating any potential risks of modern slavery or human trafficking year on year. We have undertaken a gap analysis and identified areas which we believe can be improved and what steps we need to take to achieve this. Therefore, in 2020 we will:

- (i) strengthen our employee training by extending our in-depth training to on-site construction employees. Clarke Energy is aware of the risk modern slavery poses within the construction industry, namely in relation to sub-contractors, and whilst our

business risk is low, we are passionate and committed to remaining proactive to ensure it remains low;

- (ii) provide bespoke in-house awareness training to all our suppliers; and
- (iii) strengthen our supplier toolkit with the inclusion of a feedback questionnaire to enable us to check in with our suppliers to assess our performance in relation to modern slavery.

8. Reports of Modern Slavery

We have not received any complaints or reports in relation to modern slavery within our business operations or throughout our supply chain.

This statement has been approved by Clarke Energy's senior leadership team, Clarke Energy Limited together with all of its parent and subsidiary undertakings from time to time and is made pursuant to section 54(1) of the Modern Slavery Act 2015, section 16(1) of the Australian Modern Slavery Act 2018 and constitutes the Clarke Energy Group's Slavery and Human Trafficking Statement for the financial year ended 31st December 2019.



Jamie Clarke | **Chief Executive Officer**
Clarke Energy

Date 1st November 2020