

Modern Slavery Act

Transparency Statement 2019

Introduction

Calon Energy and its subsidiaries (Calon Energy) aim to identify and mitigate the risk of modern slavery and human trafficking occurring within its supply chain or business operations. Calon Energy has established a set of policies and procedures that govern the way it operates including:

- ❖ Code of Conduct for Suppliers;
- ❖ Recruitment Policy;
- ❖ Equal Employment Opportunity;
- ❖ Anti-bribery Policy; and
- ❖ Whistle-blower Policy and Staff Hotline.

Calon Energy is a power generator capable of providing 6 per cent of the UK's average energy demand through the following three operational sites:

- ❖ Baglan Bay Power station, Port Talbot
- ❖ Sutton Bridge Power Station, Lincolnshire
- ❖ Severn Power Station, Newport

The Head Office is at Severn Power Station, where most employees are based.

As a matter of good practice Calon Energy is choosing to make this statement at the group level even though this approach is not required by the UK Modern Slavery Act (the "Act"). This statement covers Calon Energy subsidiary entities that are within the scope of the Act.

Employees

Calon Energy supports fundamental human rights as set out in the Universal Declaration of Human Rights and core International Labour Organisation Conventions. Calon Energy is committed to a safe workplace that values equal opportunity, is free from discrimination, harassment and victimisation.

Suppliers

Calon Energy staff are primarily office-based with comprehensive operations and maintenance contracts with the Original Equipment Manufacturer. Outside of these arrangements the main supply chain categories comprise of technology, premises, professional services, financial services and business travel. Based on sector and supply chain profile the risk of modern slavery is considered to be relatively limited.

Suppliers will be expected to address their compliance with human rights; safe, fair and ethical working conditions; environmental performance; and supplier diversity in accordance with the published Supplier Code of Conduct

In 2018 Calon Energy:

- ❖ Extended training and awareness of Modern Slavery to all direct employees, irrespective of their contact with the supply chain.

- ❖ Undertook supply chain audits with our two primary operations and maintenance providers
- ❖ Expanded our understanding of our Suppliers approach to Modern Slavery, through an enhanced questionnaire during our Procurement Enquiry process.
- ❖ Implemented a Compliance Framework which provides regulatory oversight to the board of directors and senior management, Modern Slavery is included.

Training and capacity

Calon Energy has adopted on-line training packages as a means of actively expanding Modern Slavery Act awareness to all Calon Energy staff members.

Continuous improvement

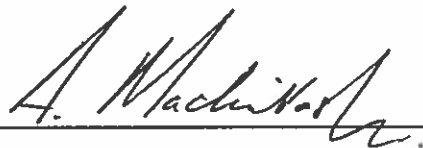
Calon Energy will review and enhance its approach to addressing modern slavery risks within its supply chain and parts of its business operations by:

1. The commencement of a phased implementation of an industry recognised vendor due diligence.
2. Direct Calon Energy engagement with previous tier 2 supply chain providers.
3. Assure our business processes against the Compliance Framework to identify control gaps, issues or risks which are to be addressed.

Governance

This Modern Slavery Act Transparency Statement was approved by the Calon Energy Limited Board and will be updated annually.

Signed



Andrew Mackintosh

Director of Governmental and Regulatory Affairs