



**SPIRIT ENERGY LIMITED
MODERN SLAVERY
STATEMENT**



‘Introduction’

Chief Executive Introduction

Spirit Energy Limited (“**Spirit Energy**”) and its subsidiaries are committed to conducting business responsibly and have zero tolerance for all forms of modern slavery across our operations and supply chains. We have processes and practices which are aligned to international standards, such as the UN Guiding Principles on Business and Human Rights.

This statement, published in accordance with the Modern Slavery Act 2015, sets out the steps we’ve taken during the financial year ending 31 December 2022 to identify and prevent modern slavery in our supply chain. We have continued to ensure that our robust controls operated effectively, which has enabled us to identify and mitigate any risks that arise, which is all the more critical at a time of rising social inequality and global economic uncertainty.

Over the last 12 months, we’ve continued to advance our responsible procurement programme by focusing on strengthening core compliance and delivering on commitments made in last year’s Modern Slavery Statement. We’ve developed policies and procedures to minimise the potential risk of modern slavery and continue to work hard to develop and sustain relationships with our suppliers. At the heart of this is our requirement that they act in line with our core values of Delivery, Collaboration, Agility, Courage and Care, and that they comply with our ethical, social, safety and environmental requirements.

Modern slavery is a growing and deeply troubling global issue that we, whether individually or collectively, have an important role to play in helping to eradicate. I’m passionate about upholding the fundamental rights and freedoms of everyone who works for us or with us and Spirit Energy ensures that those working for or with us are protected from modern slavery. Whilst I’m pleased that no evidence of forced or compulsory labour has been found in our business or supply chain, we must remain constantly vigilant and continue to do our best to ensure an even more inclusive and sustainable future for all.

Neil McCulloch,
Chief Executive Officer

Our business and supply chain

Spirit Energy is a joint venture company, owned by Centrica plc (69%), and Stadtwerke München GmbH (31%). During 2022, Spirit Energy operated in the UK and the Netherlands, with a 700-strong team, and more than 25 producing field interests. Spirit Energy completed the divestment of its Norwegian business in 2022.

During 2022, Spirit Energy’s Procurement team continued to manage around 1,500 active suppliers providing goods and services to our operations. Our team aims to develop and strengthen relationships with a consolidated portfolio of suppliers who are required to share our commitment to doing business responsibly.

‘Our approach’

Our Policies

Our suite of internal and external policies set out our expectations and requirements.

Respect for human rights is embedded across our policies, due diligence and wider governance practices. Our policies are reviewed on a regular basis and supported by internal business processes and procedures, which help us to uphold commitments. Spirit Energy believe that adopting this integrated approach enables us to effectively reduce the risk of modern slavery or human rights issues occurring across our business and supply chain.

- **Our Code** – sets out our minimum expectations for all those we work with and applies to all Spirit Energy colleagues, subsidiaries, affiliate companies, agency staff and consultants. It represents a high-level summary of key areas of our policies and standards, providing a framework to ensure we do the right thing; our commitments include respecting human rights and requiring everyone we work with to operate responsibly. Our Code supports Our Values and lays down a shared sense of principles that enable us to make good choices and act with integrity.
- **Resourcing Policy** – applies to all our people, setting out our standards of recruitment to ensure we reflect the full diversity of the communities we serve, whilst upholding equality and fairness. Commitments include conducting appropriate checks for permanent and non-permanent workers before they join Spirit Energy, to ensure they can legally work for us. These checks safeguard human rights by minimising the risk of directly recruiting someone who is being forced to work or being trafficked, whilst enabling us to comply with the Agency Workers Regulations, which aim to protect low paid workers from exploitation. The policy is a key resource for helping managers and our Human Resources team recruit responsibly.
- **Corporate Responsibility and Anti-Bribery & Corruption Policy for Suppliers** – covering third parties that operate for or on behalf of Spirit Energy and sets out our requirements that suppliers will respect human rights, will not use child labour or forced labour in any form and do not or have not contributed directly or indirectly to human rights abuses.
- **Speak Up Policy** – our online and phone-based system to raise concerns confidentially in relation to improper, unethical or illegal practices. All concerns raised are reviewed by our Compliance team, who decide how the matter should be managed. Spirit Energy encourage the use of our Speak Up helpline and we do not tolerate any form of retaliation against people who raise concerns in good faith.

We live the values of Care, Delivery, Collaboration, Agility and Courage in everything we do.



‘Reducing Risk’

How we reduce and manage risk

Due Diligence

We undertake initial due diligence before deciding to contract with suppliers; this consists of a series of onboarding checks that take account of risks including product type, country of origin risk and financial crime indicators. Suppliers are required to complete a pre-qualification questionnaire at onboarding, when participating in a tender or during an annual review, and all responses are validated and verified. Spirit Energy encourage our suppliers to register with SEQual in the UK and Achilles in the Netherlands, to further minimise risk within our supply chain, through additional due

diligence monitoring and supplier checks. In 2022, SEQual updated their due diligence criteria to include further checks on modern slavery and human trafficking.

We utilise our due diligence system, provided by Beroe, to validate all new suppliers and assess risk arising from adverse reporting on Labour, Ethical/Regulatory Non-Compliance issues. Once a contract is in place, Spirit Energy provide ongoing monitoring throughout the lifecycle of the supplier relationship, refreshing the due diligence periodically and where contracts are extended or subject to amendment. In 2022 we increased the frequency of our ongoing screening of suppliers to ensure timely monitoring of risks including Labour.

Recruitment and fair pay

Our recruitment practices are designed to uphold equal opportunities, compliance with local legislation and ensure the labour we’re using is free from modern slavery. In the UK, colleagues who apply to work for us can expect diverse shortlists and recruitment panels and right to work checks. Where we use an external party to provide staff, we ensure they are bound by stringent contractual obligations requiring them to support our approach. Spirit Energy engaged Orion Group (“Orion”) in 2022, to conduct recruitment on our behalf, carrying out all right to work checks for our UK-based employees prior to employment commencing. Outside of the UK, we comply with local rules and regulations to ensure that our colleagues have the right to work in the country. Where permissible by local laws, we apply the same standards to protect against modern slavery as in the UK.

Spirit Energy ensure that people who work for us are rewarded fairly. Our remuneration framework aims to attract, retain and engage great people in their roles supporting the delivery of business objectives. We provide transparency on bonus decisions each year, rewarding employees for both the organisation’s performance as well as their own performance, including how they live and promote our values. We remain market aligned and provide employees with transparency on how we determine and manage pay budgets and the setting of individual pay against external industry benchmarking. We regularly assess our overall benefits package to ensure employee health and wellbeing are prioritised and work to uphold equal pay, whilst striving to understand and reduce ethnicity and gender pay gaps.

Training and awareness

Our people play a key role in mitigating risk of modern slavery within our business and supply chain. In 2022, we deployed our mandatory Our Code declaration, which reminds all colleagues of the obligation to respect human rights, protect those we work with from any forced or compulsory labour and to address adverse human rights impacts if they occur, amongst other commitments. Our 2023 Compliance training will see further focus on Our Code awareness, including how to identify and report any modern slavery concerns.

Collaboration with partners

As part of our commitment to continuous improvement, collaboration and to improve our responsible business practices, Spirit Energy aim to create an environment where we can build better working relationships with our strategic partners. We continued to share best practice information and resources with suppliers via our website, enabling existing and prospective suppliers to access information about our supplier strategy and associated policies and procedures which improves transparency. In addition, Spirit Energy will resume hosting our in-person Supplier Day in 2023 where we’ll share plans and information about all aspects of our business, with breakout sessions for deep dives and engagement.

‘Measuring effectiveness’

Governance

The Spirit Energy Board are responsible for reviewing and approving the content of the Modern Slavery statement. During 2022, the Compliance Workgroup, comprising representatives from Legal & Compliance, HR, Procurement and Communications, convened to discuss, review and oversee Spirit Energy’s modern slavery strategy.

Our Procurement team plays a key role in managing modern slavery risk, with responsibility for mitigating supplier risks identified through due diligence and embedding responsible business practices into sourcing activity. The work of our Procurement team is supported by our Compliance Workgroup, to maintain oversight at management level of the progression of the modern slavery strategy and set the approach for compliance across the business.

Tracking our progress

During 2022 Spirit Energy:

- identified no modern slavery incidents in our supply chain;
- reviewed and updated our modern slavery training module; and
- enhanced our due diligence checks for new suppliers.

Next Steps

In 2023, we aim to further strengthen our approach to managing modern slavery risk. We plan to:

- review the effectiveness of our Speak Up tool as a channel to raise modern slavery concerns;
- increase employees’ understanding of modern slavery risk through refresher training;
- continue to collaborate and build relationships with our strategic suppliers

Our Modern Slavery statement has been approved by the Spirit Energy Limited Board of Directors on 20 April 2023.

For and on behalf of Spirit Energy Limited and its subsidiaries



Neil McCulloch, Chief Executive Officer, 20 April 2023

This statement covers the following subsidiary companies:

Spirit Energy Production UK Limited, Spirit Energy Resources Limited, Spirit Energy North Sea Oil Limited, Spirit Energy North Sea Limited, Spirit North Sea Gas Limited, Spirit Energy Southern North Sea Limited