Modern Slavery Statement

CERO GENERATION LIMITED



SEPTEMBER 2024

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INTRODUCTION

Cero Generation Limited ("Cero") identifies, develops, builds and operates utility scale solar energy and battery storage projects across eight European countries.

Cero develops, owns and operates utility scale solar photovoltaics projects that involve the potential for integrated battery storage. We have end-to-end Independent Power Producer capabilities and have established a successful track record in construction, asset management and divestment.

Cero is a Macquarie Asset Management portfolio company, operating on a standalone basis and with our head office in the United Kingdom. Further details can be found at: www.cerogeneration.com.

Cero makes this modern slavery statement for the financial year ended 31 March 2024 in accordance with Section 54 of the Modern Slavery Act 2015 (the "Act") which covers all activities conducted within the Cero business and across all jurisdictions where Cero is present.

OUR PRINCIPLES, POLICIES AND COMMITMENTS

Cero is opposed to modern slavery and human trafficking in all its forms and makes this statement to set out the steps we have taken to identify and mitigate the risk of modern slavery and human trafficking in our business and supply chains.

We are taking action to combat climate change and its impacts by providing clean energy, which aligns with the ILO Declaration on Fundamental Principles and Rights at Work and the UN Global Compact, and to abide by existing guidelines and standards on sustainability practices, including labour practices, across the supply chain.

KEY DEVELOPMENTS IN THE FINANCIAL YEAR 2023/2024

In the financial year 2023/2024, Cero have continued to enhance the modern slavery controls and awareness, including the following:

- Conducted training for our asset management and project team staff on modern slavery.
- Engaged a third party to conduct on site visits for high risk third parties.
- Launched a Code of Conduct that sets out our standards on human rights and modern slavery (which is available here).
- Implemented recommendations from the Slave-Free Alliance report which was commissioned by Cero to evaluate Cero's modern slavery risks and controls.
- Enhanced third party due diligence controls to help address modern slavery risks. Please refer to the Due Diligence section for further details.



OUR BUSINESS AND SUPPLY CHAIN

Cero is a renewable energy business with activities in the UK and seven jurisdictions within Europe. Cero does not provide any manufacturing services or supply raw materials to suppliers. We develop, build and manage assets across our portfolio using parts, services and equipment purchased from our third-party supply chain. Operational projects are maintained by operation and maintenance partners.

Cero will either source equipment such as solar PV modules, framing, trackers, energy storage systems and other related materials and services directly from suppliers or indirectly through our partners.

Regardless of the business model, all suppliers involved in a Cero project are required to comply with anti-bribery and corruption clauses, the Cero Code of Conduct and the Principles for Suppliers, as well as to pass down compliance of these principles with any sub-contractors or other suppliers in the supply chain.

Our onboarding process is subject to multiple criteria, including but not limited to assessment of workforce conditions and health and safety performance of the suppliers and their supply chains, environmental impact, supplier diversity, supply disruption risk, financial strength, bankability, technological and commercial reliability, and operational capacity. Only pre-approved supplier materials are used in Cero projects.

Cero is partnering with trade bodies across multiple regions and collaborating with organisations who are dedicated to supporting the industry on transparency and compliance with human rights in the supply chain. With their help, we will seek to identify ways that aim to ensure that the rights of workers vulnerable to forced labour in global supply chains are consistently respected and promoted.



OUR POLICIES

Cero has an established set of policies and procedures that govern the way we operate. These are relevant to how Cero manages potential human rights related issues concerning its business operations and supply chain. These include:

• **Code of Conduct ("Code")** which sets out the values, standards and principles that Cero stands for and the expectation that all Cero third parties will act in accordance with the principles of the Code. The Code communicates that Cero supports fundamental human rights and is opposed to all forms of modern slavery.

• **Principles for Suppliers** which is a separate policy that clearly sets out the expectations and commitments expected specifically of Business Partners. These include that Cero's suppliers and contractors will respect human rights and uphold safe, fair and ethical working conditions; seek opportunities to improve environmental performance; promote supplier diversity; and not use child labour or any form of forced or involuntary labour.

• **Workplace Health, Safety, Environmental and Social (WHSES) Policy** which is an integrated policy outlining Cero's commitment to operating harm-free environments through maintaining high work, health and safety, environmental and social standards, and performance across all our activities. We have established processes for identifying, assessing, managing, mitigating and reporting material environmental and social risks across the business. The environmental and social risk areas covered by the WHSES Policy include labour and employment practices such as child labour, forced and compulsory labour, freedom of association and collective bargaining. The WHSES Policy also seeks to ensure the consistent identification and responsible management of environmental and social risks across our projects.

• **Anti-Bribery and Corruption Policy** which outlines the rules and procedures designed to prevent and address bribery, corruption and unethical conduct within our organisation, including procedures for detecting, mitigating and managing the risk of financial crime linked to human rights violations. For higher-risk suppliers, a due diligence questionnaire with a focus on modern slavery controls must be completed.

• **Whistleblower Policy** which outlines circumstances in which a person may raise genuine concerns in relation to improper conduct, the communication channels for doing so (which includes an anonymous reporting tool), the protections that are available to those who report improper conduct, and the investigation process. Improper conduct includes any instance or suspicion of modern slavery or human trafficking. As part of the policy, Cero's speak up campaign includes communications both in Cero offices and project site locations, to ensure any issues can be raised promptly (and if required anonymously) to Cero and can be used by both Cero employees and third parties.

DUE DILIGENCE AND RISK MANAGEMENT

Cero has a risk management process that identifies, assesses and mitigates potential risks to our business, including modern slavery risk. Rigorous selection of top tier suppliers is based on independent traceability audits of the of key materials through each stage of production, processing and delivery carried out by external advisers. We also incorporate robust contractual clauses which oppose modern slavery. These measures support the continuous improvement of the sustainability of our business and supply chain, and we have implemented several measures to mitigate modern slavery risk.

Our risk management framework and associated policies and procedures define how we conduct due diligence on our counterparties, such as our suppliers, including their compliance with modern slavery and other human rights laws and regulations. This due diligence includes the use of:

• Specific intelligence screening database that helps to support business decisions before entering contractual relationships with suppliers. This system continuously screens the supplier's name and informs Cero of issues such as sanctions, watchlists and adverse media coverage linked to the supplier, including any human right issues.

• Our own, bespoke Risk Matrix to assess risk when onboarding suppliers. Depending on the risk profile and location of the supplier, appropriate levels of due diligence will be conducted. When appropriate to do so, Cero will contract an external provider to perform enhanced third-party due diligence. Due diligence activities carried out by Cero include:

- WHSES self-assessment questionnaire, self-assessment WHSES assurance checks on technical standards, environmental and social, workplace health and safety, and financial crimes. This will involve checking for adverse media coverage, threatened and actual litigation and/or claims against the supplier, and fines or penalties incurred.

- An initial desktop review of a supplier’s documents, followed up with site visits to its facilities if required. This process will also highlight and include any positive engagement by the supplier.

- The requirement for suppliers, engineering, procurement and construction contractors, and co-developers, to conduct similar due diligence on any of their own subcontractors and suppliers.

DUE DILIGENCE AND RISK MANAGEMENT

Cero will only enter into a contractual agreement with suppliers when appropriate due diligence has been completed and Cero contracts include WHSES provisions that require compliance by our suppliers. As far as possible, we require that our suppliers pass down the requirement for compliance with our Code of Conduct (which was introduced as part of Cero's key developments) and Principles for Suppliers, throughout their supply chains.

Supplier audits are conducted using a risk-based approach for certain high-risk suppliers to review their health, safety, environmental and social performance, which assists in identifying any modern slavery issues. Cero recognises, in common with the renewables industry and other sectors, the importance of accurate and timely information to inform our business decisions. We will continue to work alongside interested stakeholders, trade and government bodies to improve the quality, visibility, and accuracy of data in an industry with a network of complex supply chains. We understand that this is essential to the continued ethical and transparent development of alternative energy sources.

If we identify instances of modern slavery or human trafficking, we will take suitable action which may include terminating discussions and/or existing relationships with the supplier in question and notifying relevant authorities of the issues involved.





EFFECTIVENESS IN COMBATTING MODERN SLAVERY AND HUMAN TRAFFICKING

We use the following metrics to measure how effective we have been at ensuring that slavery and human trafficking is not taking place in any part of our business or supply chains:

- The percentage of suppliers and sub-contractors vetted for ethical labour practices.
- The number of supplier due diligences completed by risk level. All suppliers are required to have completed and approved due diligence prior to being engaged.
- The number of inspections of direct suppliers and sub-contractors in our supply chains in the past year.
- The number of reported modern slavery breaches in the past year.

TRAINING AND AWARENESS

Cero provides training and requires all staff to read and acknowledge Cero's values and Cero's Code of Conduct which highlights Cero's approach to human rights and modern slavery commitments.

During the year, specific modern slavery training has been delivered to the asset management and project development teams, to target employees that have higher exposure to any potential modern slavery risks in Cero's supply chain.

EXTERNAL ENGAGEMENT

Cero is active in several external initiatives relevant to addressing modern slavery in the renewable sector, including:

- **Solar Power Europe** – membership includes round tables and discussions on key areas including human rights.
- **Solar Stewardship Initiative** – Cero is a Sponsor member of this initiative to further develop a responsible, transparent and sustainable solar value chain.
- **Slave-Free Alliance** - membership includes independent audits and training to support modern slavery controls.



NEXT STEPS

Our key aims for the 2024 to 2025 financial year are:

- Continue to refresh human rights training across the business including to the senior management team.
- Complete a gap analysis follow up review by Slave-Free Alliance to highlight any follow up recommendations.
- On-site visits for identified high risk third parties.
- Update the Principles for Suppliers document which includes human rights requirements for third parties.

SIGN OFF

This slavery and human trafficking statement is made in connection with section 54(1) of the Modern Slavery Act 2015, for the financial year ending 31 March 2024. It was approved by the Board of Directors on 12 September 2024.



Marta Martinez Queimadelos
Chief Executive Officer
CERO GENERATION LIMITED
12 September 2024