



Modern Slavery Statement

CERO GENERATION LIMITED

September 2023



Introduction

Cero Generation Limited (“**Cero**”) makes this voluntary modern slavery statement for the financial year ended 31 March 2023 in accordance with Section 54 of the Modern Slavery Act 2015 (the “**Act**”).

At Cero, we develop, build, manage and finance utility-scale solar and co-located battery projects across Europe. We collaborate with local developers and delivery partners to create high-quality, high-performance assets. We are involved throughout the project lifecycle from early-stage feasibility analysis to securing key permits and commercial contracts, design, project financing, construction management, commissioning and technical and financial asset management.

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.

Cero is a Macquarie Asset Management portfolio company, operating on a standalone basis and with our head office in the United Kingdom.

Our principles, policies and commitments

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:

- **Principles for Suppliers** which sets out Cero’s expectation that its 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 must be completed which includes an assessment of modern slavery controls.

- **Whistleblower Policy** which outlines circumstances in which a person may raise genuine concerns in relation to improper conduct, the communication channels for doing so, 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.

Our business and supply chain

Cero is a renewable energy business with activities in the UK and several 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 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, sustainability, 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.

Due diligence and risk management

We look to continuously improve our ability to manage risk, including those risks related to human rights. 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:

- A web-based risk intelligence database to support business decisions before entering into contractual relationships with suppliers. This system continuously monitors the supplier and informs Cero of issues such as sanctions, watchlists and adverse media coverage linked to the supplier.

- 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.

Cero will only enter into a contractual agreement with suppliers when appropriate due diligence has been completed. As far as possible, we require that our suppliers pass down the requirement for compliance with our 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 combating 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.
- 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

We will provide training to our staff to ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business. Where feasible to do so, we also require our business partners and supply chain to provide such training to their staff and suppliers.

External Engagement

Cero is active in a number of 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 current financial year are:

- To implement Cero's Code of Conduct that will be available to all stakeholders of the business. This will include reference Cero's zero tolerance stance on modern slavery.
- Complete a review by Slave-Free Alliance on modern slavery risks, controls and recommendations for improvements.
- Continue to enhance and develop Cero's approach to third-party due diligence to ensure emerging modern slavery risks are addressed.

Sign Off

This voluntary 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 2023. It was approved by the Board of Directors on 20 September 2023.



Marta Martinez Queimadelos
Chief Executive Officer
CERO GENERATION LIMITED
20 September 2023