

Modern Slavery Statement 2021



This statement is published by Sonnedix Power Holdings Limited, on behalf of its subsidiary Sonnedix UK Services Limited, pursuant to section 54 of the UK Modern Slavery Act. It sets out the steps taken by Sonnedix Power Holdings Limited and its subsidiaries (collectively “Sonnedix”) during the financial year 2021 to prevent and eradicate forced labour and human trafficking in Sonnedix’s global operations and supply chains.

Our Business

Sonnedix is an established Independent Power Producer (IPP) with a proven track record of successfully designing, financing, building and monitoring high-performance, cost-competitive solar plants around the world.

At the close of 2021, the Sonnedix corporate structure included multiple entities in and 404 employees across Chile, the United States of America, France, Spain, Italy, Germany, South Africa, the United Kingdom, and including our trusted Japanese development partner, Sonnedix Japan K.K. Sonnedix had a total capacity of 5,209 MW of which 1,696 MW were operational/mechanically complete, 444 MW were under construction, and a further 3,069 MW were under development.

The majority of Sonnedix employees are office or project based, as a result the key risk area for modern slavery is within the procurement and supply chain activities undertaken through a limited number of global partners and suppliers.

Our Policies

Integrating responsible, forward-thinking corporate policies into our daily business practices is key to us achieving our goal of smartly transforming the sun’s power into clean energy. It’s what allows Sonnedix to behave sustainably, ethically and accountably as we develop, finance, build and operate solar plants around the world. It’s also what ensures that Sonnedix has a positive impact on our people and the environments and communities within which we work.

Sonnedix has zero-tolerance for the use of child or forced labour on our projects or plants and we will not knowingly do business with contractors, subcontractors, business partners or vendors who violate these practices or the human rights of those working on their behalf.

Our commitment and zero-tolerance approach is detailed in the Sonnedix Social Policy and Standards document, namely in the Human Rights, Child and Forced Labour Standard (refer to https://www.sonnedix.com/wp-content/uploads/2020/04/2020_SX_ESG-Social-Policy-and-Standards.pdf). We expect the same zero-tolerance approach from those who undertake work on our behalf and these expectations are set out in the Sonnedix Responsible Supply Chain Design and Procurement Standard.

In addition to the Sonnedix Social Policies and Standards detailed above our commitment is underpinned in the following governance policies and standards (refer to https://www.sonnedix.com/wp-content/uploads/2020/04/2020_SX_ESG-Governance-Policy-and-Standards.pdf).

- Sonnedix Governance Policy,
- Sonnedix Whistleblowing Policy,
- Sonnedix Third Party Grievance and Communications Standard,
- Sonnedix Contractor HSEC Management Standard,
- Sonnedix Global Partners Standards of Conduct, and

- Sonnedix Code of Ethics and Business Conduct.

Sonnedix is committed to the highest ethical standards in our work and in our interactions with customers, suppliers, utilities, co-investors, competitors and our community. An important aspect of accountability and transparency is a mechanism to enable all individuals to voice concerns internally in a responsible and effective manner when they discover information that they believe shows wrongdoing. Sonnedix therefore provide 24/7 reporting of any concern including those which may relate to slavery and human trafficking.

Due Diligence

Recognising the supply chain as a key risk area, Sonnedix conducts comprehensive due diligence on its high risk third-party engagements, including on its construction contractors and plant operators. This due diligence process includes a review of, among other things,

- Global commercially provided databases,
- Government lists, and
- Media reports.

In addition, our contractual documentation includes appropriate compliance terminology and language, and through our Global Partners Standards of Conduct we obtain an undertaking of compliance from those working with us or on our behalf.

Risk Identification

The 2021 edition of the Modern Slavery Index¹ reveals a continued surge in modern slavery risk in Asian manufacturing hubs, flared by the health crises, disasters, conflict and human rights violations in the world's major sourcing countries. As such, Sonnedix's potential exposure to the risk of encountering modern slavery within its supply chain was elevated in 2021.

Over the course of 2021, the solar sector received international attention due to allegations of forced labour in the solar supply chains. At Sonnedix, we strive for the highest standard of human rights and treat these allegations with the utmost seriousness. Following the allegations, we have taken a twofold approach.

Outward looking: We recognise that driving and achieving systematic change in complex supply chains requires collaborative action with other key industry stakeholders. As such, we take active part in the work of solar power associations around this topic globally. Since 2021, Sonnedix is sponsoring the development of the Supply Chain Transparency Programme that is being developed by SolarPower Europe and Solar Energy UK. With support from external consultants specialising in supply chains, this work aims at further developing transparency to safeguard the global solar supply chain from human rights abuses.

Our ability to make change at a scale is not possible without our suppliers who we engage with around this topic to ensure their commitment to eradicating any forced labour in solar supply chains through increased due diligence and traceability.

Inward looking: Ensuring alignment with industry best practice and reflecting on any new or heightened risks, further strengthening our existing ESG pre-qualification, contractual and audit requirements with module suppliers and EPC contractors procuring on our behalf. These robust contractual requirements allow us to vet and routinely check our suppliers and contractors through our audit programmes, which were continued into 2021. In 2021, our audits of module manufacturers have not identified any evidence of forced labour.

Additionally, a cross-functional, internal Working Group was established to leverage different expertise

¹ <https://www.maplecroft.com/insights/analysis/human-rights-outlook-2021/>

and allow for a multifaceted approach to the issue. Actions that Sonnedix is taking to mitigate human rights risks in our supply chain and any breaches of our related policies and standards are reported to the relevant Board Committees.

Effectiveness

Sonnedix will assess any instances of non-compliance as they arise on a case by case basis and take action as required. We will only conduct business with those who fully comply with this statement or who are taking demonstrable steps towards compliance.

Training

All Sonnedix employees are provided with compliance training upon commencing employment which includes whistleblowing and how concerns should be raised by our employees should they suspect any wrongdoing or breaches of the law, our Codes of Conduct or policies. In 2021 our training program was expanded to include modern slavery awareness training for all employees across all jurisdictions in which Sonnedix operate. Furthermore, modern slavery is specifically included in the environment, social and governance training that is mandatory for all new employees.

Next Steps

Sonnedix will continue to review our internal processes to evaluate what further steps can be taken to improve our position regarding slavery and human-trafficking. We will also continue to implement training and promote improved awareness of slavery and human-trafficking across the business. The percentage of employees who have completed the modern slavery awareness training will continue to be tracked as a key performance indicator along with the number of audits of our key suppliers and grievances received which relate to modern slavery or forced labour.

Furthermore, Sonnedix will continue to collaborate with other key industry stakeholders and actively participate in solar industry associations' initiatives that aim to increase end-to-end transparency and sustainability across solar supply chains. A further update will be given in the 2022 statement.



SONNEDIX

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