

## Anti-slavery statement FY19

This is the fourth anti-slavery statement published in relation to the activities of the Infinis group of companies in accordance with section 54 of the Modern Slavery Act 2015 (the “**Act**”). It sets out the steps that the Infinis group has taken in the period 1 April 2018 to 31 March 2019 (inclusive)(“**FY19**”) to build on the progress made in previous financial years and to further develop its ongoing work in relation to eradicating the risk of modern slavery and human trafficking (**modern slavery**) from its business and supply chains.

In this statement, references to **we, us, Infinis** and **the Infinis group** relate to each of the Infinis group companies that are listed in our Annual Report. Our Annual Report is available on our website: [Annual Report and Accounts](#).

In FY19 two Infinis group companies, Infinis Energy Management Limited and its subsidiary, Infinis Limited, satisfied the criteria set out in section 54 of the Act and are therefore required under the Act to publish an anti-slavery statement for the FY19 period. Notwithstanding this, the steps that are described in this statement apply equally to all Infinis group companies.

Details of the steps that Infinis has taken in previous financial years can be found in its [first](#), [second](#) and [third](#) anti-slavery statements which we published for financial years ending 31 March 2016, 2017 and 2018 respectively.

Infinis continues to conduct all of its business in an honest and ethical manner. Corporate social responsibility, including ensuring that we only purchase from responsible supply chains, remains a cornerstone of our business and we maintain our zero-tolerance approach to modern slavery.

### Infinis' structure, business and supply chains

Infinis is the UK’s leading generator of low carbon power from captured methane. The Infinis group operates three business divisions from sites across the UK: captured landfill methane (**CLM**); captured mineral methane (**CMM**); and power response (**PR**), under our ultimate parent company Infinis Energy Group Holdings Limited and its subsidiary, Infinis Energy Management Limited, which oversees group governance.

Infinis Limited, Alkane Energy Limited and Infinis Alternative Energies Limited together with their subsidiaries, operate the CLM, CMM and PR divisions, respectively.

The Infinis group continued to be the largest generator of electricity from CLM in the UK during FY19 with 252MW of installed CLM capacity exporting 1,298 GWh of power in total from 122 sites. Following the acquisition of the Alkane Energy group of companies during FY19 (the **Acquisition**) Infinis also became the largest CMM operator in the UK in FY19 with 44MW of installed capacity across 15 sites exporting a total of 161 GWh of power. The PR division which generates power from 17 sites using mains natural gas or liquefied fuel operates 182MW of installed capacity and exported 71GWh of power in FY19.

The synergies between our three operating divisions are such that the nature of our supply chain and arrangements with our suppliers have not changed significantly as a result of the Acquisition when compared to those reported in our third anti-slavery statement. A number of our suppliers provide goods and services to all three business divisions and as previously, group procurement is managed by our group services company, Infinis Energy Services Limited.

In FY19 we have again worked with over 600 direct suppliers of goods and services, all of whom have been subject to our annual risk assessment where their use was ongoing. We continue to apply our detailed due diligence process (as described below) to all new suppliers including certain suppliers that had previously supplied the Alkane group of companies.

The principal goods and services procured by the business continue to be almost exclusively supplied by the developed economies of Europe or North America. Little of our supply chain spend is outside of these economies. Our suppliers largely operate in the engineering (including industrial parts and component manufacturing and servicing), construction, consumables and professional services sectors.

#### Written policies and procedures

Our **anti-slavery policy** reflects our commitment to acting ethically and with integrity across our business relationships throughout our supply chains. We reviewed this policy in FY19 as part of our annual review and were satisfied that it accurately reflects our current processes and procedures.

#### Risk assessment

We continue to build on the framework of risk assessment of our supply base carried out in previous years, to help prioritise and target the delivery of our supplier and risk management initiatives with regard to modern slavery and corporate social responsibility matters. We updated our risk assessment in FY19 in order to include all direct suppliers with whom we traded in the FY19 period, including those onboarded following the Acquisition, as planned. As in previous years, our risk assessment considers the length of our relationship with our suppliers, the business sectors and geographical locations in which they operate (using the Walk Free Foundation Global Slavery Index), any known issues identified by our Procurement Team in the course of the year (of which there were none) and any measures that those suppliers have implemented to tackle modern slavery in their own supply chains. We are satisfied that this continues to provide a valuable tool to inform our assessment of and improve our understanding of our supply base.

We are pleased to report that, again, we have identified no high risk suppliers. Compared to previous years the overall risk assessment scores were generally higher (denoting a slightly higher risk) and resulting in a more even split between suppliers categorised as low and medium risk. We believe that the higher scores in FY19 are largely due to an increase in the risk profile of certain common geographical locations in which a number of our suppliers operate, informed by the 2018 Global Slavery Index (including the UK) and the onboarding of new suppliers following the Acquisition, who therefore had a comparatively short relationship history with Infinis during FY19.

#### Due diligence processes

##### New suppliers

Our robust process for onboarding new suppliers continues to be applied, including the issue of a comprehensive due diligence questionnaire for completion by new suppliers. In FY19 we have implemented procedures to optimise the value of our due diligence questionnaire and to improve the review and assessment of supplier responses including providing additional training to our Procurement Team and further guidance within the questionnaire to suppliers.

We will keep this process under review to ensure it operates in an efficient and effective manner and continue to apply a robust due diligence process to all new suppliers next year.

### Existing suppliers

The CIPS Sustainability Index continued to provide us with a useful due diligence tool in assessing transparency in relation to the corporate social responsibility and anti-slavery activities of our strategic suppliers. We are considering potential alternative due diligence indices to collate centrally much of the data covered by our due diligence questionnaires in a nationally recognised system.

We continue to take the opportunity on contract renewals to require our suppliers to complete updated due diligence questionnaires when appropriate. We believe this, along with specific research into supplier initiatives where appropriate remains the most proportionate and effective way of ensuring our due diligence on our existing suppliers remains current.

The due diligence carried out since our third anti-slavery statement was published has allowed us to make further progress in mapping the second tier of our supply chain. Last year we concentrated on medium risk suppliers in high risk business sectors and have continued to prioritise our efforts in FY19 on this group, particularly due to the increase in the number of suppliers categorised as medium risk in the FY19 risk assessment for the reasons described above. The results to date continue to show that the majority of such second tier suppliers are located predominantly in lower risk European countries with the exception of some global multi-national businesses whose supply chain is also truly global. Based on the additional information available to us, we believe that this second tier 'global' supply chain is broad and includes industrial parts and component manufacturing, engineering services, consumables and textiles as well as IT, software and professional services. We consider any additional risks posed by the second-tier supply chain when prioritising our risk management initiatives.

Based on the information obtained no issues have been identified with regard to our supply chain and we are comfortable that our suppliers have appropriate policies and procedures in place relating to modern slavery risks.

### Supply contracts and KPIs

Our standard form supply agreement includes specific contractual obligations requiring our suppliers to take steps to ensure that there is no modern slavery in their own business or their supply chains. The majority of the new supply contracts entered into in FY19 have continued to include these or appropriate equivalent provisions. As contracts with existing suppliers come up for renewal, we continue to seek to incorporate appropriate modern slavery provisions in those new contracts.

In order to monitor supplier engagement with our due diligence processes we intend to introduce updated KPIs where appropriate, as described further below.

### Staff training and awareness

All of our procurement staff have again received anti-slavery training as well as guidance as required to assist their identification of issues during the supplier due diligence process. We have formally incorporated anti-slavery training into our staff induction process, and we delivered training again to management in December 2018, empowering them to pass on key messages to their wider teams.

Next year we plan to continue to provide annual training to staff to maintain awareness.

### Progress on last year's objectives

In last year's statement we confirmed that our efforts for FY19 would be concentrated on the integration of the Alkane business into our anti-slavery risk management program including:

- the integration of Alkane suppliers into the IES procurement process including the roll out of our due diligence questionnaire to all such suppliers to be onboarded;
- the inclusion of Alkane suppliers in our risk assessment to ensure we have a cohesive view of our supply chain when considering risk;
- the continued mapping of our second tier supply chain so as to incorporate those suppliers who have not yet responded and any onboarded Alkane suppliers; and
- further staff training to maintain awareness and to promote awareness to new staff following the Acquisition.

We consider that we have successfully progressed these objectives. We are grateful for the time taken by our Suppliers in completing our due diligence processes. As responses to our due diligence questionnaires continue to be provided, our efforts to map our second tier supply chain will continue into next year. We have implemented steps in the course of the year to raise awareness of the importance of these processes and of modern slavery issues with our suppliers including the introduction of modern slavery awareness briefings into supplier review meetings. Additional guidance has also been provided to our procurement team and our suppliers to support completion of our questionnaires.

### Our plans for the next financial year

Next year we intend to concentrate our efforts on raising the awareness of our direct suppliers in relation to modern slavery to improve supplier engagement on the subject and encourage the efforts of our suppliers in ensuring that there is no modern slavery in their supply chains. We intend to use our FY19 risk assessment to focus and prioritise our initiatives. This includes the following planned actions:

- continuing to raise awareness within our own business by launching our ethical awareness initiative to publicise guidance on the impact and warning signs of modern slavery and related issues and annual training;
- modern slavery awareness briefings in contract review sessions;
- the implementation of measurable and proportionate supplier KPIs to encourage proactive engagement by our direct suppliers in our risk management processes and the timely response to due diligence requests;
- the continued mapping of our second tier supply chain;
- the evaluation and implementation of a new corporate social responsibility support provider to support our CSR due diligence processes.

**This statement has been approved by the board of directors of Infinis Energy Management Limited.**

A handwritten signature in black ink, appearing to read "S. Pickering". The signature is written in a cursive, flowing style with a large initial "S" and a long, sweeping underline.

**Shane Pickering, Chief Executive Officer**

**24 September 2019**