

NOT PROTECTIVELY MARKED

HORIZON NUCLEAR POWER WYLFA LIMITED

MODERN SLAVERY ACT 2015 STATEMENT

Horizon Nuclear Power Wylfa Limited (Horizon) is an energy company engaged in the development of a new generation of nuclear power stations in the UK.

Horizon is a wholly owned subsidiary of Hitachi Ltd, part of the Hitachi Group. The Hitachi Group Human Rights Policy, sets out our commitment to respect human rights, ensure we are upholding those human rights across our own operations and those of our extended supply chain, and to address any adverse human rights impacts that may occur.

Human rights include those outlined in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Article 4 of the UN Declaration of Human Rights states that: *No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms.*

We understand that modern slavery and human trafficking is an acute risk for business today and are determined that our construction projects and associated supply chains will take all necessary measures to protect individuals from being exposed to modern slavery.

This statement is written in accordance with the requirements of the Modern Slavery Act 2015. It covers Horizon Nuclear Power Wylfa Limited¹ and all Horizon Group companies, and gives an update on the activities we've undertaken in the 12 month period since our last statement (1st April 2016 – 31st March 2017).

Our Business

Horizon has plans to provide at least 5,400MW of new power station capacity to the UK through the construction of two new nuclear energy plants, the first at Wylfa and the second at Oldbury. Together they will produce enough energy to power around 10 million homes.

The first site to be developed will be Wylfa, and we are now in the detailed planning phase for this site before construction can begin. Around 350 Horizon staff are currently employed mainly over two sites: our Gloucester head office and the Wylfa site in, largely, technical functions. Construction is expected to begin in 2019 and during peak construction we will have anywhere up to 9,000 construction workers working on-site at Wylfa. Alongside this will be an extended supply chain providing the additional services, materials and products we'll need to build the power plant.

Our policies, principles and standards

Alongside the Hitachi Group Human Rights Policy, we have a number of other relevant policies and procedures in place which govern how we treat our employees and the behaviours we expect of them:

- The Horizon and Hitachi Group Codes of Conduct
- The Horizon Equality Policy
- Fair employment practices and procedures
- Whistleblowing procedure with an independent confidential helpline

¹ Group Companies including Horizon Nuclear Power Services Limited, Horizon Nuclear Power Wylfa Holdings Limited, Horizon Nuclear Power Limited and Horizon Nuclear Power Oldbury Limited.

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

- A Sustainable Procurement Statement

We are now looking to develop the policies, standards and procedures in support of good workplace standards within the future construction site and our extended supply chain.

In the past year we have already developed detailed Sustainability Requirements within the contract for our Engineering, Procurement and Construction (EPC) partner, the main contractor for the power plant itself at the Wylfa site. These include contractual requirements for the management of human rights on-site for all workers employed directly by the EPC or through their subcontractors. We have also used a due diligence compliance checking tool as part of our supplier approval process which includes checking for any slavery and human trafficking infringements.

In the coming year we will be publishing the Horizon Code of Conduct for Suppliers which will include specific standards to protect all those working in our supply chain – both the construction services and products – from forced labour and modern slavery.

Our approach to due diligence

In the past year we have we have been developing our approach to due diligence.

We held a human rights due diligence workshop with key staff from across the business. This workshop was facilitated by a not-for-profit human rights expert consultancy. The outcome of the workshop, and subsequent work, was the development of a human rights heat map identifying the areas of current and future potential severe human rights impacts. Impacts were considered across both Horizon's own operations and those of its extended supply chain both now and into the future once construction begins.

We have not identified any current incidents of modern slavery within our own operations or those of our existing supply chain. However, the due diligence workshop identified two areas of potential future human rights risk including the risk of forced labour and modern slavery:

- Product sourcing of low tech materials and products from potentially high risk countries.
- Recruitment processes and payment terms for migrant workers that may be employed on the future construction site.

In the year ahead, we will be starting to develop our due diligence approach further in response to the potential risk areas we've identified, so that we are ready to monitor and mitigate any potential adverse human rights impacts once construction starts.

Training & awareness raising

Over the last 12 months we have raised the awareness and understanding of human rights and modern slavery among key staff across the business.

- Staff from procurement, sustainability, human resources, site development and technical engineering attended the half day Horizon Human Rights workshop.
- Further workshops within the core procurement and sustainability teams have been held to consider impacts on business culture and the development of this through the Suppliers Code of Conduct.
- The Horizon Code of Conduct has been updated with Sustainability and Human Rights at the heart of the review.

NOT PROTECTIVELY MARKED

NOT PROTECTIVELY MARKED

Over the next 12 months, we will be focussing our training effort on Horizon's procurement staff. These staff will be expected to play a key role in our due diligence programme and so it is important that they have the right skills and understanding to be able to do this. We will also be engaging our EPC partner to understand the training and awareness raising they are planning.

Measuring the effectiveness of our approach

As we further develop our approach to due diligence in preparation for the start of construction, we will start to consider suitable metrics to be able to measure the on-going effectiveness of our approach, and the mechanisms we need to put in place to capture those metrics. We are also looking to develop our approach to allow greater reporting and analysis.



Duncan Hawthorne

Chief Executive Officer

Date: 25th September 2017

NOT PROTECTIVELY MARKED