

HORIZON

NUCLEAR POWER

Modern Slavery Act Statement

Horizon Nuclear Power is an energy company developing a new generation of nuclear power stations in the UK. We are a wholly owned subsidiary of Hitachi Ltd.

This is our third Modern Slavery statement published in accordance with Section 54 of the Modern Slavery Act 2015. It provides an up-date on progress we have made over the past 12 months, to 31st March 2018, to build a robust response to the risk of modern slavery.

As we prepare for the construction of our planned two nuclear sites, the focus of our modern slavery work has been to continue developing the right policies, process and internal capability to understand and manage future risks.

This work forms part of our broader approach to managing human rights impacts attributable to our business.

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 "Project"), the first at Wylfa and the second at Oldbury. Together these two sites will produce enough energy to power around 10 million homes.

Horizon Nuclear Power's plans to build its lead Project, Wylfa Newydd, have been formally accepted for consideration by the Planning Inspectorate. In addition, four other key environmental permits have been cleared to begin their assessment by Natural Resources Wales.

There are around 350 Horizon staff based primarily over two sites: our Gloucester head office and the Wylfa site. Our staff are largely employed in technical and programme management functions reflecting the nature of our work to-date. We also work closely with external experts and consultants, many of them working alongside our staff on both sites.

Our supply chain

The nature of our current scope of activities means that although we're already starting to buy some products and services, they are largely bought from UK organisations and present low risk packages such as technical services and office equipment.

Initial earthworks at Wylfa Newydd is forecast to start in 2019 with construction to begin the following year in 2020. This will be one of the largest infrastructure projects in the UK, with an anticipated workforce of around 4,000 construction site workers for the majority of the build, rising to up to 9,000 workers at its peak.

To deliver the Project Horizon will procure a number of contracts with approved suppliers. We have recently appointed a Project Management Contractor (PMC) firm who will be responsible for overseeing works or goods and for the quality and performance of the supply chain (including all tiers of sub-contractor) on our behalf.

We are already starting to work closely with our appointed PMC as we further develop our approach to modern slavery and move to implementation of our policies, standards, and procedures as construction begins.

Existing policies, principles and standards

Our modern slavery work is guided and supported by our parent company's approach to human rights. At the heart of this is the Hitachi Group Human Rights Policy¹.

We have developed a number of relevant additional policies and procedures that relate to both our staff and direct operations, as well as our extended supply chain:

- **The Horizon Code of Conduct**, which sets out a framework within which Horizon expects staff to carry out their professional duties. It covers a broad range of topics relating to conduct, including human rights, labour standards and anticorruption.
- **The Horizon Equality Policy**², and the Fair Employment Practices and Procedures.
- **Whistleblowing Procedure**, which includes an independent and confidential hotline.
- **Horizon Supply Chain Charter**³, which sets out the principles, expectations and behaviours we have set for ourselves and our suppliers.

Potential risk

In the previous year we carried out a series of workshops with key staff from across the business to understand the potential human rights impacts, including the risk of modern slavery, of the Project. From that work, we identified two priority areas related to our construction supply chain:

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

These potential risk areas have informed our due diligence work.

Due diligence approach

As construction has yet to begin, our work continues to be about setting up a robust due diligence approach that is ready to go once we start:

- We are creating a set of Sustainability Management Requirements for the PMC and major Project Contractors – our construction services supply chain partners.

¹ http://www.hitachi.com.hk/pdf/top/hitachi_human_rights.pdf

² [https://www.horizonnuclearpower.com/files/downloads/our-policies/Equality%20Policy\(1\).pdf](https://www.horizonnuclearpower.com/files/downloads/our-policies/Equality%20Policy(1).pdf)

³ <https://www.horizonnuclearpower.com/files/downloads/HNP-Supply-Chain-Charter-Eng.pdf>

We are also developing Workforce Management Principles that will set the minimum standards of employment for any construction worker that will be employed on the Project site. They will capture specific requirements to prevent the likelihood of modern slavery and forced labour.

- We are also developing a set of Responsible Supply Chain Standards for Product and Service Suppliers, to be published in the coming year. These will include labour standards and will be used to set expectations for product and service suppliers outside of the Project construction site. They will provide the basis for potential future checks of supplier that are either located in countries, or from specific sectors, with a known potential risk of modern slavery.
- In the coming year we will also be beginning to define the sustainability assessment criteria to be included in the Horizon supplier approval process. All suppliers will need to be put through this screening process, which will include questions and checks around modern slavery. This will allow us to begin to prioritise further engagement and action within the supplier chain.

Training and awareness raising

We recognise the importance of building internal understanding and capability around modern slavery, particularly procurement colleagues and those managing our construction partnerships and will continue to raise awareness within the company.

In the past year we have used the learnings and outputs of workshops on managing social impacts in the supply chain, which were held by our parent company, Hitachi, into our own approach.

Furthermore, Hitachi recently rolled out an e-learning programme to help train employees. This training programme explains the different forms that modern slavery and human trafficking can take and how to report any cases. Horizon will make use of this training, rolling it out to key staff at Project Site level, the PMC and Horizon Procurement in the coming year.



Duncan Hawthorne
Chief Executive Officer
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