

Encyclis Group Modern Slavery Statement 2024

It continues to be a priority for Encyclis Limited, Rookery South Limited, Newhurst ERF Limited and all of the companies in the Encyclis Holdco Limited group (together "Encyclis") to ensure that we trade ethically, source responsibly and work to prevent modern slavery and human trafficking throughout our organisation and in our supply chain.

This statement sets out Encyclis' actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains.

As a growing organisation our commitment to ethical working and prevention of practices like modern slavery is key to our ethos and culture. As a leader in the energy from waste industry, we recognise that we have a responsibility to take a robust approach to slavery and human trafficking and we continue to take our responsibilities very seriously.

Our organisation is absolutely committed to the aims of preventing slavery and human trafficking in its corporate activities, and ensuring that our supply chains are free from slavery and human trafficking.

Organisational structure and supply chains

This statement covers the activities of Encyclis in the UK:

- Encyclis has four operational Energy from Waste (EfW) plants (three in the UK and one in Ireland) and is in the process of constructing and developing three further UK plants. The construction of our new plants is sub-contracted and our Encyclis project managers ensure that construction meets the contractual terms and specifications which include anti-slavery protections and obligations to comply with the Modern Slavery Act 2015.

The following is the process by which Encyclis assesses our risks in relation to slavery or human trafficking:

- Each function or department owns a risk register which it updates periodically.
- We conduct a bi-annual risk review of our activities that includes input from our HR, Procurement, Operations and Legal Teams.
- This risk review is then assessed by our Executive Risk Committee and then reported to the Encyclis Group Audit & Risk Committee which in turn reports to the board of directors of Encyclis Holdco Limited.

Medium-risk activities

The following activities are medium risk activities in relation to the risk of modern slavery or human trafficking:

- The recruitment of direct employees and contract labour is considered a medium risk because of the limited recruitment routes that we use for our own staff (where we have direct control of the recruitment and employment processes and practices), and we have a limited number of third number of suppliers to each of our locations.
- Supply chain risk – the complexities of the supply chain in the waste industry make this a medium risk and has required Encyclis to undertake heightened supplier due diligence in its onboarding and ongoing review and refreshments of supplier anti-bribery and modern slavery compliance through its contract management processes.

Responsibility

Responsibility for our anti-slavery initiatives is as follows:

- Policy, risk assessments, investigations/due diligence, and training: Human Resources, overseen by the Encyclis leadership team.

Relevant policies

We have appropriate policies in place that underpin our commitment to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business. We continuously review and update all our policies.

We operate the following policies that describe our approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations:

- **Whistleblowing policy.** We encourage all our workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, our organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. Our whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation.
- **Employee code of conduct.** Our code makes clear to employees the actions and behaviour expected of them when representing our organisation. We strive to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing its supply chain.
- **The conduct of suppliers and companies we are working in partnership with.** We are committed to ensuring that our suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they provide safe working conditions, treat workers with dignity and respect, and act ethically and within the law in their use of labour. We work with suppliers to ensure that they meet the standards of the code and improve their worker's working conditions. Any serious violations of our supplier code of conduct may lead to the termination of the business relationship. Our Procurement team has introduced the following:
 - A standard supplier due diligence questionnaire which is completed by new suppliers as part of the tender process for Encyclis work which includes questions about their employment practices and requires them to sign a compliance

statement before they are engaged confirming that their practices are in line with our own zero tolerance approach to slavery or human trafficking; and

- All of our standard terms of purchase and supply place contractual obligations on third parties that we engage with to ensure that they and their contractors will comply with the requirements of the Modern Slavery Act 2015.
- **Recruitment approach.** We use only specified, reputable employment agencies to source labour. Agency workers are employed through a small number of suppliers which allows us to have a closer working relationship which, in turn, helps to reduce the risk of slavery and human trafficking.
- **Training.** We have implemented online and in person training throughout the business to raise awareness and establish a culture of compliance with the Group's ethical and statutory responsibilities.

Due diligence

We undertake due diligence when considering taking on new suppliers, and regularly review the performance of our existing suppliers. Our due diligence and reviews include:

- Evaluating the modern slavery and human trafficking risks of each new supplier as part of the procurement process by way of a supplier due diligence questionnaire and other KYC checks; and
- Taking steps to improve substandard suppliers' practices, including providing advice to suppliers through and requiring them to implement action plans.

Training and awareness

We periodically undertake modern slavery training with our Purchasing Managers and HR professionals which extends the teams understanding of our legal and statement commitments and allowed us to review:

- Our business's purchasing practices;
- How we assess the risk of slavery and human trafficking in relation to various aspects of the business, including resources and support available;
- How to identify the signs of slavery and human trafficking and what initial steps should be taken if slavery or human trafficking is suspected;
- How to escalate potential slavery or human trafficking issues to the relevant parties within our organisation and where to obtain external help and support on the issue.

We will continue to raise the awareness of Modern Slavery across the organisation and in our supply chain during the next 12 months. We have created a Modern Slavery Working Group that will monitor the progress in implementing our new procurement processes.

Board Member approval

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Encyclis' slavery and human trafficking statement for the financial year ending 31st December 2024.

This statement was approved on [01/05/2024 by Owen Michaelson, Chief Executive, of behalf of The board of directors of Encyclis, who will review and update it annually.

Signature:**Chief Executives Name:**

Owen Michaelson

Date:

01/05/2024