

	<b>Modern Slavery Statement</b>	<b>Doc. No.: G AA 112 07 Rev. 04</b>
Author: <i>Georgette Banham, 18.05.2020</i>	Reviewer: <i>Thierry Dulong, 17.06.2020</i> <i>Simone Scherer, 01.07.2020</i>	Approver: <i>Bruce Gailey, 02.07.2020</i> <i>Vincenzo Spandri, 02.07.2020</i>

## Table of contents

1	Organisation.....	2
1.1	Organisational structure .....	2
1.2	Countries of operation and supply .....	2
2	Modern slavery.....	3
3	Commitment.....	3
4	Supply chains.....	3
5	Steps.....	4
6	Key performance indicators.....	5
7	Policies.....	5
8	Compliance .....	5
9	Definitions and abbreviations .....	5
10	Further applicable documents .....	6
11	Revision history.....	6

## 1 Organisation

This statement is made by Hitachi Zosen Inova (“HZI”) in accordance with Section 54(1) of the UK Modern Slavery Act 2015 and relates to activities during the financial year 1 April 2019 to 31 March 2020.

This statement sets out the steps HZI has taken to ensure that there is no slavery or human trafficking in its own business and its supply chains.

Only Hitachi Zosen Inova AG meets the threshold required under the UK Modern Slavery Act. However, its subsidiaries follow the same principles and procedures described in this statement.

### 1.1 Organisational structure

Hitachi Zosen Inova AG is owned by Hitachi Zosen Corporation, a Japanese corporation.

Hitachi Zosen Inova AG (Switzerland) has the following direct subsidiaries:  
Hitachi Zosen KRB AG (Switzerland); Hitachi Zosen Inova UK Ltd (United Kingdom); Hitachi Zosen Inova Australia Pty Ltd (Australia); Hitachi Zosen Inova Deutschland GmbH (Germany); Hitachi Zosen Inova U.S.A. Holding Inc. (USA); Hitachi Zosen Inova France Sarl (France); Hitachi Zosen Inova Slovakia sro (Slovakia); HZI Jonkoping Biogas AB; HZI Biogas Operations AB (Sweden); Hitachi Zosen Inova Canada Ltd (Canada); Hitachi Zosen Inova Rus LLC (Russia); Européenne de Services Techniques pour l’Incinération (E.S.T.I.) S.a.S., France.

Hitachi Zosen Inova Deutschland GmbH has the following subsidiaries:  
Hitachi Zosen Inova Kraftwerkstechnik GmbH; Hitachi Zosen Inova BioMethan GmbH; Hitachi Zosen Inova Etogas GmbH.

Hitachi Zosen Inova U.S.A. Holding Inc. has the following subsidiaries:  
Hitachi Zosen Inova U.S.A. LLC.; HZIU Kompogas SLO INC.

HZIU Kompogas SLO INC. has the following subsidiary:  
Kompogas SLO LLC.

### 1.2 Countries of operation and supply

HZI or its subsidiaries are active in Europe and other regions across the world.

The labour supplied to HZI in pursuance of its operation is carried out at project locations across the world primarily in Europe.

## 2 Modern slavery

HZI considers that modern slavery encompasses:

- human trafficking
- forced work, through mental or physical threat
- being owned or controlled by an employer through mental or physical abuse of the threat of abuse
- being dehumanised, treated as a commodity or being bought or sold as property
- being physically constrained or to have restriction placed on freedom of movement.

## 3 Commitment

HZI acknowledges its responsibilities in relation to combating modern slavery and commits to complying with the international and domestic legislation in this regard including the provisions in the UK Modern Slavery Act 2015. HZI understands that this requires an ongoing review of both its internal practices in relation to its labour force and, additionally, its supply chains.

HZI does not enter into business with any organisation, in the United Kingdom or elsewhere, which knowingly supports or is found to involve itself in slavery, servitude and forced or compulsory labour.

No labour provided to HZI in the pursuance of the provision of its own services is obtained by means of slavery or human trafficking. HZI strictly adheres to the standards required in relation to its responsibilities under relevant employment legislation in the Countries of operation.

## 4 Supply chains

The main supply chains of HZI include those related to engineering & design, manufacturing, erection, operation and maintenance, laboratory services, spare parts management, retrofit and service from various suppliers in the United Kingdom and the other Countries where HZI operates. HZI first-tier suppliers may have further contractual relationships with lower-tier suppliers.

HZI recognizes that it has a responsibility to take a robust approach against modern slavery and human trafficking.

HZI considers its main exposure to the risk of slavery and human trafficking to exist in the labour supply of construction and manufacturing individuals both within first tier and lower tier suppliers; this is because they may involve the provision of labour in a Country where protection against breaches of employment laws and human rights may be limited.

In general, HZI AG considers its exposure to modern slavery and human trafficking to be limited as HZI prequalifies and fully vets all prospective suppliers via transparent competitive tender processes. Nonetheless, HZI takes steps to ensure that such practices do not take place in its business nor the business of any organisation that supplies goods and/or services to it.

## 5 Steps

HZI actively ensures that neither modern slavery nor human trafficking take place in its organisation and supply chains, including through applying lawful and transparent HR processes and controls and conducting a review of the controls of its suppliers.

HZI has not, to the best of its knowledge, conducted any business with another organisation which has been found to have involved itself with modern slavery.

In accordance with section 54(4) of the Modern Slavery Act 2015, HZI has taken the following steps to ensure that modern slavery is not taking place:

- reviewed our supplier contracts to include termination powers in the event that the supplier is, or is suspected, to be involved in modern slavery
- put qualification measures in place to identify and assess the potential risks in its supply chains
- undertaking impact assessments of our services upon potential instances of slavery
- created action plans to address risk to modern slavery
- set up alert procedures; the employees of HZI are expected to report violations of the Code of Conduct or the Supplier Code of Conduct to their managers or to the Compliance Officer, as appropriate. Employees may also use HZI's independent Alert Hotline – if desired, anonymously – in accordance with the laws and rules applicable in the country where they live or work.
- decided to expand its online training on Code of Conduct matters to specifically include material designed to raise the awareness of employees in the area of modern slavery and human trafficking.
- the Procurement Department has investigated together with other concerned departments what additional steps if any are necessary when dealing with potential or actual suppliers. This will amongst others include implementation of audits and investigations at HZI's sites related to adherence of its subcontractors and sub-suppliers to the requirements of the UK Modern Slavery Act.
- taken actions to embed a zero-tolerance policy towards modern slavery, for example HZI amended its Supplier Code of Conduct in March 2016 to include specific reference to modern slavery and human trafficking. Suppliers are specifically required to respect best practice and the provisions of the UN Universal Declaration of Human Rights & the Conventions of the International Labour Organization regarding elimination of child labour and non-use of forced labour and eradication of slavery and human trafficking.
- Reviewed HR policies and provided equal opportunities statements to branch offices and placed statements on our HR information and advertisements.
- Meet IFC guidelines on welfare and labour under Performance Standard 2.

## 6 Key performance indicators

In order to decide whether to set performance indicators, to measure its effectiveness in ensuring modern slavery is not taking place in the organisation or its supply chain,

HZI is currently reviewing the World Bank's IFC Performance Standards on Environmental and Social Sustainability and in relation to Performance Indicator 2 Labour and Working Conditions.

**Performance Standard 2 recognizes that the pursuit of economic growth through employment creation and income generation should be accompanied by protection of the fundamental rights of workers. For any business, the workforce is a valuable asset, and a sound worker-management relationship is a key ingredient in the sustainability of a company. Failure to establish and foster a sound worker-management relationship can undermine worker commitment and retention, and can jeopardize a project. Conversely, through a constructive worker-management relationship, and by treating the workers fairly and providing them with safe and healthy working conditions, clients may create tangible benefits, such as enhancement of the efficiency and productivity of their operations.**

HZI undertake to meet all requirements of this Performance Indicator.

## 7 Policies

HZI has the following policies which further define its stance on modern slavery.

- HZI Code of Conduct
- Supplier Code of Conduct
- Recruitment Procedures
- And as part of the review of IFC Performance Standards Corporate Social Responsibility Policy in draft.

## 8 Compliance

HZI Legal and Compliance functions together with all the managers and employees of all disciplines of HZI are engaged in combating modern slavery

This statement is made in pursuance of Section 54(1) of the UK Modern Slavery Act 2010 and will be reviewed for each financial year.

## 9 Definitions and abbreviations

**10 Further applicable documents**

Doc. No.	Title
	Schedule C – Supplier Code of Conduct
	HZI Code of Conduct
	Equal Opportunities Statement and HR Regulations

**11 Revision history**

Changes carried out with the revision:

Revision Index	Short Description of the Changes
1	Original statement
2	Updated for Financial Year 1April 2017 to 31 March 2018
3	Updated for Financial Year 1April 2018 to 31 March 2019
4	Updated for Financial Year 1April 2019 to 31 March 2020