



**SPIRIT ENERGY LIMITED
MODERN SLAVERY
STATEMENT**



This statement, relating to the financial year ending 31 December 2019, is made pursuant to section 54(1) of the Modern Slavery Act 2015 (the “**Act**”) and outlines the steps we have taken as an organisation to assess our operations and supply chains, and mitigate any risk of slavery and human trafficking. Spirit Energy Limited (“**Spirit Energy**”) and its subsidiaries is committed to conducting business ethically and responsibly, and fully supports the aims of the Act and associated standards such as UN Guiding Principles on Business and Human Rights. We are committed to tackling slavery and human rights wherever we can.

Our Organisation

Spirit Energy is a joint venture company, formed in December 2017 by combining Bayerngas Norge AS (“**Bayerngas**”) and Centrica plc’s (“**Centrica**”) Exploration and Production business. Centrica owns 69% of the joint venture with the remaining 31% owned by Bayerngas’ former shareholders, led by Stadtwerke München and Bayerngas GmbH. In July 2019, Centrica announced its intention to exit oil and gas and divest its interest in Spirit Energy.

Spirit Energy is an independent exploration and production company, headquartered in the UK and has teams based across the UK, Norway, the Netherlands and Denmark, overseeing operations in Morecambe Bay, the North Sea and the Norwegian Sea.

During 2019, we continued to work towards separation from Centrica’s functional services. Throughout the year the company has worked hard to create an independent company and has identified new systems and ways of working specific to Spirit Energy.

Our Approach

Spirit Energy has a zero-tolerance approach to slavery and human trafficking, which is underpinned by the following internal and external policies that are available to every individual and entity working for Spirit Energy:

- **Our Code** – Our Code is mandated for all Spirit Energy employees, subsidiaries, affiliate companies, agency staff and consultants. It represents a high-level summary of key areas of our policies and standards, providing a framework to ensure our people, and those we work with, do the right thing; our commitments include respecting human rights and requiring everyone we work with to operate responsibly.
- **Good Repute Policy** – This is directed at HR personnel and line managers and sets out the standards of recruitment that the organisation, including contractors, agents and outsourced arrangements, should adhere to.
- **Procurement and Corporate Responsibility Policy for Suppliers** – Covering third parties that operate for or on behalf of Spirit Energy and sets out our requirements that suppliers will respect human rights, will not use child labour or forced labour in any form and do not or have not contributed directly or indirectly to human rights abuses.
- **Speak Up Policy** – Spirit Energy is committed to dealing with concerns about the company in an open and responsible manner, empowering those that raise concerns and ensuring that those who raise concerns in good faith are protected from retaliation. We have an online and phone-based confidential Speak Up helpline and reporting tool which we encourage the use of.

We live the values of Care, Delivery, Collaboration, Agility and Courage in everything we do.





Governance

As part of separation from Centrica, Spirit Energy created its own Compliance function and appointed a Compliance Officer, with the intention of growing the department further in 2020 in order to ensure the company continues to operate in an ethical and responsible manner. The Compliance function set up a Compliance Workgroup comprised of representatives from functions including Legal & Compliance, HR, Procurement and Communications, which convenes to discuss, review and oversee Spirit Energy's Modern Slavery strategy.

Recruitment

In the UK, our people are subject to various processes to ensure a right to work in the UK. During 2019 and following separation from Centrica's HR function, we commenced an exercise to carry out our own right to work checks for our UK-based employees.

Our recruitment team is committed to assisting with the prevention of Modern Slavery and have identified areas whereby they can update resourcing policies and processes to alleviate risks of Modern Slavery within the company.

Where we use external agencies to provide staff, these agencies are subject to the same procurement due diligence process as any other supplier, and where we seek temporary labour, this is sourced via a managed service partner that is subject to their own obligations under the Act. Where Spirit Energy operates outside of the UK, we comply with local rules and regulations to ensure that our employees have the right to work in these countries and, where permissible by local laws, apply the same standards as we do in the UK. Where we rely on third parties to provide temporary labour, we ensure that they are bound by stringent contractual obligations that require them to support our objectives under the Act.



Training

People are Spirit Energy's most valuable asset and we recognise that appropriate anti-Modern Slavery and human trafficking training will increase awareness as well as mitigate risk within the business and supply chains.

Separation from Centrica's HR function and associated services concluded in September, with Spirit Energy identifying the need to launch its own learning and development system. Spirit Energy ended 2019 having undertaken the necessary steps towards implementing an online learning hub, which will go live in Q1 2020.

The online learning hub will allow us to roll out training right across the company and we will encourage awareness of Modern Slavery by including a mandatory anti-Modern Slavery module as part of our annual compliance training.

Risk Assessments & Supplier Due Diligence

Spirit Energy continues to view its operations as lower risk from the supply chain perspective on account of the nature and jurisdiction of our operations. The Spirit Energy supply chain operates across a variety of industries and jurisdictions and we work with over 1,800 suppliers with the majority of activity centralised and managed by the Procurement function.

New procurement-managed suppliers to Spirit Energy are risk rated using a third-party country and sector risk segmentation tool that considers the product or service being offered and any slavery risk. Suppliers that are identified by the tool as high risk are subject to a further, enhanced risk assessment which takes into account their

corporate responsibility standards, including labour and workers' rights. In 2019, Spirit Energy actively engaged with providers in order to identify a new supplier due diligence tool which would continually screen third-parties for instances of Modern Slavery, and the company intends to select and begin using such a tool in 2020.

During the year we continued to risk assess our suppliers for instances of Modern Slavery. As a result of our risk assessments we concluded that there was no requirement to carry out any site visits or commence investigations into labour in 2019. We will continue to assess our suppliers, old and new, in 2020.

In October, Spirit Energy held its second annual Supplier Day in Aberdeen which was attended by over 200 delegates across our supply chain. The event allowed the company to collaborate with our supply chain and learn how we can all work better together. The event provided the company with a platform to present the company values, while also engaging with our suppliers to ensure their business principles are consistent with Our Code.

The Compliance Workgroup is responsible for the creation and oversight of suitable response and escalation plans for both the supply chain and operations, ensuring that in the event of an identified or suspected Modern Slavery incident Spirit Energy responds in an appropriate and effective manner with a clear governance structure and longer-term strategy.

Next Steps

In 2020 we aim to:

- implement mandatory anti-Modern Slavery training across the company;
- launch a new supplier due diligence tool to continually screen for Modern Slavery in thirdparties;
- build our compliance function to further ensure the company continues to operate in a responsible and ethical manner; and
- continue to review and update our policies where they may help to identify or tackle instances of Modern Slavery.

This statement has been approved by the Spirit Energy Limited Board of Directors.

For and on behalf of Spirit Energy Limited and its subsidiaries



Chris Cox

Chief Executive Officer

Approved on 27 May, 2020

This statement covers the following subsidiary companies:

Spirit Energy Production UK Limited, Spirit Energy Resources Limited, Spirit Energy North Sea Limited, Spirit Energy North Sea Oil Limited, Spirit Energy Southern North Sea Limited, Spirit Production (Services) Limited.