



**SPIRIT ENERGY LIMITED  
MODERN SLAVERY  
STATEMENT**



This statement, relating to the financial year ending 31 December 2020, 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, owned by Centrica plc (69%) (“**Centrica**”) and Stadtwerke München (31%). In July 2019, Centrica announced its intention to exit oil and gas and divest its interest in Spirit Energy. Although this process was initially postponed during 2020, Centrica has restated its intention to 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 and the Netherlands, overseeing operations in Morecambe Bay, the North Sea and the Norwegian Sea.

## 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** – 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

During 2020, the Company grew the Compliance function 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 and Fair Pay

In the UK, our people are subject to various processes to ensure a right to work in the UK. During the 2020 global pandemic, we continued to carry out our own right to work checks for our UK-based employees prior to employment commencing, this included e-right to work checks via video

conference held by our recruitment team and the individual. Spirit Energy will have all e-right to work checks redone upon return to office.

During 2020, Spirit Energy proactively engaged with external counsel to identify the risks and uncertainties of Brexit and communicated with EU employees working in the UK to ensure they had the correct documentation in place following the Brexit transition period. Spirit Energy will continue to assess the impact immigration rules may have on Modern Slavery risks within the Company.

Our recruitment team is committed to assisting with the prevention of Modern Slavery and during 2020 has continued to work on updating resourcing policies and processes to alleviate risks of Modern Slavery within the Company.

We ensure that our employees are rewarded fairly. In 2020, we provided our employees with greater transparency on how any annual bonus payments are funded together with the determination of individual bonus awards, as well as steps employees can take to progress their career, recognising the value of our people. Next year, we will provide further transparency on how we determine and manage pay budgets and the setting of individual pay against external industry benchmarking.

During 2020 we renewed or expanded our memberships and pledges as part of our commitment to ensuring fairness for the most vulnerable groups.



### 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.

During 2020, Spirit Energy identified various topics to be undertaken as part of the Company's annual compliance training, which included a module on Modern Slavery to raise awareness of Modern Slavery including how to identify it, which will be rolled out across the organisation in 2021.

### 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.

The Company implemented a new due diligence tool during 2020 whereby all new third party suppliers to Spirit Energy will be risk assessed. The tool assesses for any negative or adverse media coverage on Labour, Ethical/Regulatory Non-Compliance issues, and the Company is notified of such updates as any issues arise. During the year we continued

to risk assess our suppliers for instances of Modern Slavery. We will continue to assess our suppliers, old and new, in 2021.

Although the Company was unable to host its annual supplier conference in person, the Company streamed the event online which was attended by over 250 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 Covid-19 pandemic combined with increased cost pressures on operators and supply chains required careful management. Spirit Energy worked collaboratively with its supply chain looking for opportunities to reduce cost without unduly impacting suppliers. In addition, special attention was paid to our payment profile to minimise any delays in payment and support supplier cash flow.

### **Our Performance During 2020**

- We liaised with training providers to identify a Modern Slavery module that could be rolled out across the Company. Due to Covid-19 we were unable to roll out the training to the organisation during 2020 but we carried out the necessary preparations to allow for roll out in early 2021;
- We launched our new supplier due-diligence tool, so we are alerted to any instances of Modern Slavery;
- We added to our Compliance Team by another member to ensure the Company continues to operate in a responsible and ethical manner; and
- We identified policies to update that could assist in tackling instances of Modern Slavery.

### **Next Steps**

We continually monitor risks and the working landscape in respect of Covid-19 and acknowledge that we may need to adapt our focus and commitments. In 2021 we aim to:

- roll out anti-Modern Slavery training across the Company;
- launch an internal webpage on Reward;
- implement a new red flag process to ensure any instances of Modern Slavery are investigated with recommendations and actions made to the Executive Committee;
- raise greater awareness of Speak Up to ensure everyone is aware of the tool and how to use it;
- include our statement on the Modern Slavery Statement Registry; 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 19 May, 2021

**This statement covers the following subsidiary companies:**

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