

Modern Slavery and Human Trafficking Statement

Octopus Renewables Infrastructure Trust plc

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DOCUMENT CONTROL

Frequency of Review

The Octopus Renewables Infrastructure Trust plc Modern Slavery and Human Trafficking Statement (Statement) is updated whenever there are material updates to any practices contained in the Statement but in any case, no less than on an annual basis.

Modern Slavery Act Statement

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and is Octopus Renewables Infrastructure Trust plc statement on slavery and human trafficking for the financial year ending 31 December 2023. This statement was approved by the Octopus Renewables Infrastructure Trust plc Board on 26 January 2024 and signed on its behalf by:



Name: Philip Austin

Title: Chairman of Octopus Renewables Infrastructure Trust plc

INTRODUCTION

Octopus Renewables Infrastructure Trust plc (“ORIT” or the “Company”) is committed to maintaining the highest standards of ethical behaviour and expects the same of its business partners. The use of slavery and human trafficking is unacceptable and entirely incompatible with its ethics as a business. ORIT believes that all efforts should be made to eliminate it from its supply chains.

This statement sets out how ORIT plc incorporates its social, environmental and governance (ESG) strategy which comprises human rights including modern slavery and human trafficking issues in its own business and its supply chain.

1. ORGANISATION & SUPPLY CHAIN

Octopus Renewables Infrastructure Trust (“ORIT” or the “Company”), is a London listed investment trust, investing in renewables energy assets to provide returns to investors. The Company’s investment mandate spans Europe, the UK and Australia, offering opportunities for income and capital growth.

ORIT Holdings II Limited is the sole subsidiary for ORIT, which in turn, has other holding companies as subsidiaries (see Figure 1 for the Company’s structure chart). These holding companies invest into Special Purpose Vehicles (“SPVs”), either directly or indirectly through portfolio-level holding companies. A list of SPVs and portfolio-level holding companies as of 31st December 2023 can be found in Appendix 1. Assets and portfolio companies in the underlying SPVs can be wholly owned, majority owned, or minority owned.

The Board of Directors of the Company (the “Board”) comprises of five independent UK non-executive directors. The Company has no direct employees and has delegated the day-to-day management of its investments, including ESG matters, to its Investment Manager, Octopus Renewables Limited (trading name “Octopus Energy Generation” or “OEGEN”).

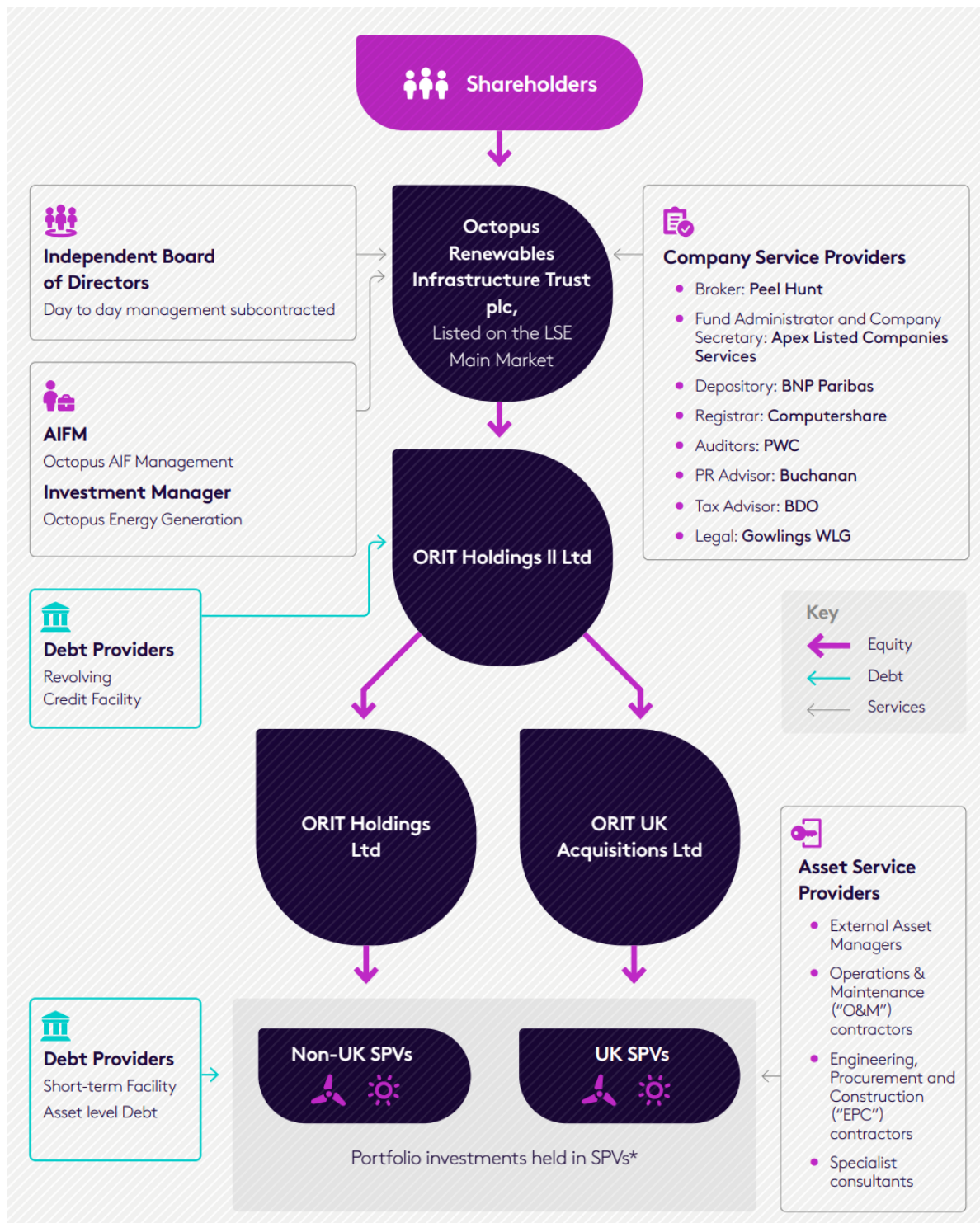
OEGEN is a London based, specialist renewable energy fund manager, investing in operating and construction assets, development projects, developers and broader projects and companies relating to energy transition. OEGEN is a responsible investor and manages investments on behalf of investors by working with outsourcers, contractors and suppliers globally, with a focus in the UK and Europe. OEGEN’s modern slavery policy and statement can be found here:

https://assets.octopusenergygeneration.com/x/7cfaed909e/oegen_modern_slavery_statement_september_2023.pdf

The majority of other services supplied to ORIT at the plc level are from the financial services industry.

The structure chart is presented in Figure 1.

Figure 1



* Some investments in SPVs may be held indirectly through portfolio-level holding companies

octopus renewables
infrastructure trust

2. OUR POLICIES AND GOVERNANCE IN RELATION TO MODERN SLAVERY

ORIT is committed to addressing risks of human trafficking and modern slavery and has developed policies and standards to govern its approach to address human rights risk.

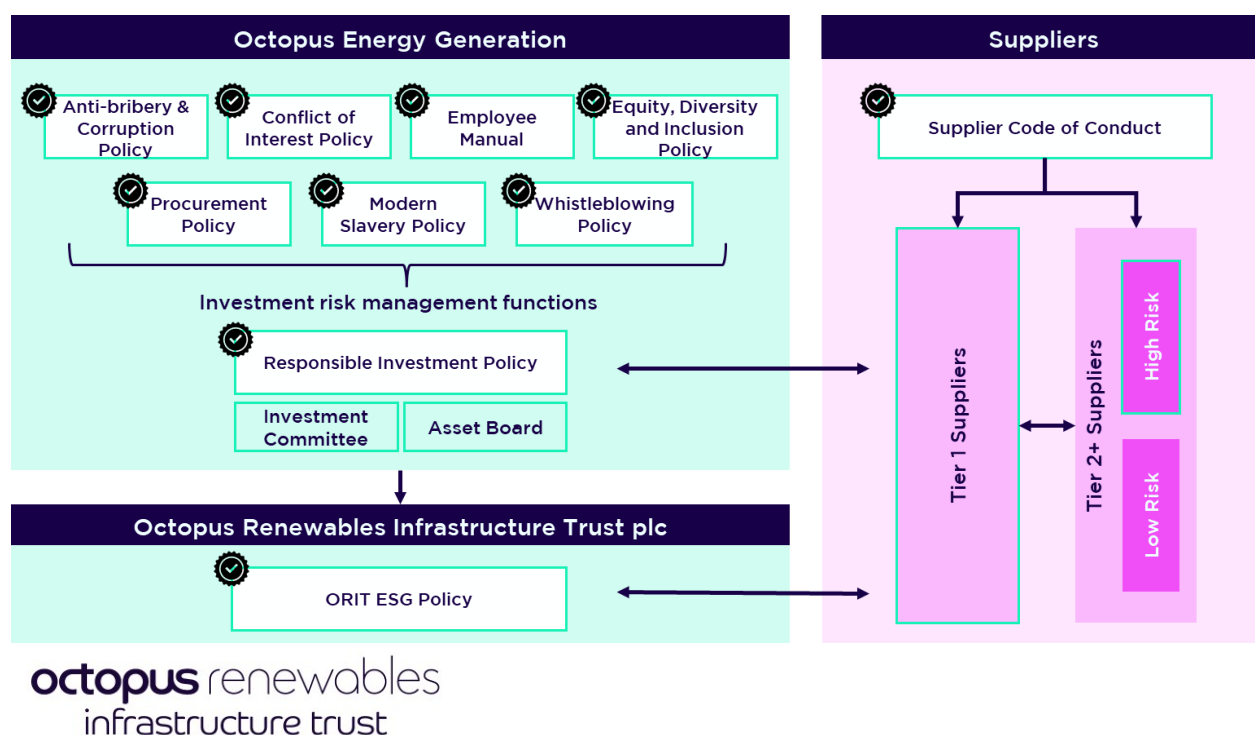
ORIT has an ESG policy that considers modern slavery risk as well as an Impact Strategy. These are available on the Company's website: <https://www.octopusrenewablesinfrastructure.com/esg>

Governance for suppliers directly at the investment trust plc level is the overall responsibility of the ORIT Board. Annual reviews of suppliers are conducted by the Management Engagement Committee.

For investments, management of human rights in ORIT's operations and supply chain is supported by the Investment Manager's teams and governance structure. The Investment Manager's ESG team, works alongside the Asset Management and Investment teams to ensure that the topics of human trafficking and modern slavery are embedded across the business and ORIT's supply chain when sourcing and managing assets. Accountability for ensuring that risks are addressed sit with the Investment Committee for potential new assets and the OEGEN Asset Board for existing assets. OEGEN report regularly to the ORIT board on ESG matters and maintain open lines of communication with the ORIT Board on an ongoing basis.

OEGEN's governance framework is illustrated in Figure 2.

Figure 2:



- OEGEN has a wide range of policies that demonstrates OEGEN’s high integrity and expectations for their suppliers.
- OEGEN’s Responsible Investment policy governs how OEGEN manages risk in relation to its investment and management activities. As a signatory to the Principles for Responsible Investment, OEGEN is required to make reasonable endeavours to procure the ongoing compliance of its portfolio companies (i.e. ORIT) with its policies on responsible investment. This policy outlines OEGEN’s commitments to do business the “right way” - highlighting OEGEN’s determination to follow its core values in everything it does, engaging with suppliers that share similar beliefs and also that meet their internal policies. A key focus area highlighted in the ESG framework presented by this policy is human rights in the supply chain.
- As well as an overarching OEGEN Responsible Investment policy, ORIT has its own bespoke ESG policy which dictates the direction, depth and breadth of the ESG approach for ORIT, although the standards in this ESG policy must always equal or exceed the OEGEN Responsible Investment policy.
- Finally, OEGEN requires its direct suppliers, contractors, and business partners (including those associated with ORIT’s assets) to conduct their business responsibly. For OEGEN, it is important that all activities and business conducted in OEGEN’s supply chain seek to be in line with their Supplier Code of Conduct whose set requirements are based on the UN Global Compact, the UN Guiding Principles for Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The Supplier Code of Conduct considers these standards in relation to human rights, non-discrimination, child labour, forced/compulsory labour, minimum wage and benefits, working hours and occupational health and safety, freedom of association and right to collective bargaining, rights of indigenous people and anti-corruption.

3. DUE DILIGENCE AND HOW WE APPROACH RISKS IN OUR BUSINESS & SUPPLY CHAIN

For direct service providers to the Company, modern slavery risks are assessed, and policies collated as part of initial and ongoing due diligence reviews. The residual risk is deemed low.

ORIT is reliant on its Investment Manager in relation to supply chain due diligence for its investments. ORIT is supportive of OEGEN's approach and has summarised this below. For more information on OEGEN's approach, please refer to OEGEN's formal statement, that can be found on their website:

https://assets.octopusenergygeneration.com/x/7cfaed909e/oegen_modern_slavery_statement_september_2023.pdf.

OEGEN manages the risks related to modern slavery and human trafficking by conducting due diligence on Tier 1 suppliers prior to investment and on an ongoing basis. Tier 1 suppliers are those that are usually involved in an investment transaction or appointment as an outsourced partner as a result of a tendering process. These suppliers are likely to become part of an ongoing business relationship with ORIT/OEGEN. Given the nature of our business and the countries in which our Tier 1 suppliers operate, we expect human right risks to be low.

OEGEN would also perform identity verification and background checks on Tier 2 suppliers and would consider undertaking additional due diligence if the Tier 2 suppliers have been categorised as "high risk". Tier 2 suppliers are those that are a part of ORIT/OEGEN's supply chain but usually either involved in one-off transactions, those where the potential risk to ORIT/OEGEN is considered to be lower or where there is no direct business relationship with ORIT/OEGEN. Tier 2 suppliers are categorised as "high risk" if they are flagged as having low levels of transparency in their own supply chain or if they operate in a country/region deemed to be high risk. An example of an area that we have identified as high risk for our supply chain is the level of forced labour in the Asia-Pacific region, specifically in relation to the suppliers of renewable energy equipment manufacturers. A breakdown of the due diligence steps undertaken for each type of supplier is included in Table 1.

ESG risks consideration is incorporated in every part of the investment process. Every investment is assessed through an ESG matrix, with minimum scores for investment approval as part of each Investment Committee (IC) paper submitted in the IC process. Labour standards of key suppliers for the deal and their own supply chain standards are assessed in the ESG matrix. As such, accountability for ensuring that each investment we make adheres to our policies sits with the IC.

After making an investment (and once the invested assets are either in construction or operation), the OEGEN Asset Board is responsible for ensuring that each investment adheres to the relevant fund ESG policy. Should any material risks (including human rights risks) in the portfolio be identified by the OEGEN Asset Board, a mitigation strategy would be agreed amongst the Board and the Asset Management team (with support from the ESG team) would be responsible for overseeing the implementation of the strategy by the third-party asset managers.

Risks are monitored through the various reporting and whistleblowing lines implemented throughout OEGEN's supply chain and the regular review of ORIT's suppliers. OEGEN commits to reviewing its Tier 1 suppliers and "high risk" Tier 2 suppliers on an annual basis at a minimum. This review includes a desktop assessment of supplier's policies and procedures and on-site audits where necessary. Any previously identified "high risk" Tier 2 suppliers would be regularly reviewed until the OEGEN Asset Board is satisfied that the risk is fully mitigated at which point they would be recategorised as "regular" Tier 2 suppliers.

If OEGEN discovered that a supplier was accepting modern slavery in its business or supply chain or if OEGEN suspected there were risks of modern slavery in a supplier's supply chain, OEGEN would engage with the supplier to encourage the removal of such practices and, if necessary, terminate or not pursue a business relationship with that supplier on behalf of ORIT.

Table 1:

Phase	Step	Tier 1	"High Risk" Tier 2
Prior to investment	Desktop assessment of counterparty to ensure that they have the required policies and procedures in place to mitigate the risk of modern slavery. This includes requiring suppliers to have a modern slavery statement, whistleblowing policy, antibribery and corruption policy or requiring them sign onto OEGEN's Supplier Code of Conduct in their contractual agreement if they do not already have a code of conduct that is equally robust.	✓	✓
	Counterparty risk screened against watchlists, government records and media searches for any concerns relating to various human rights issues such as trafficking, violent crime, anti-bribery, and anti-corruption legislation amongst others. Where concerning alerts are found, these are escalated to the compliance function to evaluate the severity and impact of these to advise the IC on the risks associated with the specific counterparty in question. Where these risks are significantly material and cannot be mitigated sufficiently, the IC will decline the opportunity.	✓	✓
	Statements from counterparty that there is no modern slavery within supplier's supply chain.		✓
	Assess the need for an on-site audit of the supplier to evaluate the suppliers' policies and procedures as well as their practices through interviewing workers and other staff on the supplier's premises. This will help to verify practical implementation of their accepted codes of conduct and the provenance of key materials.		✓
	Seek contractual agreement for supply chain traceability and ongoing monitoring of suppliers through further audits where necessary (e.g. to provide a supplier list which shall list top 5 suppliers for all materials used in the production of goods purchased.)		✓
	Follow OEGEN Selection and Management of Contractor Standard to ensure that contractors working on behalf of ORIT/OEGEN are competent and have systems in place to comply with all local health, safety and environmental legislation, guidance and standards as a minimum. The procedure also ensures contractor values and culture are aligned.	✓	✓
Annual monitoring	Review of policies and supplier code of conduct	✓	✓
	Ongoing monitoring through the Asset Board and grievance channels	✓	✓
	Ongoing monitoring through further on-site assessments.		✓

4. KEY RISKS IDENTIFIED WITHIN OWN OPERATIONS & SUPPLY CHAIN

ORIT is committed to acting ethically and with integrity in all its business dealings and relationships to ensure modern slavery is not taking place anywhere directly in its own business and we deem this risk to be low. ORIT recognises its responsibility in preventing modern slavery in its business dealings, specifically with regard to its supply chain and is dedicated to taking steps to reduce the risk of modern slavery taking place in the businesses of its suppliers and their supply chains.

Specifically, ORIT recognises that investments in solar present a significant risk as there is widely known evidence to suggest that a large proportion of the current global polysilicon supply chain is at high risk of forced labour violations. Polysilicon is the raw material required to create most solar panels. ORIT's Investment Manager has implemented a procurement policy to address this risk. ORIT's Investment Manager's ultimate goal is to eliminate this risk through increased transparency in the supply chain enabling evidence-based purchasing decisions and through actively engaging, lobbying and driving change in the solar industry. While this will take time, ORIT's Investment Manager commits to:

1. Exclude investment opportunities that do not align with their procurement policy. This requires suppliers to be on their allow/deny list and to provide written confirmation statements as well as evidence that their business practices do not support forced labour. The allow/deny list is formed of panel manufacturer suppliers that OEGEN projects are allowed to procure from. This list has been completed by working with an external auditing expert that verifies whether the supplier meets our minimum criteria. Currently, suppliers on the deny list include any high-risk panel manufacturers with direct operations in sensitive regions.
2. For investment opportunities that do not 100% align to the procurement policy, investment may only be acceptable if an improvement plan can be identified. Typically, a suitable improvement plan amounts to replacement of the high-risk component.
3. Regularly review their procurement policy and allow/deny list of suppliers to make sure it is in line with latest market findings.

ORIT also acknowledges the potential risks of modern slavery linked to the raw materials used in battery energy storage systems. ORIT's Investment Manager, OEGEN, has also implemented a battery procurement policy in collaboration with a sustainable battery supply chain specialist aimed at mitigating these risks. OEGEN anticipates that it will proactively manage these risks by engaging actively and aligning with emerging regulations, such as the EU battery regulation, which specifically addresses these concerns.

5. CONSULTATION & COLLABORATION

ORIT's and OEGEN's approach to Modern Slavery and Human trafficking is guided by the principles in the Modern Slavery Act, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, the OECD Due Diligence Guidance for Responsible Business Conduct and the Ethical Training Initiative Base Code. This approach is likely to adapt as developing best practices emerge from sector specific working groups such as Solar Energy UK's ("SEUK") Solar Stewardship Initiative.

6. TRACKING PROGRESS & EFFECTIVENESS

ORIT is committed to the prevention of modern slavery and upholding the commitments set out in this document. ORIT however recognises there can be limitations of what can be done in practice. For example, there is an extensive and complicated supply chain beyond ORIT's Tier 1 suppliers and transparency of these supply chains is often difficult to ascertain.

ORIT will continue to review its Investment Manager's approach to mitigating human rights risk and look to encourage methods that increase visibility of its supply chain beyond Tier 1 suppliers and high-risk Tier 2 suppliers.

7. LOOKING AHEAD

As the industry evolves ORIT will strengthen communication efforts based on upcoming human rights impact assessments and other human rights risks prevalent in the industry, we operate in. We will continue to monitor the Investment Manager's strategy, ensuring the ongoing delivery of ample knowledge, training, and tools. This oversight aims to guarantee that the Investment Manager remains well-equipped to proficiently recognize and handle ESG-related risks and opportunities in the management of ORIT. ORIT's Investment Manager also keeps the Board apprised of any developments in approach and knowledge in regard to key trends in the sector. Both now and in future, ORIT is committed to acting responsibly, ethically and with integrity in all its business dealings, without exception.

APPENDIX 1

SPV company
Abbots Ripton Solar Energy Limited
Chisbon Solar Farm Limited
Jura Solar Limited
Mingay Farm Limited
NGE Limited
Sun Green Energy Limited
Westerfield Solar Limited
Wincelle Solar Limited
Heather Wind AB
Solstice 1A GmbH
SolaireCharleval SAS
SolaireIstres SAS
SolaireCuges-Les-Pins SAS
SolaireChalmoux SAS
SolaireLaVerdiere SAS
SolaireBrignoles SAS
SolaireSaint-Antonin-du-Var SAS
Centrale Photovoltaïque de IOVI 1 SAS
Centrale Photovoltaïque de IOVI 3 SAS
Arsac 2 SAS
Arsac 5 SAS
SolaireFontienne SAS
SolaireOllieres SAS
Eylsia SAS
CEPE Cerisou
Cumberhead Wind Energy Limited

ORIT Irish Holdings 2 Limited
ORIT Irish Holdings Limited
Nordic Power Development Limited
Saunamaa Wind Farm Oy
Vöyrinkangas Wind Farm Oy
ORI JV Holdings Limited
ORI JV Holdings 2 Limited
Simply Blue Energy Holdings Limited
South Kilbraur Wind Farm Limited
Windburn Wind Farm Limited
Wind 2 Project 2 Limited
Wind 2 Project 5 Limited
Wind 2 Project 3 Limited
Kirkton Wind Farm Limited
Bwlch Gwyn Wind Farm Limited
Wind 2 Project 6 Limited
Wind 2 Project 4 Limited
ORI JV Holdings 3 Limited
Nordic Renewables Limited
Nordic Renewables Holdings 1 Limited
ORI JV Holdings 4 Limited
ORI JV Holdings 5 Limited
ORI JV Holdings 5 Holdco Limited
ORI JV Holdings 6 Limited
ORIT Lincs Holdco Limited
ORI Lincs Holdings Limited
Clyde SPV Limited
Blota Germany GmbH
Blota GP GmbH

UKA Windenergie Leeskow GmbH
UGE Leeskow Eins GmbH & Co. KG Umweltgerechte Energie
Infrastrukturgesellschaft Leeskow mbH & Co. KG
Burwell 11 Solar Limited
Crossdykes WF Limited
UK Green Investment Lyle Limited
Lincs Wind Farm (Holding) Limited
Lincs Wind Farm Limited
Hyro Energy Limited
Green Hydrogen 1 Limited
Green Hydrogen 2 Limited
Green Hydrogen 3 Limited
Green Hydrogen 4 Limited
Green Hydrogen 5 Limited
Gridsource (Woburn Rd) Limited
Haaponeva SPC Oy
BHill SPC Oy
Luola S SPC Oy
Mikkeli S SPC Oy
Eero S SPC Oy
S Tuuli SPC Oy
KNorgen SPC Oy