



CHALLOCH ENERGY

Ethical Employment Policy

Dr Simon Minett, Chief Executive Officer

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OBJECTIVES & SCOPE

Challoch Energy, its staff and associates conduct our business fairly, ethically and with respect to fundamental human rights. We are committed to ethical employment practices, both in our business and in our supply chains.

Objectives

- To ensure compliance by Challoch Energy with Ethical Employment codes of practice in every jurisdiction in which we operate. Violation may lead to severe penalties, including fines and imprisonment, and would be damaging to Challoch Energy's business and reputation.
- The policy covers all our business activities and to ensure that ethical employment practices
- The policy is reviewed annually and revised as necessary in compliance with the Welsh Government Code of Practice – Ethical Employment in Supply Chains.

Scope of the Policy

1. Modern Slavery
2. Blacklisting
3. Whistleblowing
4. Unfair employment practices
5. Paying the Living Wage

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1. MODERN SLAVERY & HUMAN RIGHTS ABUSES

Modern slavery involves one person denying another person his or her freedom, and can take the form of:

- the buying and selling of people;
- holding people in captivity;
- human trafficking – the recruiting, transporting, transferring, harbouring or receiving of a coerced person for exploitation, or deceiving a person into travelling;
- child labour; and
- other forms of exploitation where people are forced to work against their will

Human rights are the basic standards that all people are entitled to in order to live in dignity. Within the workplace, these can include:

- Physical abuse;
- Humiliation, harassment (including sexual harassment) and intimidation;
- Child labour;
- Excessive working hours;
- Low wages;
- Poor and/or unsafe working standards and conditions;
- No, or minimal, breaks;
- Deprivation of food, shelter etc.;
- Unequal treatment based on factors such as race, gender, religion, migrant status etc..

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MODERN SLAVERY & HUMAN RIGHTS ABUSES

- Challoch Energy employees are requested to read and comply with this policy if you work for, or on behalf of us in any capacity including as:
  - an employee, director, officer, worker, consultant, volunteer, supplier or service provider.
- We carry out appropriate checks on all employees, recruitment agencies and suppliers, so that we know who is working for us or on our behalf.
- You must immediately report any suspicions of Modern Slavery in our business or supply chains to senior management.
- You will not suffer any detrimental treatment as a result of reporting any genuine concerns, raised in good faith, under this policy.

Suppliers of goods or services must assess their business and supply chains and confirm that they:

- Comply with all legal obligations, in relation to Modern Slavery; and
- Are committed to ensuring there is no Modern Slavery taking place in their business, or in any of their supply chains.
- If a supplier breaches this policy or is found to have Modern Slavery in their business, or knowingly in their supply chain, we may terminate our contract with them and pursue legal action against them.

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2. BLACKLISTING

Blacklisting, or use of prohibited lists, is the unlawful practice of compiling information on employees on their Trade Union membership and related activities, in order to discriminate against them.

Blacklists can also potentially contain further details on individuals who have reported concerns, for example, regarding health and safety and/or environmental matters.

Blacklisting can be damaging to the careers and livelihoods of individuals who have been denied employment opportunities. The potential impacts on those workers targeted include:

- Inability to gain employment in their chosen industry without understanding why
- Defamation of character
- Long-term unemployment; and
- Personal issues such as financial, family and serious health problems.

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BLACKLISTING

Challoch Energy prohibits blacklisting. This means Challoch will not:

- Compile, use, share, sell, or rely on secret lists of people who have raised workplace concerns, taken industrial action, joined a trade union, or exercised lawful employment rights.
- Refuse employment, work, promotion, training, or assignment opportunities because of lawful trade-union membership or activity.
- Retaliate against a person for whistleblowing, raising a grievance, asserting statutory rights, or participating in an investigation.
- Ask recruitment agencies or suppliers to discriminate against individuals based on protected characteristics, union activity, past complaints, or lawful industrial action.

Recruitment decisions must be based on lawful, job-related criteria, skills, experience, conduct, and business need.

Suppliers of goods and services must assess their business and supply chains and confirm that they:

- Comply with all legal obligations, in relation to Blacklisting; and
- Are committed to ensuring there is no Blacklisting taking place as part of their or their suppliers' procurement process.
- If a supplier breaches this policy or is found to use Blacklisting in their business, or knowingly in their supply chain, we may terminate our contract with them and pursue legal action against them.

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3. WHISTLEBLOWING

Whistleblowing concerns wrongdoing that affects others, the public, or the Company.

Challoch Energy encourages anyone who works for it, or on its behalf, to speak up about suspected wrongdoing, unethical conduct, or breaches of this policy. Workers will not suffer detriment for raising a genuine concern.

Reports may include, but are not limited to:

- Modern slavery, forced labour, trafficking, child labour, or other human-rights abuses.
- Blacklisting, discrimination, harassment, bullying, intimidation, or retaliation.
- False self-employment, misclassification, unlawful deductions, or non-payment of wages.
- Abuse of umbrella schemes, zero-hours arrangements, or labour-provider arrangements.
- Failure to pay the Living Wage, statutory minimum wage, holiday pay, or pension contributions.
- Health-and-safety risks, unsafe working conditions, or failure to provide required protective equipment.
- Fraud, bribery, corruption, tax evasion, money laundering, or concealment of any of these matters.
- Environmental harm or breach of legal or regulatory obligations.
- Attempts to conceal, destroy, or falsify evidence relating to any of the above.

A person may raise a concern through the senior management in confidence or where internal reporting is inappropriate, has failed, or the person prefers to report externally, through a proscribed body or regulator.

Challoch Energy strictly prohibits retaliation against anyone who makes a report in good faith, assists an investigation, refuses to participate in wrongdoing, or exercises lawful whistleblowing rights.

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4. UNFAIR EMPLOYMENT PRACTICES

False Self-Employment:

- False self-employment concerns employment where the contract of employment with the worker does not properly reflect the reality of the relationship.

The problems that false self-employment causes include:

- unfair competitive advantage for those businesses who disregard their Pay as You Earn (PAYE) and National Insurance (NICs) obligations and other costs related to direct employment when they engage workers and a corresponding disadvantage for those businesses which properly engage their workers as employees.
- Loss of entitlement for the worker to Jobseekers Allowance and State Second Pension and loss of redundancy pay, maternity/paternity leave and pay, sick pay, holiday pay, overtime premium payments, travel allowances
- Lack of long-term job security and career opportunities
- Loss of revenue to the Exchequer, as the correct amount of income tax and NICs may not be paid

Challoch Energy will not misclassify individuals as self-employed to avoid employment rights, tax obligations, minimum-wage duties, holiday pay, pension duties, health-and-safety responsibilities, or other legal protections.

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UNFAIR EMPLOYMENT PRACTICES

Umbrella Payment Schemes:

- An Umbrella Company is a business that directly employs contractors and freelancers who typically work through recruitment agencies. Umbrella companies may be used only where they provide a lawful, transparent, and fair employment arrangement.
- Challoch Energy will not use umbrella arrangements to reduce workers' rights, obscure responsibility, or avoid pay obligations.

Zero-hours and Variable-hours Contracts

- Zero-hours contracts are used to set out casual agreements between an employer and an individual. Generally, under a zero-hours contract employers do not guarantee to provide any work and pay only for work undertaken.
- Challoch Energy does not and will not use zero-hours or variable-hours contracts in the employment of any of its staff members.

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5. PAYING THE LIVING WAGE

- The Living Wage is a voluntary hourly rate that is set by the Living Wage Foundation (www.livingwage.org.uk) based on the cost of living.
- Challoch Energy is committed to paying all directly employed staff at least the real Living Wage, as independently calculated by the Living Wage Foundation, or the higher of that rate and any applicable statutory minimum.
- The current published real Living Wage rates are £14.10 per hour across the UK; these rates are voluntary, independently calculated, and based on the cost of living.
- Pay is reviewed annually when new Living Wage rates are announced and implement increases within the applicable implementation period.

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