

MODERN SLAVERY ACT 2015

JERA Global Markets 2019 Statement on Modern Slavery and Human Trafficking

This statement is made in accordance with the Modern Slavery Act 2015 and sets out the steps taken by JERA Global Markets Pte. Ltd. (London) ("JERAGM London") to ensure that slavery and human trafficking are not taking place in our business or our supply chains.

1. Overview

JERA Global Markets Pte. Ltd. ("JERAGM") is a jointly owned company two-thirds by JERA International Pte Ltd., a wholly-owned subsidiary of JERA Co., Inc., which is an equal JV between two major Japanese electric power companies, TEPCO Fuel & Power and Chubu Electric Power Company, and one-third by EDF Trading, a wholly-owned subsidiary of EDF S.A., the leading low carbon power producer in Europe. JERAGM operates in Singapore (JERAGM), with a branch in London (JERAGM London), and a subsidiary in Maryland, USA (JERA Global Markets North America, LLC), covering business areas of coal and freight trading.

JERAGM London has considered all of its major supply chains. These cover the purchase of physical energy commodities (coal and freight), computer hardware, furniture and office fittings, consumables such as drinks and cleaning supplies, and cleaning and maintenance staff. As JERAGM is an energy trading company, purchases other than energy commodities form a small part of our business.

We have focussed our compliance efforts for 2018 on more tangible products where it is possible to identify the supply chains and take steps to assess them. These include coal, freight and computer equipment.

2. Policies in relation to slavery and human trafficking

JERAGM's human resources guidelines include policies to support equal opportunities and against bullying and harassment. Our procurement policy has a section specific to the Modern Slavery Act and requires all employees to consider the goals of the Act in all purchasing decisions, by investigating the labour practices and supply chains of potential suppliers. Additionally we have a third party whistleblowing hotline that is available to all employees and contractors, to report any instances or suspicions of slavery, human trafficking, or other unethical behaviour.

3. Risk assessment

Having reviewed and evaluated all of our supply chains, we have determined that the greatest risk of modern slavery and human trafficking lies in the purchase of coal, freight services and computer hardware. We have therefore concentrated our efforts on these supply chains.

4. Steps taken to assess and manage the risk of modern slavery and human trafficking

4.1 Coal

Coal is mined in many countries that do not have a good reputation for respecting the human rights of their workers. In order to mitigate this risk, JERAGM is a member of Bettercoal, which is a not-for profit initiative to promote corporate responsibility in the coal supply chain, with a specific focus on mines. The Bettercoal code covers various topics including human rights, ethics, health and safety and environmental performance. Bettercoal solicits detailed self-assessment questionnaires from mining companies, and conducts independent site audits.

4.2 Freight

The vessels used by JERAGM to transport coal (and other commodities) are staffed by highly professional crews and we consider there to be a low risk of modern slavery on board ship. However, our ships dock in countries where the risk of modern slavery is higher, and when in dock consume services such as stevedoring and hold cleaning. These may have a higher risk of modern slavery, particularly in high risk countries.

Freight services such as these are organised by port agents, who are appointed by vessel charterers. Where we are the charterers we work with a select group of port agents (one or two per port) with whom we have longstanding relationships of up to fifteen years. We believe that establishing long term relationships with suppliers is the best way to mitigate the risk of modern slavery in this area.

4.3 Computer Hardware

The majority of the computer hardware available for sale in the UK originates in countries which do not have a good reputation for respecting the rights of workers. However, while computer hardware is a major expense for JERAGM London, we recognise that our purchases are small given the overall size of the market and our market power is limited.

In order to mitigate the risk of modern slavery in our supply chain for computer equipment JERAGM London,

through our affiliate EDF Trading, use only suppliers with a UK base, who are subject to the Modern Slavery Act. We have written to all of our suppliers asking them what they are doing to ensure there is no modern slavery or human trafficking in their supply chains. Additionally, the majority of our purchases consist of branded products whose suppliers already publish anti-slavery statements in accordance with the California Transparency in Supply Chains Act of 2010. We will continue to review our supply chains for all IT equipment in line with our procurement policy. Furthermore, we ensure that obsolete IT equipment is recycled in an ethically responsible way.

5. Performance Indicators

During 2018, 82% of the coal JERAGM London purchased directly from mines came from mines that were compliant with the Bettercoal assessment programme.

The majority of JERAGM London's IT purchases came from tier one suppliers who were compliant with the Modern Slavery Act. Our six largest brands of IT hardware are all manufacturers who have published robust anti-slavery policies or statements (either in accordance with the Modern Slavery Act or the California Transparency in Supply Chains Act).

6. Training

All staff involved in coal procurement in JERAGM London are trained in the Bettercoal assessment procedure and the head of coal procurement in JERAGM London represents JERAGM on the board of Bettercoal.

All staff involved in purchasing decisions are aware of the JERAGM procurement policy, which is also available on our intranet. Key staff involved in the procurement of IT hardware and consumables have been specifically trained on the requirements of the Modern Slavery Act.

The board of directors of JERAGM approved this statement at its meeting on 24 January 2019.

The Board of Directors
JERA Global Markets Pte. Ltd.