Northern Ireland Electricity Networks Limited
Statement on the Prevention of Slavery and Human Trafficking - 2022

ABOUT THIS STATEMENT

This is Northern Ireland Electricity Networks Limited's ('NIE Networks' or the 'Company') sixth Modern Slavery Statement in accordance with section 54 of the Modern Slavery Act 2015 which applies for the financial year ending 31 December 2022, and was approved by the NIE Networks Board of Directors on 21 March 2023.

NIE Networks is committed to the highest level of ethical standards and sound governance arrangements and ensuring that there is transparency in its own business and in its approach to tackling modern slavery throughout its business and supply chain and expects the same high standards from all of its contractors, suppliers and other business partners. We consider the measures highlighted within this statement, together with NIE Networks' overall approach to ethics and employee and supplier engagement, are helping to reduce the risk of modern slavery and human trafficking in its business and supply chain.

ORGANISATIONAL STRUCTURE

NIE Networks is part of the Electricity Supply Board (ESB),the vertically integrated group of companies based in the Republic of Ireland. NIE Networks is an independent business within ESB with its own Board of Directors, management and staff.

NIE NETWORKS' BUSINESS AND SUPPLY CHAIN

NIE Networks is the owner of the electricity transmission and distribution networks in Northern Ireland and the operator of the distribution network, which serves around 910,000 connected customers.

All of NIE Networks' operations and its 1,367 employees are based in Northern Ireland, and the Company invests £100m annually in the electricity infrastructure in Northern Ireland.

The Company's annual procurement spend is approximately £160m across circa 860 suppliers. As all of its business is undertaken within Northern Ireland. NIE Networks considers that the risk of modern slavery is more likely to arise from its supply chain than from its own business operations.

Further details on NIE Networks can be found at www.nienetworks.co.uk.

POLICIES AND PROCEDURES

NIE Networks has a zero tolerance approach to modern slavery and is committed to acting ethically and with integrity in all its business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in its own business or in any of its supply chains.

The Policy on Modern Slavery reflects the Company's commitment to prevent modern slavery including the roles and responsibilities from Board level down to each individual employee and

the means by which any suspected incidences of modern slavery should be reported. Employees were briefed on the policy during the year.

Some of the other NIE Networks policies which are considered relevant to the management of modern slavery risks faced by the Company include:

Code of Ethics – this Code details the high standards of behaviour expected from employees, and the underlying principle of the Code is that we will strive to perform our duties in accordance with the highest standards of safety, integrity, loyalty, fairness and confidentiality and that we will comply with all legal and regulatory requirements.

Whistleblowing Policy – this Policy details how an employee, agency staff member, contractor, consultant or trainee may raise a concern about wrongdoing in the workplace.

Requirements for Contractors – Business Ethics – this details the requirements for contractors in relation to business ethics matters including compliance with legislation and policies including the Modern Slavery Act 2015.

Health and Safety Policy Statement – which reflects the Company's commitment to protecting the health and safety of employees, contractors and customers.

DUE DILIGENCE PROCEDURES

Procurement Processes

Following on from its previous statements on the prevention of slavery and human trafficking, published each year since 2017, NIE Networks has continued, during 2022, to take the following steps to prevent acts of modern slavery from occurring within its supply chains:

In terms of managing the risk of modern slavery existing within its supply chains, NIE Networks continued to implement the measures adopted in previous years. NIE Networks uses the Achilles Utilities Vendor Data Base (UVDB), a portal for suppliers in the utilities industry, to pre-select suitable suppliers. A question set is included which enables NIE Networks (and other utilities) to assess the procedures a supplier has in relation to the prevention of slavery and human trafficking in its own organisation and supply chain. A similar set of questions is included in NIE Networks' E-Sourcing procurement system in order to capture those suppliers not using the UVDB portal. For those suppliers that NIE Networks enters into contracts with, provisions in respect of modern slavery are included in standard form contracts as part of contractors' ongoing obligations to comply with a number of ethical requirements set out in NIE Networks' 'Requirements for Contractors – Business Ethics' document.

Health, Safety and Wellbeing

NIE Networks' aim is to make sure everyone gets home safely and the Company has very high safety standards for both employees and contractors, and throughout 2022 regular Health, Safety and Wellbeing updates were presented to the Board and Executive Committee so that they could monitor safety performance. Further detail on health and safety performance for 2022 can be found on pages 10 to 12 of NIE Networks' 2022 Annual Report and Financial Statements. During 2022, the total number of incidents which resulted in lost time injury to employees and contractors combined was four, compared to four during 2021.

In 2020, we developed an enabling action plan to improve adherence to our safety value, reduce the risk of harm and improve the wellbeing of our staff. The “Safer Together – Our Pathway to Zero Harm” programme is a continuing priority for NIE Networks which continued during 2022.

STAFF EDUCATION AND AWARENESS

During the year refresher training was provided on the identification and prevention of slavery and human trafficking to all employees in the Procurement Department. Annual briefing to all employees on the Company’s Modern Slavery policy also formed part of communications in 2022.

RISK ASSESSMENT

During 2022 a risk assessment of NIE Networks’ 1st tier supplier base was completed. This comprised engagement with over 40 suppliers, based outside of the UK and Ireland providing both materials and services to NIE Networks over a certain expenditure threshold, on their approach to modern slavery. There were no particular concerns arising from this exercise.

MEASURING EFFECTIVENESS

In order to understand how effective these controls are to ensure that modern slavery does not exist within NIE Networks’ supply chains, it has been planned to conduct audits of suppliers in high risk industries and/or countries, however, due to the Covid-19 pandemic, there was a delay in progressing this area of work. A competitive tender process was launched in 2022 and it is planned that the first audits will be completed during 2023.

Signed by:



Derek Hynes
Managing Director
Northern Ireland Electricity Networks Limited

6 April 2023