

# Modern Slavery Statement

For 12-months ending 31 March 2022



This statement sets out the steps that have continued to be taken by the Electricity North West Group of Companies to seek to mitigate the risk of modern slavery occurring within its supply chain and in doing so to conform to the requirements of the Modern Slavery Act 2015. It covers the 12-month period from 1 April 2021 to 31 March 2022. Please refer to Appendix 1 for the entities within the Electricity North West Group of Companies.

Modern slavery is a broad term covering instances where victims may be subject to conditions of slavery, servitude and forced or compulsory labour.

We continue to review our policies and processes in this area, with a view to improving our understanding of the risks within our supply chain and the mitigation we need to put in place.

Electricity North West is a founding member of Slave-Free Alliance, a social enterprise that works with organisations to eradicate modern slavery. Slave-Free Alliance is part of the charity Hope for Justice, which aims to end slavery by preventing exploitation, rescuing victims, restoring lives and reforming society.

During the year, we have further built on the training that we offer within the business, utilising our relationship with the Slave-Free Alliance, in order to create a training matrix that covers existing and new employees. We have also looked to improve supplier education through our work with the Supply Chain Sustainability School.

We continue to monitor and develop our procurement processes. Our focus has been to further enhance our supplier due diligence processes to aid compliance with our commitment to prevent slavery or human trafficking being present in any part of our business.

As a customer-facing organisation, we recognise the importance of the part we play in helping to protect our communities and beyond from these abhorrent practices. To that end, our efforts to tackle modern slavery continue to form a key element of the company's Purpose led Responsibility Framework which supports colleague led community engagement. Our aspirations in addressing modern slavery go beyond legal compliance considerations. In line with our corporate purpose and principles, it is simply the right thing to do.

We are ongoing participants in the Utilities Modern Slavery Working Group which is now known as Utilities Against Slavery.

As part of our ongoing commitment to improve our approach to addressing the risks of modern slavery, Slave-Free Alliance conducted a gap analysis in December 2020. Key areas that we have strengthened in 2021/22 following on from the gap analysis can be summarised as:

- We have worked with the Slave Free Alliance to ensure that the modern slavery statement going forward incorporates any newly mandated structure/content.
- We have updated appropriate company policies/documents (e.g. whistleblowing policy) to provide better reference to ensure our employees understand modern slavery and how they can use these policies to report modern slavery concerns.
- We have increased scrutiny around suppliers and enhanced awareness/knowledge amongst supplier base (e.g. via contractor management meetings and training seminars in conjunction with the Supply Chain Sustainability School).
- We have promoted awareness of modern slavery alongside other areas of customer vulnerability on our external website.

- We have produced a training needs assessment with the support of the Slave Free Alliance and continue to review the approach in place to training our people.

## 1. Our organisational structure and supply chain

Electricity North West serves 5 million customers at 2.4 million domestic and industrial locations. It has approximately 2,000 employees, supports hundreds of contractors, and provides a safe and reliable electricity supply, 24 hours a day, seven days a week.

We own, invest in, operate and maintain the network of poles, wires, transformers and cables which carry electricity to and from homes and businesses across the North West. The company operates exclusively in the United Kingdom.

Our employees focus on delivering our core service of managing and maintaining the network, with contractors being used where it is a service that is widely available in the market place (e.g. excavation & backfill), providing a more efficient cost option for our customers.

In order to support these work activities, we have a broad range of suppliers on our vendor database. Whilst the majority of these suppliers are UK based, we have suppliers from countries deemed as 'high' risk. Our current and developing due diligence measures are outlined below in section 3.

## 2. Policies in place in relation to slavery and human trafficking

We are subject to a high level of regulation (e.g. Ofgem) given our public facing role and have a comprehensive set of policies and procedures that emphasise our commitment to the identification and prevention of unethical activities within our organisation, including the prevention of modern slavery. Key policies in relation to this area are as follows:

**Modern Slavery Policy** - We are committed to acting ethically and with integrity in all our business dealings and relationships. This includes identifying areas of risk and implementing controls to ensure modern slavery is not taking place in our own business or in any part of our supply chain. This is how we demonstrate our zero-tolerance approach to modern slavery.

If we were to become aware that any of our suppliers had an issue relating to modern slavery, we would look to work with that supplier in order to address the issue. We would review our rights to terminate the relevant contract(s) only as a last resort if, for example, the supplier did not seem to be taking the issue seriously. Our primary aim would be to try and address the issue head on, not simply walk away.

**The Disclosure ("Whistleblowing") Policy** - Electricity North West seeks to ensure that any employee may voice concerns about particular incidents of wrongdoing, or other suspected malpractice, without fear of criticism or future discrimination. At Electricity North West we are proud of our strong commitment to high ethical standards in the way that we work. We support our employees to speak up when they see or believe there is wrong-doing in our workplace and our Whistleblowing Policy is in place to outline the procedure employees can use to raise their concerns. Although the aim of this policy is to provide an internal mechanism for reporting, we have in place a confidential, independent, external reporting line (including email) where employees can raise their concerns, should this be their preferred choice of communication. The

policy has been updated in the year to ensure that colleagues and business partners who may have concerns about modern slavery can receive the protections afforded to whistleblowers and have access to the appropriate internal and external reporting pathways.

**Ethics in our Business Policy** – We understand the importance of operating with honesty and integrity in our business. We have captured this in a single ethics statement which applies to everyone who works for or on behalf of the business. We are providing a supportive environment for colleagues to voice any concerns. Specific highlights of the policy include:

- Complying with relevant laws and regulations.
- Following procedures and policies.
- Zero tolerance for bribery and corruption.
- Acceptance of gifts and hospitality by exception only.

This policy is subject to Board review to ensure that it remains fit for purpose. The policy contains specific reference to our commitment that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Training is provided to everyone in the organisation with refresher sessions being run periodically. A training matrix has been created in the year to ensure that modern slavery is appropriately covered for new and existing employees.

**Employment Screening Policy** – It is important that we also minimise the risk of modern slavery among the colleagues we employ directly. Although perceived as low risk, we carry out pre-employment checks across the business during recruitment, before or as employment starts.

Once in employment, we also conduct checks to detect duplicate bank details and next of kin information/phone numbers in order to mitigate against the risk of a gang-master's information being provided.

**Real Living Wage Employer** - Electricity North West values all of our employees and we believe fair pay for a day's work creates a positive working environment for all our people.

As part of being a Real Living Wage Employer, in addition to creating a more robust process to identify relevant suppliers, we continue to commit to encourage these suppliers to pay the real living wage and to seek accreditation for their own organisations.

As part of the gap analysis work conducted by our charity partner, Hope for Justice, in the year we have strengthened our policies going forward, and ensured that they provide appropriate coverage and reference to modern slavery. As part of this, we have included specific reference in our policies to prohibiting the use of worker paid recruitment fees, forced overtime, and confiscation of workers' original identification documents.

### **3. Due diligence measures in place**

Our due diligence procedures to assess our supply chain are proportionate to the risks of modern slavery. Our procedures can be summarised as follows:

- For suppliers who are registered on the Achilles Utilities Vendor Data Base (UVDB), a portal for suppliers to the utilities industry, an audit service (Achilles Verify) is available that enables Electricity North West (and other utilities) to assess the

procedures a supplier has in place to prevent slavery and human trafficking in its own organisation and supply chain. For the procurement of those contracts that are considered to be high risk, we are committed to using the Achilles Verify Audit service where possible.

- Our Supply Chain Charter outlines the key principles of our policies on Modern Slavery, Business Ethics and Anti-Bribery and Corruption to those organisations that we contract with to make our stance on these matters clear. The Supply Chain Charter is now issued as part of all procurement engagement with suppliers who are required to confirm their acceptance of and compliance with the Charter. We will look to review this in 2022/23.
- In the course of this year, we aim to launch a specific section for existing and potential suppliers on our external website which will provide information regarding our procurement procedures. In addition, our Supply Chain Charter features prominently so that expectations of our suppliers are clearly communicated, including Modern Slavery.
- We continue to review our suppliers in terms of the level of business we do with them, whether they are based in 'high' risk areas of the world where slavery might be more prevalent and the product types they supply us with. See section 4. 'Risk Assessment' below.
- We have built in enhanced coverage of the Modern Slavery Act to our tendering processes and now require more evidence of compliance from suppliers before awarding any contracts.
- In the year we have made clear our position on modern slavery and expectations from our suppliers by writing to our supplier base. We will continue to do this, and our last communication was issued in April 2022.
- We hold periodic briefing sessions with key suppliers to raise the visibility and awareness of modern slavery risks.
- We ask our key suppliers to demonstrate to us the measures they have in place to prevent modern slavery arising in their own supply chains and we will continue to monitor this through periodic meetings and visits to our suppliers' premises.
- Our standard contractual terms require suppliers to comply strictly with the Modern Slavery Act and the UN Convention on the Rights of the Child.

#### **4. Risk assessment and management**

Our supply chain is risk assessed using the following criteria to assess and manage risks to workers:

- Country risks: Exposure may be greater in global supply chains in countries where protection against breaches of human rights is more limited than in the UK. We have a broad range of suppliers, many of whom procure their materials or components from such countries. We continually work with suppliers to gain a more detailed understanding of the impact on our supply chain.
- Product risks: there are various risks in different product sectors. Certain industries, such as clothing manufacturing, are classified as 'high' risk and we risk assess across product categories.
- Business partnership risk: our key contractual partners tend to be longer term and therefore involve less risk as we build up an in-depth knowledge of our partner's operation and policies. However, we are not complacent with these partners and continue to work with them to understand how modern slavery risks are being managed.

Progress has been made within our procurement team to map out clearly the risks that exist across our supply chain, and to document the mitigation that is in place to

address these risks.

Additionally, through our relationship with Hope for Justice, periodic threat assessments are conducted in order to identify areas where enhancements can be made to our approach to addressing modern slavery. The most recent gap analysis was undertaken in December 2020, where a number of improvement initiatives were identified. These formed the key part of our improvement activities in 2021/22.

## **5. Key performance indicators**

We have several KPI measures in place to help measure the effectiveness of the steps that we have put in place and demonstrate that we are making progress in our efforts to prevent modern slavery from existing in our supply chain. These indicators largely focus around our communication plan, training targets for different groups of our employees and supplier visits.

A key performance indicator relating to modern slavery is included in the contracts with our two key network contractors. Performance is subject to a formal annual review. We will look to revise KPIs in the coming year in line with work performed with the Utilities Against Slavery group.

## **6. Training on modern slavery and trafficking**

The company undertakes a number of measures in order to help raise awareness of modern slavery amongst our colleagues and suppliers and embed policy requirements which can be summarised as:

- We have worked with the Slave Free Alliance and the Supply Chain Sustainability School to provide a series of online training seminars for suppliers. Electricity North West co-presented the first seminar in October 2021, entitled 'What is modern slavery and the current trends'.
- A key development in the year is that a specific training matrix for the company on modern slavery has been created.
- Our Modern Slavery policy and our Business Ethics policy are promoted to our employees.
- Periodic, targeted sessions with those areas of the company more likely to come into contact with activities associated with modern slavery. For example, the Commercial and Procurement teams undergo training sessions provided by Slave Free Alliance, and wider training information has been provided to our operational front-line colleagues via line manager briefings.
- We continue to raise awareness and encourage engagement with colleagues on modern slavery via periodic articles in our company bulletins (e.g. promoting Anti-Slavery day, newsletter updates and eLearning training).
- Our corporate induction process captures all new employees in the business. It features a segment on Modern Slavery and is centered around spotting the signs and reporting options that are available.
- We hold briefing sessions with our key suppliers in order to raise the visibility and awareness of modern slavery risks, and the need for mitigation to be put in place.
- We are promoting awareness of modern slavery alongside other areas of customer vulnerability within a designated section of our external website.
- Work will support the Slave Free Alliance in 2022/23 to pull together a modern slavery toolkit that will help suppliers understand more about how to address the risks of modern slavery. This work is being undertaken in our role as part of the Utilities Against Slavery group.

We continue to support the Utilities Against Slavery group to address modern slavery risks and issues in the sector and communities they serve. The group (21 utility companies) meets bi-monthly to share best practice, create co-ordinated risk management approaches and raise awareness of modern slavery, ultimately helping to prevent the exploitation of workers and others.

The [annual report](#) for the Utilities Against Slavery working group for 2020-21 (published in October 2021) provides an overview of the purpose and objectives of the group. It should be noted that the Utilities Against Slavery group was recently shortlisted for the Thomson Reuters Foundation 2022 Stop Slavery awards in the 'Stop Slavery Collaboration' category.

## **7. Continuous improvement**

We have made considerable progress in the year despite the challenges posed by the pandemic. We understand that we have a responsibility to our stakeholders to continue to assess and mitigate the risk of modern slavery. We will continue to remain vigilant and review our approach to ensure that we have appropriate mitigation in place for this risk. We will not tolerate modern slavery in any form within our business, including our wider supply chain.

A handwritten signature in blue ink, appearing to read 'P. Emery', is positioned above the name of the signatory.

**Peter Emery, CEO and Statutory Board Director for Electricity North West Limited**

**This statement has been approved by the Electricity North West Limited Board on behalf of the Electricity North West Group of Companies listed in Appendix 1.**

**Signed 26 May 2022**

## Appendix 1

### Electricity North West Group of Companies

<b>Company Number</b>	<b>Registered Name</b>
06428372	North West Electricity Networks (UK) Limited
06428374	North West Electricity Networks (Finance) Limited
06428534	North West Electricity Networks (Holdings) Limited
10445236	Electricity North West Services Limited
07382637	Electricity North West (Construction and Maintenance) Limited
08374655	NWEN Finance plc
06872880	NWEN Group Limited
06428375	North West Electricity Networks plc
06873051	ENW Capital Finance plc
06845434	ENW Finance plc
02366949	Electricity North West Limited
06027314	Electricity North West Number 1 Company Limited
10929718	Electricity North West Property Limited
13464314	Electricity North East (Construction and Maintenance) Limited
99259	North West Electricity Networks (Jersey) Limited – Jersey registered
10486857	Manchester Energy Partnership Limited - a subsidiary of ENW CML and a 50% shareholding only
06383023	ENW (ESPS) Pensions Trustees Limited
12619404	CLASS Electricity Limited