

UK Modern Slavery Statement for 2017/2018



Electricity North West – UK Modern Slavery Statement for 2017/18

This statement sets out the steps that are being taken by Electricity North West Limited to seek to mitigate the risk of modern slavery occurring within our supply chain in accordance with the Modern Slavery Act 2015.

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.

We have introduced internal training, revised our procurement processes and are in the process of enhancing 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, it is vitally important that we play our part in helping to protect our communities and beyond from these abhorrent practices.

1. Our organisational structure and supply chain

Electricity North West serves 5 million customers at 2.4 million domestic and industrial locations. It has over 1,850 employees 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 and we use our contracted partners to deliver project work such as civil construction. We use framework contractors for the delivery of basic works such as excavation and cable laying, overhead lines and plant installation.

In order to support these work activities, we have approximately 1,700 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

We are a highly regulated organisation 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 have a zero tolerance approach to modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships. We are also committed to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place in our own business or in any part of our supply chain.

If we become aware that one of our suppliers is accepting of modern slavery, we will review our rights to terminate the relevant contract(s) and notify the appropriate authorities.

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 we 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.

Ethics in our Business Policy – We all understand the importance of operating with honesty and integrity in our business. We have now captured this in a single ethics statement which applies to everyone who works for and 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.
- Following procedures and policies.
- Zero tolerance for bribery and corruption.
- Acceptance of gifts and hospitality by exception only.

The approach was signed off by our board in February 2017 and launched within the business in that month. Training is being provided to everyone in the organisation with refresher sessions being run periodically.

Employment Screening Policy – It is important that we minimise the risk of modern slavery among the colleagues we employ directly. We carry out pre-employment checks across the business during recruitment, and ensure robust eligibility to work checks take place before employment starts.

3. Due diligence measures in place

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

- For suppliers who progress to the Utilities Vendor Data Base, a portal for suppliers in the utilities industry, a question set has been implemented 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.
- Issuing our Modern Slavery policy and our Business Ethics policy to those organisations that we contract with to make our stance on these matters clear.
- Reviewing 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.
- Building in enhanced coverage of the Modern Slavery Act within our tendering processes.
- Making it clear in writing to our supplier base our position on modern slavery and expectations from our suppliers.

- Holding briefing sessions with our key suppliers in order to raise the visibility and awareness of modern slavery risks.
- Asking key suppliers to demonstrate to us the measures they have in place in order to prevent modern slavery existing in their own supply chains.
- Our standard contractual terms require suppliers to comply stringently with the Modern Slavery Act and the UN Convention on the Rights of the Child, and allow us to terminate our contracts immediately if these are breached.

4. Risk Assessment

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 are working 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 a good knowledge of our partner's operation and policies.

A project is currently underway in 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. We will adopt a process to ensure that 'high' risk suppliers are subject to enhanced scrutiny from our Procurement team.

5. Performance indicators

It is the intention in the coming year to build KPI measures to demonstrate clearly that we are making progress in our efforts to prevent modern slavery from existing in our supply chain. Our procurement team will take the lead in this initiative. Such indicators will include a training target for those employees directly involved in the supply chain and procurement activity.

6. Training

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:

- Issuing our Modern Slavery policy and our Business Ethics policy to our employees.
- Targeted sessions with those areas of the company more likely to come into contact with activities associated with slavery (e.g. Revenue Protection team who might be called to investigate cannabis farms).
- Educating all our employees via periodic articles in our company bulletins, newsletters and eLearning training.
- Holding 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.

7. Continuous improvement

Despite the improvements that we have made in the year, 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 black ink, appearing to read 'P. Emery', written in a cursive style.

Peter Emery
CEO

Signed- 31 January 2018