

Modern Slavery Statement

For 12-months ending 31 March 2023



This statement sets out the steps that continue to be taken by the Electricity North West Group of Companies 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 2022 to 31 March 2023. 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 long-standing member of Slave-Free Alliance (SFA), an international social enterprise, wholly owned by the global anti-slavery charity, Hope for Justice. SFA's mission is to help organisations of all sizes build their resilience against the risk of modern slavery in their operations and supply chain. Electricity North West is a founding member of the Utilities Against Slavery (UAS) working group which is coordinated by SFA. The working group was established to develop an industry focused approach to collaborate on the issue of modern slavery and drive meaningful change within the sector.

During the year, we have further built on the training that we offer within the business, utilising our relationship with SFA, to implement a training matrix that covers existing and new employees. We have improved 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.

As part of our ongoing commitment to improve our approach to addressing the risks of modern slavery, SFA has previously conducted a gap analysis exercise when looking at the measures we have in place. Key areas that we have strengthened in 2022/23 following on from the original gap analysis can be summarised as:

- We have produced a training needs assessment with the support of SFA and reviewed the approach in place to training our people. New training materials have been produced which have been built into the corporate induction process.
- We have updated appropriate company policies/documents (e.g. whistleblowing policy) to provide better reference and visibility to modern slavery. Employees are encouraged to report modern slavery concerns under this policy.
- We have increased scrutiny around suppliers and enhanced awareness/knowledge amongst our supplier base.
- We continue to promote awareness of modern slavery alongside other areas of customer vulnerability on our external website.

- We work with our charity partner, SFA, to ensure that our modern slavery statement incorporates any newly mandated structure/content.

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 2,300 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 most 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.

Overall accountability for our strategy to address the risk of modern slavery occurring within our supply chain sits with the Head of Commercial and Procurement. Progress against this strategy is monitored as part of the regular Purpose-led Responsibility Framework steering group meetings, which are chaired by the Safety, Compliance & Markets Director. This reinforces our aspirations to go beyond legal compliance in our approach to addressing modern slavery. In line with our corporate purpose and principles, it is simply the right thing to do.

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 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 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 contains clear reference to modern slavery.

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 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 to mitigate against the risk of a gang-master's information being provided.

Real Living Wage Employer - Electricity North West values all 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.

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 have in place a specific section for existing and potential suppliers on our external website which provides 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 require evidence of compliance from suppliers before awarding 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, writing to all those organisations who are on our vendor database in April each year, to reiterate our ethical expectations of our suppliers.
- 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 SFA, periodic assessments are conducted to

identify areas where enhancements can be made to our approach to addressing modern slavery. We will look to conduct another gap analysis exercise in the coming year.

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 on our internal communication plan, training targets for different groups of our employees and supplier engagement.

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 UAS group.

6. Training on modern slavery and trafficking

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

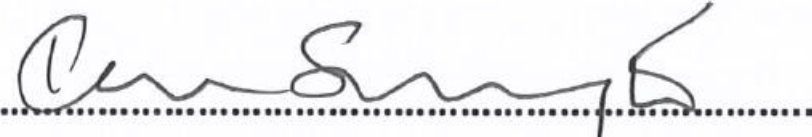
- Our corporate induction process which captures all new starters features a segment on Modern Slavery and is focused on helping our people to spot the signs of Modern Slavery and understand reporting options that are open to them.
- Our Modern Slavery policy and our Business Ethics policy are promoted to new and existing employees.
- We contributed to the creation of a UAS toolkit by producing a section on good procurement practice.
- Periodic training sessions with the Commercial and Procurement teams which are facilitated by SFA. These sessions cover specific risk areas within our supply chain, based on intelligence gathered by SFA. As part of our wider training plans, we include periodic refresher training which we brief to our operational front-line colleagues via line manager briefings. This training focuses on spotting the signs of modern slavery when they are out performing work within our communities.
- Our employees are educated via periodic articles in our company bulletins (e.g. promoting Anti-Slavery day, newsletter updates and eLearning training).
- We hold periodic briefing sessions with our key suppliers 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.
- In the period, the Head of Commercial and Procurement has helped other organisations to promote understanding of Modern Slavery by acting as a panel member for webinars.
- A training needs analysis was conducted in early 2022 in conjunction with SFA. This resulted in the following improvements in our approach to modern slavery:
 - Introduction of new material in the corporate induction session and team brief agenda.
 - Roll out of posters in each of Electricity North West's offices and depots which contain information on spotting the signs of slavery and reporting mechanisms.
 - Cyclical inclusion of modern slavery awareness pieces in our various corporate publications throughout the year.

We continue to support the UAS group to address modern slavery risks and issues in the sector and communities they serve. The group (currently 24 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 UAS group for 2021-22 provides an overview of its purpose and objectives.

7. Continuous improvement

We have made considerable progress in the year. We understand that we have a responsibility to our stakeholders, most importantly the customers we serve, 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 dark ink, appearing to read 'Ian Smyth', is written over a horizontal dotted line.

Ian Smyth, CEO and Statutory Board Director for North West Electricity Networks (UK) Limited

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

25 May 2023

Appendix 1

Electricity North West Group of Companies

| Company Number | Registered Name |
|----------------|---|
| 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 |

*These companies are legally required under the Modern Slavery Act 2015 to produce an annual modern slavery statement.