

Modern Slavery Statement

2018/2019



This statement sets out the steps that continue to be taken by the Electricity North West Group of Companies to seek to mitigate the risk of modern slavery occurring within our supply chain and in doing so to conform to the requirements of the Modern Slavery Act 2015. 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.

During the year, we have further built on the training that we offer within the business, utilising our relationship with a specialist third party charity, Hope for Justice, in order to target areas of perceived higher risk.

We continue to monitor and develop our procurement processes. Our focus has been to 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 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.

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 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 works such as excavation and cable laying, overhead lines and plant installation.

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

We are a 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 were to become aware that any of our suppliers was in any way accepting of 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. Our primary aim would be to try and address the root cause of an issue, 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.

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.
- Following procedures and policies.
- Zero tolerance for bribery and corruption.
- Acceptance of gifts and hospitality by exception only.

This policy will be subject to Board review during 2019 in order to ensure that it remains fit for purpose. Training is being provided to everyone in the organisation with refresher sessions being run periodically.

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.

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 to 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 clear our position on modern slavery and expectations from our suppliers in writing to our supplier base.
- 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 arising in their own supply chains.
- 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

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.

Progress has been made in the year 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. We intend to adopt a process to ensure that 'high' risk suppliers are subject to enhanced scrutiny from our Procurement team, with procurement Category Managers leading on this.

Additionally, through our relationship with Hope for Justice, periodic threat assessments will be conducted in order to identify areas where there are enhancements that can be made to our approach to addressing modern slavery. The

first assessment was undertaken at the end of November 2018. Suggested areas for further improvement will be addressed in 2019/20.

5. Performance indicators

As identified in last year's statement, we have introduced several KPI measures to help demonstrate that we are making progress in our efforts to prevent modern slavery from existing in our supply chain. Whilst we will continue to develop these measures in 2019/20, current indicators largely focus around our communication plan, training targets for different groups of our employees and supplier visits.

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.
- Educating all our employees via periodic articles in our company bulletins, newsletters and periodic 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.

As founding members of the Slave Free Alliance, we will look to encourage key supply chain partners to join this group, so that we can collaboratively help to address the risk of modern slavery existing in our supply chains.

Additionally, as a member of the recently formed Utilities Sector Group which is chaired by the Institute of Business Ethics, we will look to use our role in that group to promote awareness accordingly.

7. Continuous improvement

We have made considerable progress 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.



Peter Emery

CEO and Statutory Board Director on behalf of the Electricity North West Group of Companies listed in Appendix 1

Signed 31 January 2019

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