

Northern Ireland Electricity Networks Limited

Statement on the Prevention of Slavery and Human Trafficking - 2017

INTRODUCTION

Northern Ireland Electricity Networks Limited ('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.

NIE Networks is committed to ensuring there is transparency in its own business and in its approach to tackling modern slavery throughout its supply chains and expects the same high standards from all its contractors, suppliers and other business partners.

In March 2017, NIE Networks published [its first statement on the prevention of slavery and human trafficking](#) in response to the Modern Slavery Act 2015 ('the Act'). This is NIE Networks' second statement and sets out the steps taken by NIE Networks during 2017 to prevent slavery and human trafficking in its business and supply chains.

This statement is made pursuant to section 54 of the Act and constitutes the NIE Networks statement for its financial year ended 31 December 2017.

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 870,000 connected customers.

All of NIE Networks' operations and its c1,300 employees are based in Northern Ireland and during 2017 NIE Networks invested around £110m (net of customer contributions) in the electricity infrastructure in Northern Ireland.

The company's annual procurement spend is around £190m across c800 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.

STEPS TAKEN

NIE Networks seeks at all times to comply with employment law applicable in Northern Ireland and its contractual arrangements with providers of agency staff require that they achieve the same level of compliance.

Following on from its first statement on the prevention of slavery and human trafficking, NIE Networks has, during 2017, taken the following steps to prevent acts of modern slavery from occurring within its supply chains:

[The NIE Networks Policy on Modern Slavery](#), adopted by the Board during 2016, was communicated to employees. This policy sets out the actions the Company will take to ensure the prevention of modern slavery, 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.

NIE Networks uses the Achilles Utilities Vendor Data Base (UVDB), a portal for suppliers in the utilities industry, to pre-select suitable suppliers. During 2016 a question set was implemented that 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. During 2017 a similar set of questions was incorporated into NIE Networks' E-Sourcing procurement system in order to capture those suppliers not using the UVDB portal.

During 2017, provisions in respect of modern slavery were introduced into NIE Networks standard form contracts as part of contractors' ongoing obligations to comply with a number of ethical requirements set out in the NIE Networks 'Requirements for Contractors – Business Ethics' document.

Further training on the identification and prevention of slavery and human trafficking was provided to employees within the Procurement Department.

An initial risk assessment of NIE Networks' 1st tier supplier base was undertaken during 2016. This involved reviewing all materials suppliers over a certain expenditure threshold and assessing risk based on both geographical area and information available on their approach to modern slavery. Where no information on their approach to modern slavery was available, this was followed up directly with the suppliers during 2017. Furthermore, an initial risk assessment of 1st tier suppliers of services was undertaken during 2017.

In order to understand how effective these controls are to ensure that modern slavery does not exist within our supply chain, arrangements have been made for external experts, during 2018, to conduct audits of the activities of a number of suppliers considered to operate in high risk regions or industries. NIE Networks will investigate any modern slavery risks as identified by these audits, or any other means, and put in place corrective actions as appropriate.

The specific work outlined above is complemented by a broader reinforcement of ethical business practices. In early 2017, NIE Networks briefed out its updated Code of Ethics, providing clear guidance to employees on the conduct required in the course of carrying out their work. Employees are encouraged to report any suspected wrongdoing, and the Whistleblowing Policy sets out the protections for employees in reporting serious malpractice at work. Those supplying services to NIE Networks are also expected to conduct themselves in accordance with the principles of the Code. Further information about NIE Networks' ethical business practices can be found in the [NIE Networks Code of Ethics](#).

APPROVAL

This statement was approved by the Board of Directors of NIE Networks on 14 March 2018.

Signed by: Nicholas Tarrant

**Managing Director
Northern Ireland Electricity Networks Limited**

15 March 2018