



SLAVE-FREE ALLIANCE

Working Towards a
Slave-free Supply Chain

Utilities Against Slavery Annual Report

Executive summary

Utilities Against Slavery (formerly the Utilities Sector Modern Slavery Working Group) was established in March 2020 to provide a platform for utility companies to collaborate to address modern slavery risks and issues. The group has grown to 21 members representing electricity, gas and water providers. It is supported by the social enterprise Slave-Free Alliance, and led by an independent chair person, Peter Thompson. The group meets regularly via the Microsoft Teams platform.

Initiatives to date include:

- The development and delivery of training sessions in collaboration with the Supply Chain Sustainability School (SCSS).
- The development of a common approach when working with supply chains.
- Support in the development of submissions to the UK's Modern Slavery Statement Registry.
- Presentations by subject matter experts to increase awareness of modern slavery.

Future initiatives are under development as described within this report.

All UK utility organisations are encouraged to join the group. There is no charge for membership.

Background

Electricity, gas and water providers support every aspect of human life in the developed world. Collectively they serve every home and business, and their supply chains procure from all corners of the world. Their directly employed and subcontract workforce carry out tasks ranging from the most complex of engineering solutions to basic activities, such as excavation or materials distribution.

Thus, the utility industry has a unique opportunity to identify the potential for acts of modern slavery and take action to support the eradication of this criminal activity.

During 2019, Slave-Free Alliance, which is wholly owned by global anti-slavery charity Hope for Justice, engaged with several utility companies to support in their ambitions to address modern slavery. The UK's Modern Slavery Act 2015 was little understood within the sector at this time, but its influence was growing. Through direct contact with Slave-Free Alliance and attendance at several of their seminars, a group of

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utilities discussed the benefits of working together as an industry to develop a common, and industry-leading approach to addressing modern slavery. Slave-Free Alliance welcomed the idea and offered to create and facilitate the group.

Utilities Against Slavery was established in March 2020 under the chairmanship of Peter Thompson, Electricity North West's former Head of Commercial, and supported by members of the Slave-Free Alliance leadership team. The group now consists of 21 utility companies collectively employing in excess of 100,000 people with a supply chain spend in the region of £12bn.

Working group

Membership of the Utilities Against Slavery is open to companies directly providing a utility service, supported by representatives from the Slave-Free Alliance. Whilst the initial intent was to focus on the UK utility sector, we have welcomed Gas Networks Ireland into the group. There is no charge for membership. The group is led by a steering committee consisting of volunteers from some of the group's participants. During 2021, the group developed a Terms of Reference (TOR) providing 'a framework for how Utility companies can collaborate in a coordinated approach to realise the potential of the industry to tackle modern slavery'. A copy of TOR is included in Appendix 1.

Included within the TOR, the group's Mission Statement is as follows:

We will work together to eradicate slavery and exploitation in the UK Utilities sector and its supply chains by:

- ***Raising awareness to prevent the exploitation of workers and the community.***
- ***Sharing best practice amongst the Group's members.***
- ***Collaborating to produce a coordinated response to reducing risks in supply chains.***

The Steering Committee is guided by a Team Charter, a copy of which is included in Appendix 2.

A list of member organisations is included in Appendix 3.

The formation of the group was inevitably affected by the Covid-19 pandemic. The initial meeting scheduled for March 2020 was replaced with a Microsoft Teams video call on 21 May 2020. Subsequent meetings have been held via Teams at six-weekly intervals.

Progress against objectives

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The Terms of Reference document identifies three objectives for the working group:

- ***Develop an integrated approach to tackle the underlying problems and promote good practice.***
- ***Enhance co-operation and collaboration between stakeholders.***
- ***Identify and work collaboratively on jointly agreed strategic work streams.***

This report identifies the progress of the group against these three objectives:

Develop an integrated approach to tackle the underlying problems and promote good practice

The formation of the group and its enlargement from the 12 initial attendees to the current cohort of 21 members has created a foundation to promote good practice. The creation of TOR enabled the group to crystallise its approach. The key areas of integration are:

- A procurement sub-group has been established to create high quality pre-qualification questionnaires (PQQs) via the various procurement platforms used by group members. The development of these documents is complex given the many stakeholders from within and outside of the group each have their own priorities. The group's members have worked together to ensure modern slavery questions are relevant and suitably challenging, so they capture a firm understanding of what suppliers are doing about the risk. The final versions of the PQQs are a work in progress. In the interim, the group created a question set which is available to all members to ensure all procurement activities are appropriately mitigating modern slavery risks.
- Guests have shared knowledge from outside their immediate sector including:
 - the work being carried out to combat slavery within the fashion industry supply chains, a sector which has been identified at the forefront of fighting exploitation;
 - understanding the impact of labour activities in the Uyghur Province of China; and
 - understanding of the scope of the UK's future Single Enforcement Body which will be dedicated to addressing workers' rights, including modern slavery issues.
- Slave-Free Alliance has provided support to enable members to develop compliant and industry leading Modern Slavery Statement Registry (MSSR) statements.

Enhance co-operation and collaboration between stakeholders

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The six-weekly cycle of Teams video meetings has enabled members to identify with their counterparts in other organisations as a precursor to collaboration. Successful collaboration includes:

- Within the regular meetings, individual members volunteer to present an insight into their own organisations under the heading 'Modern Slavery and My Organisation'.
- The work described above in developing PQQ material has succeeded as a consequence of collaboration between group members.
- Subject matter experts from SFA have been available to update the group on changes to legislation in particular the UK's MSSR or on developments in other sectors.
- Feedback from key events such as the Operation Fort court case or Anti-Slavery Day are regularly shared with group members.
- Developing a close working relationship with the Supply Chain Sustainability School (SCSS) initially to ensure all group members were aware of the school's material available to them and subsequently to develop material relevant to modern slavery in the utility industry.
- A working group was established to review sources of PPE and to establish commonality between group members. The outcome was not as expected with no significant common suppliers and therefore no opportunity to work together on a macro-scale. Lessons learned were shared with members.
- A paper was shared identifying areas of facility management where modern slavery may be a risk.

Identify and work collaboratively on jointly agreed strategic work streams

The formation of a steering committee has enabled Utilities Against Slavery to focus on the quality of work streams with significant success, leading to:

- In collaboration with SCSS, the development of a 'business bytes' session on 11 May 2021 where all group members along with members of their supply chains were invited to join a session entitled 'Combatting Modern Slavery in the Utilities Sector'. Approximately 150 individuals joined the session.
- Working with SCSS to create a series of four online workshops for members and their supply chains to ensure a consistent and best practice approach to combatting modern slavery. The sessions were developed at the request of participants in the 11 May 2021 session and will take place

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between September 2021 and February 2022. The aim is to develop a consistent approach across the utilities sector.

- The work stream to ensure PQQ consistency is described above. In addition to the quality of questions, the group is seeking to minimise the workload of conforming suppliers by ensuring consistent wording of PQQ documents.
- The group's members debated a consistent approach to managing suppliers identified as 'high-risk'. A paper has been shared.
- The group's members debated 'Developing an anti-slavery culture with our organisation'. A paper has been shared.

Key achievements

- The creation of a forum for 21 utility companies with a common objective to eradicate modern slavery from the utilities sector.
- Access to expert advice from Slave-Free Alliance.
- Collaboration with SCSS to develop and deliver thematic sessions on tackling modern slavery.
- A common approach to procurement activities, in particular the selection of compliant suppliers.
- Resources to support the preparation of compliant and industry-leading entries to the MSSR.

Future plans

The Utilities Against Slavery plans to:

- Develop of a suite of KPIs to support MSSR requirements and to enhance business performance. An initial workshop for group members is scheduled for 30 September 2021.
- Participation in group member events to develop understanding of modern slavery. The group is working with Cadent Gas to join their supplier day on 16 February 2022.
- Host more knowledge-sharing sessions with members and their supply chains. Four sessions scheduled with SCSS and supply chain members are scheduled between October 2021 and February 2022.
- Conclude the development of PQQ data with procurement platforms.
- Support members to ensure each have a compliant and industry-leading entry in the UK's MSSR.

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- Welcome further utility companies to the group
- Engage with other sectors to share good practice.

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Appendices

UK Utilities Against Slavery

Working Group Terms of Reference (version 2) – 10th February 2021

1. Context

Slave-Free Alliance (SFA) is a not for profit business, 100% owned by the Anti-Slavery charity Hope for Justice. SFA's mission is to help business and organisations of all sizes reduce the risk of modern slavery in their operations and supply chain.

Through its work, SFA has been in contact with many businesses with the UK Utilities Sector. Some of these businesses are SFA members whilst others are not.

While there have been individual initiatives taken by many businesses to tackle the issue of modern slavery, there has not to date been a coordinated approach that brings together the industry, to collaborate on the issue of modern slavery and drive meaningful change within the sector.

SFA agreed to co-ordinate a utility sector working group that would be open to all UK Utility companies.

This Terms of Reference provides a framework for how UK utility companies can collaborate in a coordinated approach to realise the potential of the industry to tackle modern slavery.

2. Utilities Against Slavery Mission

We will work together towards eradicating slavery and exploitation in the UK Utilities Sector and its supply chains by:

- Raising awareness to prevent the exploitation of workers and the in the wider community.
- Sharing best practice amongst the group's members.
- Collaborating to produce a co-ordinated response to reducing risks in supply chains.

3. The Utilities Against Slavery Objectives

- Develop an integrated approach to tackle the underlying problems and promote good practice
- Enhance co-operation and collaboration between stakeholders
- Identify and work collaboratively on jointly agreed strategic work streams.

4. Structure of the Utilities Against Slavery

- 4.1. The Group will appoint an independent Chair, reappointed biennially. The Chair role definition will be agreed by Group members, openly communicated for applicants to apply, with a representative Group selection panel responsible for appointing.

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The Chair's role is to ensure that the Group:

- Adopts appropriate governance structures including operating through a Steering Committee made up of representatives of the industry
- Operates following the agreed Terms of Reference
- Develops and enhances valuable stakeholder relationships and collaborations
- Is effective in its task of setting its objectives and implementing its strategy to achieve these

4.2. Steering Committee

- The group will appoint a Steering Committee made up representatives of member organisations.
- The Steering Committee will be made up of 4-6 representatives. At least 1 representative will come from a Utility company with an annual revenue of less than <£1bn. An SFA representative will also be a member of the Steering Committee.
- The Chair will ask for self-nominations for membership to the Steering Committee. Should the number of nominations exceed the available spaces, nominations will be selected at random.
- Representatives on the Steering Committee will be reviewed annually, in February of each year.
- The purpose of the Steering Committee is to agree on the work streams for the group and shape the future direction on the group.

4.3. Group Membership

- Membership of the Group: will be limited to UK-based Utility companies that supply Gas, Electricity and Water into UK commercial and domestic premises.
- Other entities may apply to join the working group. Applications will first be considered by the Steering Committee and if appropriate proposed to the working group for a vote. A majority yes/no decision will decide membership or not.
- Group members and Chair will declare any specific interests in addition to the capacity in which they are attending the meeting, at the commencement of the meeting.

4.4. Group Operation

- Frequency and Location of general Meetings – Major 2 Hour meetings held every 8 weeks and one 30-minute update meeting between major meetings.
- In January of each year, an annual calendar of meetings dates & times will be created and circulated to the group.
- Slave-Free Alliance will provide a Microsoft Teams “Team” as a platform for group discussions and collaboration.
- Agenda

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- i. Agenda items to be submitted to the Steering Committee two weeks before the planned meetings.
 - ii. Chair and Steering Committee to discuss the appropriateness of agenda items. All items not placed on the agenda will be noted and communicated to members.
 - iii. Agenda to be issued one week before the meeting.
 - iv. Terms of Reference and effectiveness/performance will be reviewed annually.
- Minutes and Reporting
 - i. Minutes will contain a record of any key points raised within the meeting and any actions.
 - ii. SFA will prepare minutes. Minutes to be issued in draft form within 1 week of the meeting inviting comments and the final version issued within 2 weeks.
 - iii. Action Points to contain responsible person and target completion date.
 - iv. Monitoring of Actions between meetings – Chair and SFA to ensure actions are addressed by the date agreed
 - Confidentiality
 - i. The group will operate under Chatham House rules. By this we mean participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.
 - ii. Specific work streams may need enhanced confidentiality. This will be agreed as part of the work stream scope by the steering committee before being shared with the group for approval.

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Appendix 2

UK Utilities Sector Modern Slavery Working Group Steering Committee – Team Charter

Preamble

The Utilities Sector Modern Slavery Working Group (Utilities MSWG) was established in 2019. Details of the group are included in the Terms of Reference, available in the 'Teams' shared area. As membership has grown, the Working Group has agreed to appoint a steering group. The purpose of this Charter is to identify the structure, objectives and effectiveness of the Steering Committee.

Structure

- The Working Group will appoint this Steering Committee made up representatives of member organisations.
- The Steering Committee will be made up of 4-6 representatives. At least 1 representative will come from a Utility company with an annual revenue of less than <£1bn. An SFA representative will also be a member of the Steering Committee.
- The Chair will ask for self-nominations for membership to the Steering Committee. Should the number of nominations exceed the available spaces, nominations will be selected at random.
- Representatives on the Steering Committee will be reviewed annually, in February of each year.
- The purpose of the Steering Committee is to agree on the work streams for the group and shape the future direction on the group.

Purpose

- Shape the future direction of the Working Group.
- Guide the Working Group to deliver the 'Utilities Sector Modern Slavery Working Group Mission'.
- Agree workstreams for the Working Group.
- Ensure the Working Group adheres to the Terms of Reference.
- Review the Terms of Reference on a regular basis; annually as a minimum.
- Develop and shape a collaborative culture within the Working Group, working towards common principles.
- Define the Working Group's relationship with other organisations.

Effectiveness

- An open, honest relationship between steering group members in a confidential environment.
- Contribute to meetings.
- Members to support decisions made by the steering group.
- Regular meetings on a monthly basis.
- Clear ownership of tasks.
- Adhere to agreed timescales.

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- Ensure meetings are arranged to meet member's availability wherever possible.

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Appendix 3 Member Utility companies as of October 2021

Severn Trent
Electricity North West
Scottish Power
Thames Water
Bristol Water
Dŵr Cymru (Welsh Water)
United Utilities
Yorkshire Water
Anglian Water
National Grid
Wessex Water
Electricity North West
Pennon Group
Drax
SSE
Portsmouth Water
Centrica
Cadent
SGN
OVO Energy
Gas Networks Ireland

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