



Energy for
generations

Electricity Supply Board

Statement on the Prevention of Slavery and Human Trafficking – May 2021

INTRODUCTION

Electricity Supply Board ('ESB') 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.

ESB 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 standards from all its contractors, suppliers and other business partners.

This is ESB's fifth statement on the prevention of slavery and human trafficking in response to the UK Modern Slavery Act 2015 ('the Act') and sets out the steps taken by ESB during 2020 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 ESB's Statement for its financial year ended 31 December 2020.

ESB'S BUSINESS AND SUPPLY CHAIN

ESB is a vertically integrated utility whose business activities include the generation, transmission and distribution and supply of electricity in Ireland and the United Kingdom.

As the majority of ESB's operations are undertaken in the Republic of Ireland, Northern Ireland and the UK, ESB considers that the risk of modern slavery is more likely to arise in its supply chains rather than from its own business operations.

Excluding fuel, the company's annual procurement spend is approx. €1B across approx. 4200 vendors.

Further details of ESB business operations can be found at www.esb.ie.

STEPS TAKEN

ESB seeks at all times to comply with employment law applicable to the jurisdictions in which it operates and puts in place contractual arrangements with providers of agency staff requiring that they achieve the same level of compliance.

Following on from its previous statements on the prevention of slavery and human trafficking, ESB has during 2020 taken the following steps to prevent acts of modern slavery from occurring within its supply chains:

- A Contract Notice was published in the Official Journal of the European Union in Q.1 2020 seeking expressions of interest from suitably qualified and experienced 3rd parties to enter into a framework agreement with ESB to:
 - a) Undertake an insights-based risk assessment of the potential for modern slavery in ESB's supply chains, and
 - b) As a separate lot to conduct on-site audits of any high-risk suppliers identified as a consequence of the above risk assessment.
- A Request for Tender for these services consequently issued to a number of short-listed applicants in Q.4 2020 and the corresponding framework agreement is expected to be awarded in Q.2 2021. The issue of this Request for Tender was unavoidably delayed as a consequence of the impact of COVID-19 on available resources within Procurement to prepare a supporting specification for this RFT. This framework agreement when awarded will build on the in-house risk assessments conducted by ESB Procurement in 2017, 2018 and 2019 (when ESB's vendors with a cumulative annual spend of > €250k were assessed for the risk of modern slavery in their supply chains, based on their industry sector and geographical location)
- During 2020 we also instructed our current 3rd party auditor BSI (British Standards Institute) to undertake three on-site supplier audits. These audits took place in Vietnam, Sri Lanka and Brazil during the period February 2020 and early March 2020, and no incidents of modern slavery or forced labour were found
- These audits were supplemented by over one hundred Contractor Employment Standards Audits conducted on ESB managed sites throughout the Republic of Ireland in 2020, as part of ESB's on-going Contractor Employment Standards Auditing Framework
- Over the course of 2020 we continued to engage with our major coal suppliers to ensure that they are aware of ESB's commitment to the Bettercoal organisation, including ESB's commitment to implementing the Bettercoal Code and making use of the Bettercoal tools in its due diligence processes in the coal supply chain and to ensure that our suppliers acknowledge the Bettercoal Code as a standard for continuous improvement in ESB's coal supply chain
- We also ensured that all tenderers and suppliers were aware of and signed-up to ESB's 3rd Party Requirements Document, which establishes clear contractual obligations in relation to ESB's zero tolerance-based approach to Modern Slavery in our Supply Chains, and
- Finally we continued to provide bespoke training on the risks and impacts of Modern Slavery to ESB Procurement Staff. In addition to this bespoke training over 175 staff have viewed ESB's on-line training module on Modern Slavery since its launch in 2018.

The specific work outlined above is complemented by a broader reinforcement of ethical business practices across the wider group through the introduction of an updated version of ESB's "Our Code". This document provides clear guidance to employees on any ethical issues they may encounter when carrying out their work, including how to report any suspected wrongdoing. Contracting parties supplying services to ESB are also expected to conduct themselves in accordance with the principles of this Code. Further information about ESB's ethical business practices can be found by accessing the following link <http://esb.ie/who-we-are/corporate-governance/esb-code-of-ethics---our-code>

During the course of 2021, ESB plans to develop a Human Rights policy that reinforces "Our Code" and references ESB's range of policies in this area including: Health and Safety Policy, Environment and Sustainability Policy, Cultural Diversity Policy, ESB Equal Opportunities and Diversity Code of Practice, Anti-Bribery Policy, Corruption & Fraud Policy, Whistleblowing & Protected Disclosures Policy and Modern Slavery Policy.

ESB's Policy on Modern Slavery (available at www.esb.ie) which was adopted by the ESB Board in 2016 and updated in May 2019 continues to be communicated to all employees. This policy and its subsequent amendments detail the actions that ESB 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. Employees are encouraged to report any suspected wrongdoing, and ESB's Policies set out the protections for employees in reporting serious malpractice at work.

In order to understand how effective these controls are to ensure that modern slavery does not exist within our supply chain, external audits are conducted, where appropriate, on the activities of suppliers considered to operate in high-risk regions or industries. No incidents of modern slavery have been found to-date.

The specific work outlined above will be complemented by a further programme of work for 2021, including the outsourcing of ESB's internal risk assessment process to a suitably qualified third party.

APPROVAL

This statement was approved by the Board of Directors of ESB on May 19th, 2021.



**Chief Executive,
Electricity Supply Board.**

21st May 2021