



Utilities Against Slavery Annual Report

1 October 2021 - 30 September 2022

Executive summary

Utilities Against Slavery has one objective which is to eradicate modern slavery from the utility industry.

The group was established in March 2020, initially under the title of Utilities Modern Slavery Working Group (MSWG), to provide a platform to enable utility companies to collaborate to address modern slavery risks and issues. Utilities Against Slavery now has 25 members representing electricity, gas and water providers, supported by the social enterprise Slave-Free Alliance and led by an independent chairperson. The group meets regularly, usually via the Microsoft Teams platform.

During 2022, Utilities Against Slavery has supported its members to develop a robust approach to the identification and eradication of modern slavery through their supply chains and directly within their individual organisations.

Externally, the profile of Utilities Against Slavery has grown considerably, including recognition at international level via the Thomson Reuters Stop Slavery Awards 2022 where we were shortlisted for the Stop Slavery Collaboration Award.

This report describes the development of the group over the past year and highlights the key initiatives that are being undertaken by Utilities Against Slavery and its members.

All UK utility organisations are encouraged to join the group.

*Utilities Against Slavery is facilitated by Slave-Free Alliance | P.O. Box 5527, Manchester, M61 0QU | info@slavefreealliance.org / www.slavefreealliance.org/success-stories/collaborative-groups
Slave-Free Alliance is a registered company (No:11258651), and is part of Hope for Justice, a charity registered in England and Wales (no. 1126097) and in Scotland (no. SC04569). Registered office: The Lexicon, 3rd floor, Mount Street, Manchester, M2 5NT.*



Key Achievements

- Delivering a total of five one-hour Lunch and Learn modules to a combined audience of over 500 stakeholders.
- Developing our Future Operating Model.
- Shortlisted for the Thomson Reuter Stop Slavery Collaboration Award.
- Expanding the Utilities Against Slavery group to 25 members.

Background

The utility industry is a massive employer throughout the world with a supply chain that embraces tasks ranging from the most complex of engineering solutions to basic activities, such as excavation or materials distribution. It is therefore inevitable that utilities will be a target for exploitation. It is also an industry that has a unique opportunity to identify the potential for acts of modern slavery and take action to support the eradication of this criminal activity.

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. Slave-Free Alliance is wholly owned by global anti-slavery charity Hope for Justice. During 2022, Utilities Against Slavery agreed to change name from Utilities Modern Slavery Working Group so its title and cause became simple and clear.

By the end of September 2022, the group had a membership of 25 utility companies (Appendix 1) collectively employing more than 120,000 people with a supply chain spend in the region of £15bn.

The scale of Utilities Against Slavery had grown to the extent that it has become impracticable to continue under voluntary leadership and administration. Consequently, during 2022, the group developed the 'Future Operating Model' as described below. We see this as a logical step to focus on the eradication of modern slavery within our industry.

Future Operating Model



In developing a new model, Utilities Against Slavery consulted with other sectors including food and retail to identify best practice in the management of anti-slavery activities. Following an internal strategy session, individual meetings were held with each member of Utilities Against Slavery. From these consultations, a paper was developed which details the Future Operating Model (Appendix 2).

Key features of the Future Operating Model include:

- A schedule of deliverables.
- A membership fee for organisations that are not members of the Slave-Free Alliance. There is no additional fee for members of the Slave-Free Alliance.
- The role of chairperson will be a paid part-time position.
- Administrative support and specialist insight will continue to be provided by Slave-Free Alliance but with a charge included in the fee.

The Future Operating Model will commence on 1 November 2022. As before, membership is open to all utility providers in the UK. It is acknowledged that some organisations may choose not to be involved in a fee-paying group. It was agreed that any utility provider can join or re-join at any time subject to being a member of Slave-Free Alliance or paying the requisite fee to be a member of Utilities Against Slavery.

Governance

Over the past year, Utilities Against Slavery has retained a consistent leadership team with Peter Thompson serving his second year as chairperson, working alongside experienced professionals from Slave-Free Alliance. The steering committee continues to support the broader group. In line with Utilities Against Slavery's governance procedures, the terms of reference and steering group membership was reviewed in February 2022.

The mission of the group remained unchanged - summarised as raising awareness, sharing best practice and collaboration. Objectives were expanded to include 'developing training material to share with our supply chain' and 'cooperating with other sectors to share good practice'. Other minor amendments were incorporated as agreed with the broader group. The terms of reference are included in Appendix 1.

The steering committee meets on a regular basis, generally a week before the full group meetings, to discuss the contents of meetings as well as the broader direction of the group.



Group meetings continue to be held on a six-weekly cycle alternating between a two-hour session incorporating presentations or workshops and a 30 minute update session. Generally, the meetings are held on a Teams platform. However, as Covid-19 pandemic restrictions eased, it has been possible to meet in-person during 2022.

Working Together

Key initiatives this year include the following:

- A hybrid strategy day in March 2022 which enable members to meet in-person or engage via Teams. Given the group was founded during the Covid-19 pandemic, this was the first opportunity for members to meet.
- Developing a toolkit to support members to develop a consistent and cutting-edge approach to eradicating modern slavery. This is a collaborative project being delivered by a working group from within Utilities Against Slavery.
- Developing a suite of Key Performance Indicators available for use by group members. The KPIs were created from a workshopping initiative involving all group members.
- A workshop to explore the maturity of our member companies in their approach to modern slavery. This formed part of the group's annual strategy session in March. The session was set up as a precursor to a future benchmarking project.
- A workshop to enable members to consider how their business objectives align with the group objective to eradicate modern slavery from the utility sector. This too formed part of the annual strategy session.
- A workshop considering the impact of modern slavery on long term frameworks. This is a particular concern in the utility sector where companies may be in contract for up to 10 years during which time it is important to regularly review the approach of contractors to social issues.
- Slave-Free Alliance created an internet presence for Utilities Against Slavery on its website.
- In addition to the regular six-weekly meetings, the chairperson along with representatives of Slave-Free Alliance held individual meeting with each of the 25 group members to understand their aspirations and to ensure their view were incorporated in the Future Operating Model.

Learning from others

Utilities Against Slavery engaged with many other organisations over the year to learn and to share best practice.

Examples include:



- **CCLA Investment Management** – through a member company the group sought to offer views on the development of the CCLA ‘Find It, Fix It, Prevent It’ strategy.
- **Home Office** – members including the chairperson attended workshops led by the Home Office to review the British government’s modern slavery strategy.
- **Supplier Collaboration Platforms** – two organisations provided updates to enable members to consider the options available to manage the ESG aspects of their supply chain.
- **Achilles** – members of the group have worked closely with Achilles to assist in the development of prequalification questionnaires. In addition, Achilles presented an update to the full group on their Ethical Business Programme.
- **Slave-Free Alliance Members’ Seminar** – in September 2022, Slave-Free Alliance kindly opened their members’ seminar to all members of Utilities Against Slavery. Those present were able to learn from a wide range of expert speakers including valuable networking sessions.
- **Anti-Slavery Week** – Slave-Free Alliance created resources and events for Anti-Slavery Day and the week around it, which were used by group members as part of their anti-slavery initiatives. Some members took part in the Hope for Justice fundraiser, which collectively raised £9,000 for its global anti-slavery programmes.
- **Forced labour in China** – an expert from within Slave-Free Alliance presented an update on issues within China at the strategy day, - in particular issues involving the Uyghur population and working practices in Xinjiang.
- **Displacement from the war in Ukraine** – as the war has developed, the group received several updates from the Slave-Free Alliance team to ensure member companies are prepared to engage with refugees through legitimate channels and to address social issues amongst supply chain disruption.

Lunch and Learn Programme

The Lunch and Learn programme was the cornerstone of Utilities Against Slavery’s activities during 2022. In collaboration with the Supply Chain Sustainability School (SCSS), Utilities Against Slavery developed and delivered five one-hour sessions aimed at member companies and their suppliers. Access to the sessions was free of charge with recordings available for people unable to attend. The presentations were held across lunchtime via Teams with the aim of making the sessions more accessible. The total live attendance was 506 individuals covering a full cross section of the utility industry. Areas covered by the Lunch and Learn Sessions were as follows:

- ‘What is modern slavery and the current trends?’, 20 October 2021
- ‘Modern Slavery Statements, Modern Slavery Statement Registry and Policies’, 16 November 2021



- 'What does modern slavery due diligence look like?', 19 January 2022
- 'Evaluating the Risk of Modern Slavery and Labour Exploitation in your Supply Chain', 16 February 2022
- 'Addressing Labour Exploitation in International Supply Chains', 16 March 2022

Feedback from attendees was particularly positive, indicating a desire for more sessions in the future. From the feedback it is clear that Lunch and Learn is a productive means of sharing the anti-slavery message, and building skills and knowledge to take action.

Thomson Reuters Foundation Stop Slavery Awards

The Thomson Reuters Foundation is a world leader in campaigning for human rights. It launched the Stop Slavery Award in 2015 as the first global recognition for businesses that had set a gold standard in efforts to eradicate forced labour from their supply chains. In 2019, it expanded to acknowledge efforts in the media, NGOs and other sectors.

Utilities Against Slavery was proud to submit an entry for the Stop Slavery Collaboration Award and honoured to be shortlisted for the award. It demonstrates how far the group has come in two years.

Meeting with other like-minded organisations at the Stop Slavery Awards ceremony, convinced the group that to achieve our ambitions Utilities Against Slavery must develop a more professional approach. As a result, the Future Operating Model has been developed and will commence in November 2022.

Initiatives for the coming year

Utilities Against Slavery will look at the following initiatives next year, plus discuss more and priorities them at our next strategy day.

- Embed the new working model to the satisfaction of group members.
- Identify and deliver future training sessions.
- Deliver the toolkit to group members.
- Interpret and share knowledge around BS25700.
- Next steps on supporting group members to risk map key aspects of their supply chains.
- Workshop impact of monopoly and preferred suppliers.
- Anti-Slavery Week activities.
- Expand engagement with external organisations to share best practice





Appendices

Appendix 1: Terms of Reference, October 2022

1. Context

Slave-Free Alliance (SFA) is social enterprise wholly owned by the anti-slavery charity Hope for Justice. SFA's mission is to help 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 UK utility organisations. Some of these businesses are SFA members and others are not.

While there have been individual initiatives taken by many organisations to tackle the issue of modern slavery, to date there has not been an industry-focussed coordinated approach to collaborate on the issue of modern slavery and drive meaningful change within the sector.

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

This Terms of Reference provides a framework for how UK Utilities Companies can collaborate and coordinate their approach to realise the potential of the industry to tackle modern slavery.

2. Utilities Against Slavery Mission

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 co-ordinated response to reducing risks in supply chains.

3. 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 workstreams
- Develop training material to share with our supply chain
- Cooperate with other sectors to share good practice.

4. Structure of Utilities Against Slavery

4.1. Independent Chair

The Group will appoint an independent Chair, and reappoint 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 the Chair appointment.

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 stakeholder relationships and collaboration
- Is effective in its task of setting its objectives and implementing its strategy to achieve these

The independent Chair will be operate and be remunerated on a consultancy basis by SFA.

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 four to six representatives. At least one 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 focus on 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.
- Annual membership commences on 1st November 2022 and lasts for twelve months from that date.
- The annual membership fee shall be agreed for the forthcoming year at every Annual General Meeting (AGM) by the majority of members present. If agreement is not reached the annual membership fee for the following year shall be that of the previous year plus Retail Price Inflation at the date of the AGM.
- The annual membership fee shall be:
 - i. £500 for businesses with an annual turnover below £50m
 - ii. £3,000 for businesses with an annual turnover of over £50m



iii. Where a UAS member is already a member of SFA, 100% of the UAS fee will be rebated against SFA membership fee

- Prior to enrolment for membership, the prospective members shall be required to read and agree to the terms of reference.
- SFA will be registered as a Data Controller under the Data Protection Act and appoint a suitable individual to ensure such compliance.

5. Powers of UAS

- UAS has power to do anything which is legally and ethically required to achieve its purpose and policy priorities.
- UAS may employ and remunerate such staff as are necessary for fulfilling its purpose and policy priorities subject to the condition that UAS through SFA has secured funding for the term of employment of such staff either from membership fees, donations, grants or other source of funds.
- UAS may not:
 - Borrow money
 - Buy, take on lease or in exchange, hire, sell or otherwise acquire any property
 - Invest funds or employ a professional fund-manager
 - Arrange for any of the revenue or property of the UAS to be held in the name of a nominee.

6. Working Group Operation

- Frequency and location of general meetings – the Group will aim to meet every six weeks, alternating between major two-hour meetings and 30-minute update meetings.
- In January of each year, an annual calendar of meetings dates and times will be created and circulated to the group.
- Slave-Free Alliance will provide a Microsoft Teams Channel as a platform for group discussions and collaboration.
- Agenda
 - 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 that are not placed on the agenda will be noted and communicated to members.
 - iii. Agenda to be issued approximately 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 one week of the meeting inviting comments and the final version issued within two 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.

7. Company group members as of October 2022

Severn Trent

Electricity North West

Scottish Power

Thames Water

Bristol Water

Dŵr Cymru (Welsh Water)

United Utilities

Yorkshire Water

Severn Trent

Anglian Water

National Grid

Wessex Water

Pennon Group

Drax

SSE

Portsmouth Water

Centrica

Cadent Gas



SGN

South Staffordshire Water

OVO Energy

Gas Networks Ireland

Northumbrian Water

Wales and West Utilities

Northern Gas



Appendix 2: Future Operating Model

Background

Utilities Against Slavery (UAS) is a collaborative initiative with a simple and clear ambition to eradicate modern slavery from the utilities sector.

Since the group was founded in 2020, the majority of utility companies operating in the United Kingdom have become members. The group is supported by the Slave-Free Alliance (SFA). Meetings have been held regularly alongside workshops, training sessions and knowledge sharing.

Membership of UAS is currently free of charge. The UAS chair is currently a volunteer. The SFA involvement is funded directly by SFA. UAS is supported by a steering group consisting of annually elected members of UAS, SFA and the group chair.

Why a new operating model?

Banishing modern slavery from the utility sector is a massive ambition. UAS requires significant input to lead, manage, administer and support the group. Our success in establishing UAS, which now has 24 member organisations*¹, has been founded on voluntary input at no cost to members. This approach has brought the group to a crossroads where we need greater input to move towards our target of making the utility sector a no-go area for traffickers. Put simply, we cannot proceed on a voluntary basis.

Such change will come at a cost to members. It is not the intention to profit from the group, so we have developed a cost-based model with costs shared by group members. If the model is to work, we need the vast majority of members to agree. If not, the costs will be prohibitive, but more importantly UAS will lose the benefit of its critical mass to fight the evils of slavery.

Looking at the key reasons for a new operating model:

- **Size of UAS** – In March 2020 we had 8 members we now have 24. It is not currently possible to provide adequate support and administration for this expanding group.
- **Scale of Modern Slavery** – the volume of modern slavery is not reducing. In addition, as we dig deeper into our supply chains we are find more examples of forced labour.
- **Scrutiny** - The intensity of scrutiny by press, investors, business leaders and government bodies is increasing.
- **Legislation** – In the UK, Anti-Slavery legislation is becoming more intense. Globally, the direction of travel with legislation means more companies must report on what activities and due diligence they are completing to ensure that human rights abuses are not happening in their businesses or supply chains.. A consistent approach by our sector will be more professional and cost effective.
- **Strength** – UAS has grown to a scale that enables us to make a difference that was not contemplated when we set out.



- **UAS Resource** – Our management, administration and support consists of a volunteer chair and limited availability from two members of SFA. This will not deliver our ambitions. Other equivalent organisations, for example, in the food and retail industry, have a full-time support management team.
- **Member resource** – it is not feasible for you each to develop your own approach to modern slavery in isolation. Many members have severely limited resource. There is also massive scope to share learning by being part of a larger group.
- **Reputation** - following the group's shortlisting at the prestigious Thomson Reuters awards UAS has achieved a level of respect which can either grow or diminish. It can't stand still. Put simply we have a positive brand. We want to build upon it.

New Operating Model – Deliverables

We have detailed below what we seek to achieve from our future operating model. On the whole, our plans expand the activities of our current model which, following discussion with each UAS member company, are perceived as being a successful basis to eradicate modern slavery from our sector.

A forum for all members to meet on a 6-weekly basis

A continuation of the previous format of a 2-hour meeting to explore topics chosen by the group followed by a 30-minute meet to catch up on key events. Meeting led by UAS chair supported by relevant SFA experts.

A directory of members to facilitate knowledge sharing

Maintenance of shared area listing all member organisations, their representatives, and member input to UAS activities and areas of specialisation to ensure information and knowledge can readily be shared.

Access to subject matter experts within SFA

Experts within SFA will join sessions to share their fields of knowledge or be available to answer specific questions.

Updates on contemporary issues relating to modern slavery

These issues are currently picked up within the 6-weekly cycle of meetings. The new model would provide information more promptly and in detail to meet member requirements.

Toolkit to support employees and supply chain members

The toolkit is currently being developed as an educational tool for members, their colleagues and contacts within their supply chains. It is scheduled to be published in December 2022. The intention is to update it regularly to ensure it remains contemporary.

Develop and deliver areas of training agreed by the group

The 5 lunch and learn sessions developed alongside the Supply Chain Sustainability School in 2022 received more than 500 viewings from member organisations and their supply chains. The future



operating model will deliver a minimum of 2 training sessions per year focussing on subjects identified by the group membership.

Support members in the development of Modern Slavery Statements

All organisations with a turnover over £36m are required to produce a Modern Slavery Statement. The legislation relating to these statements becomes ever more stringent. Membership of UAS will provide support to develop realistic statements.

Workshops to explore contemporary issues.

A 'Teams' format of workshops has proved a successful means of exploring subjects relevant to the whole group, including managing slavery risk in long-term frameworks and developing KPIs. The future model would continue this type of workshop but also develop workshops requested by sections of the group, for example, the risks associated with using monopoly chemical suppliers in the water industry. Membership will also provide access to archived workshop material.

Guest speakers covering contemporary aspects of Modern Slavery and Trafficking

The combination of the influence of SFA and the size of UAS will provide access to key speakers who can present to the group and raise its profile. This would not be possible on a company-by-company basis.

Support for events including Anti-Slavery Week

Publicity is a huge part in the fight against modern slavery. This year has seen a rise in the profile of Anti-Slavery Week activities within the utilities sector. With the cooperation of UAS group members, involvement with events of this type alongside networking events will be readily accessible to all members. For example, the SFA members' seminar in September 2022 has been opened up to all UAS members.

Production of Annual Report

The annual report details all activities of UAS and forms a valuable basis in the preparation of members' annual Modern Slavery Statements.

Consistency of Approach

Many members of your supply chains work across the sector. A consistent approach to pre-qualification questionnaires and educational information will make it simpler for compliant suppliers to engage with our industry. Equally, this consistency will more readily help to identify non-compliant organisations.

The UAS Brand

Utilities Against Slavery is viewed as a positive force in eradicating modern slavery. This became clear following our shortlisting at this year's Thomson Reuters awards. It is good for the group and your business.

What Utilities Against Slavery seeks from its members



This is a collaborative group. Success will come from working together. Following discussion with group members, membership will require the following commitment from each group member:

- Agreement to our operating model
- Participation in meetings and workshops
- Input into project work
- Sharing learnings with all members of the group
- Commitment to delivering our goals
- Confidentiality.

It must be stressed that these commitments will not be hugely time-consuming if our group remains at a similar size. Collaboration will reduce each member company's input and increase output quality.

New Operating Model – Cost

The balance between service quality and members' costs has been difficult to assess. Our calculation is based upon a part-time chairperson supported by leadership and administration from SFA.

The total cost of this offering is £70,000 per annum.

If all current members of UAS continue to be part of the group, the cost is approximately £3,000 per organisation. Assuming 20 members remain with the charging model, the cost would be approximately £3,500 per member. Below a membership of 20, it is questionable whether we will have a sufficient critical mass to achieve our ambitions. In this case, a different model with a different ambition may be appropriate.

Those UAS members who are part of SFA would not need to pay additionally.

Next Step

Each member must commit to the future operating model or acknowledge it doesn't align with their corporate objectives to enable us to establish the feasibility of UAS. We will then calculate an accurate fee.

A prompt commitment by 20 or more members will enable us to announce our future operating model in Manchester on 29 September. We can then move forward with the practicalities of instigating the model.