

# **MODERN SLAVERY ACT 2015**

## **NG BAILEY STATEMENT 2020/21**

## INTRODUCTION

NG Bailey Group Limited remains fully committed to compliance with the Modern Slavery Act 2015 (“Act”) in all its divisions, not only in its own dealings but in those of its supply chain.

The 2020/21 (“Reporting Year”) was an unprecedented year with the Group working hard to manage the operational impact of COVID-19 and offering support to our customers, people, and communities. Despite the challenges, we continued to take action to combat slavery and human trafficking in our business and continue to work to ensure this does not occur in our supply chain. Understandably, some of the planned progress has been delayed into 2021/22 but we expect to accelerate our progress throughout 2021/22.

This statement has been published in accordance with the Act and sets out the steps we have taken to prevent slavery and human trafficking in our business and supply chain.

The information contained within relates to the Group’s position and performance for the financial year ended 26<sup>th</sup> February 2021.

This statement has been approved by our Board of Directors.

A handwritten signature in black ink, appearing to read 'D Hurcomb', is positioned above the printed name and title.

DAVID HURCOMB  
CEO

## Organisation's structure and business

The NG Bailey group of companies is made up of the following trading companies:

- NG Bailey Group Limited – parent company
- NG Bailey Limited
- NG Bailey IT Services Limited
- NG Bailey Facilities Services Limited
- The Freedom Group of Companies Ltd
- NGBF Holdings Limited

Our head office is at Denton Hall, Denton, Ilkley, West Yorkshire LS29 0HH.

We are one of the UK's leading independent engineering, IT, facilities services, and power infrastructure businesses. We design, build, operate and maintain buildings, infrastructure, and IT services.

We're principally a UK based business with over 30 permanent locations across the UK. The majority of our services are delivered on projects in the UK, but on occasion we also operate internationally with projects and teams based overseas.

We employ approximately 3,200 people within the Group, with an annual turnover in excess of £500m.

## Our supply chain

Our supply chain includes a mix of large multi-national organisations and SME's delivering a diverse range of products, systems, services, and trades. The majority of our immediate trading arrangements are focussed within the UK with specific contracts and individual client needs requiring us to procure goods and/or services from within the EU on an ad-hoc basis but in some instances, goods are provided to us by clients on a free issue basis. Whilst the majority of our supply chain is UK based and therefore of a lower risk, we acknowledge that our wider supply chain will extend on a global scale and with potentially increased risk. Our contracted suppliers of goods and services are obliged through our pre-qualification systems, to mirror our approach to slavery and human trafficking. We continue to engage with our supply chain to enhance our understanding of their processes and controls for the management of modern slavery in their supply chain.

Our Group supplier base extends to approximately 3,250 suppliers of which approximately 500 suppliers account for 80% of our spend. All of our supply chain is subject to a pre-qualification process and must be approved before use. We are actively engaging with a reduced supplier base at pre-construction and operational stages to ensure alignment with opportunities and working practices however, our delivery model is subject to client and customer requests and therefore we must retain regional coverage for certain categories of goods and services. Our strategy of working closer with a smaller number of key strategic suppliers continues to provide us the opportunity to embed ourselves within our mutual businesses and develop a much clearer view of the entire supply chain.

We recognise the pressure that late payments can create with the supply chain and how this can contribute to the risk of modern slavery in our sector. Payment performance in our sector is inherently challenging due to complex supply chains, contractual terms, and the impact of disputes. However, we recognise the importance of supporting our supply chain and that making payments on time reduces pressures which might otherwise result in exploitation. As such we carried out a full review of our supplier payment processes in 2020/21 to identify further ways to improve and ensure payments are made on time. This resulted in significant improvement in our payment performance with the percentage of invoices paid within 60 days increasing from 71% in the second half of 2019/20 to 92% in the second half of 2020/21. We closely monitor our payment performance and regularly report on it to the Board and Audit Committee and it will continue to be an area of focus as we look to improve further.

## Our policies on slavery and human trafficking

We are committed to ensuring that there is no slavery or human trafficking in our supply chain or in any part of our business and therefore our Anti-Slavery and Human Trafficking Policy applies to all those who work in any capacity for us, or on our behalf. Our Anti-Slavery and Human Trafficking Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place in our supply chains.

A copy of the NG Bailey Anti-Slavery and Human Trafficking Policy is available on our website and accessible via this [link](#).

To reinforce our commitment to this issue we also make available to all stakeholders via our website [www.ngbailey.com](http://www.ngbailey.com), our Code of Integrity for Business Partners, and our Speak Up (whistleblowing) policy along with a Responsible Procurement Charter available at [www.freedom-group.co.uk](http://www.freedom-group.co.uk). Each of these documents sets out our expectations of our supply chain and reinforces our zero tolerance of modern slavery in our supply chain.

During 2020/21 we began a review of other policy documentation across the Group as part of our continuous improvement approach to ensure that our expectations around Modern Slavery are clearly and consistently communicated. We identified some areas to enhance further and are taking steps to update our processes during the 2021/22 financial year.

The Group remains a signatory to the Gangmasters and Labour Abuse Authority Modern slavery protocol as a public commitment of our efforts in this area, publishes its reports on the modern slavery registry and is an affiliate member of the TISC reporting website.

## Due diligence processes for slavery and human trafficking

As part of the ongoing management of modern slavery within our business we continue to engage across the Group with representatives from our procurement, commercial, legal, responsibility, human resources, company secretariat and internal audit teams contributing to the disclosures made in this statement.

We have a zero-tolerance attitude to slavery and human trafficking and during the financial year 2020/21 took the following steps:

- Following the outputs from the Government's Modern Slavery Assessment Tool, we continue to work to embed best practice into our risk identification and the management of modern slavery for our business. The outputs from the assessment continue to feed into the ongoing management of modern slavery within our business with completion now targeted for the end of the 2021/22 financial year.
- Our UK recruitment & selection policy continues to state that all applicants must be asked to provide at interview original copies of their proof of the Right to Work in the UK, in accordance with the amendment to the Immigration, Asylum, and Nationality Act 2006. Following Brexit, additional management guidance on this topic was put together and circulated to all recruiting managers, as well as upskilling our Recruitment and Onboarding teams:
  - It is the recruiting manager's responsibility to check each applicant can provide proof of the Right to Work in the UK, review the validity of those documents in the presence of the holder and take a copy of and retain these documents securely prior to any offer of employment being made.
  - Alternatively, an online check via the Home Office can be conducted in support of candidate's proof of the Right to Work in the UK.

- Furthermore, when new employees join the NG Bailey Group of companies, other pre-employment checks are conducted. These include references and relevant qualification/training checks and also ensuring that the bank account details provided for the payment of salary match the name of the employee. Where discrepancies arise, we will discuss with the employee and escalate further where necessary.
- We also request a National Insurance number which forms part of an individual's evidence of the Right to Work in the UK. We do not make any cash payments to any of our employees.
- In addition, we have started our investment in a new HR, payroll and, learning and development system which will enable us to manage our recruitment, onboarding, people management and, training and development in a more transparent, streamlined, and efficient manner. We expect the updates to our systems to be complete during 2022.
- Where we utilise the services of temporary labour resource within our business, we seek to comply with the Act through the imposition of several contractual obligations on our third-party agencies requiring compliance with the relevant laws pertinent to the provision of the resource, which includes compliance with Modern Slavery legislation. Where we are subject to a third-party contract arrangement, we work with the third party to include details of our expectations with regards to the prevention of modern slavery. Whilst not a material risk, our Freedom business will work to replicate this over the coming year.
- In our NG Bailey businesses our standard trading terms, commercial agreements and subcontract conditions contain a provision that places an obligation upon our supply chain to mirror our slavery and human trafficking commitments and to ensure their compliance with the Act. Our Freedom business has now embedded these conditions into a number of their Framework agreements and continue to work to embed these changes across the business. Our standard working practices and procedures in making payments mean that we do not make cash payments to our supply chain.
- To enable us to confirm those operating in our supply chain comply with our Anti-Slavery and Human Trafficking Policy we have pre-qualification systems in place across the Group:
  - For the NG Bailey supply chain this requires new suppliers to reference and support with evidence, their approach to tackling slavery and human trafficking. In addition, where obligated under the Modern Slavery Act 2015, we are also asking our supply chain to share their Modern Slavery Statements or policies with us so we can understand more about the due diligence processes in place within our supply chain. For existing suppliers, the disclosure process is ongoing through our continuous refresh of supplier information and 95% of respondents to date have agreed to operate in line with our Code of Integrity for Business Partners, which explicitly outlines our requirements around Modern Slavery. Where suppliers do not agree to our Code we engage directly with them to understand their policies and procedures prior to commencing work.
  - In our Freedom business in the reporting year 100% of new sub-contractors completed pre-qualification questionnaires accepting our requirement to comply with the Modern Slavery obligations meaning 84% of our Freedom subcontractors have accepted our specific reference to Modern Slavery Act 2015 compliance. Where subcontractors or suppliers are not currently aligned to our modern slavery position our procurement teams are engaging the supply chain to improve awareness and compliance. They have also taken additional steps to increase the level of review by reinforcing the documentation and processes required as well as defining a desktop audit process which will begin in 2021/22.

## Continuing to manage our risk

We previously set a series of key performance indicators (KPIs) to facilitate continuous improvement in our management of modern slavery. Our performance against these KPI's is disclosed in the table below:

KPI	Status	Update
Target training to 100% of our procurement professionals.	Ongoing	Following increased awareness amongst our Procurement teams, they have been working to update and embed modern slavery controls into our Group Procurement policy. We expect the policy to be finalised in 2021/22 financial year.
Provide relevant updates to our employees on the continued risk of slavery and human trafficking to our business to ensure awareness is maintained.	Ongoing	Our ongoing poster campaign continued within the business and successfully rolled out to our Freedom business maintaining the awareness across the Group. In addition, we continue to encourage our employees and supply chain to engage with the modern slavery learning resources available for our industry through the Supply Chain Sustainability School and we are in the process of defining a specific learning pathway.
Continue to map our spend profile to the Global Slavery Index on an annual basis in order to develop a 'Heat Map'. Any spend falling within the high-risk regions, either directly or indirectly will be subject to a higher degree of scrutiny.	Ongoing	Following the outputs of our Modern Slavery assessment tool we acknowledge the need to accelerate progress in this area and are taking steps to engage the supply chain directly.

We will continue to work towards the delivery of our KPI's in the forthcoming year.

## Further steps

We remain committed to the ongoing delivery of the further steps outlined below. These steps are designed to reinforce our effort to prevent modern slavery occurring in our supply chain and an update on our progress has been provided below:

Further steps	Status	Update
Monitoring our performance against the KPI's listed above and communicating to the business where performance needs to be strengthened.	Ongoing	Expertise from across the Group continues to inform the disclosure made in this statement, monitoring progress against our KPI's, effecting change and communicating updates to the business. We will focus on improving supply chain communications with a view to embedding our Code of Integrity for Business Partners further across the NG Bailey Group.
Consider and determine an audit methodology to ensure compliance within our supply chain.	Achieved and ongoing	Our Freedom business has been working to define a desktop audit approach for the business with a view to commencing these in the 2021/22 financial year.
Where satisfactory controls do not currently exist, collaborate with our supply chain to develop an agreed	Ongoing	Our supply chain is required to disclose their position on modern slavery before commencing works which is then subject to a

approach to modern slavery and human trafficking.

business review. Where a supplier does not meet our standards, we will assist them in improving and are in the process of setting learning pathways in partnership with the Supply Chain Sustainability School resource library to enable them to do so.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ended 26<sup>th</sup> February 2021.

David Hurcomb

Chief Executive

NG Bailey Group Limited

August 2021