

NG BAILEY MODERN SLAVERY STATEMENT 2021/22

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 2021/22 ("Reporting Year") remained a challenging year as the Group continued to work hard to manage the ongoing 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 2022/23 but we are committed to making progress in this area.

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 25th February 2022.

This statement has been approved by our Board of Directors.



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 a footprint across the UK. Whilst the majority of our services are delivered on projects in the UK, on occasion we also operate internationally with projects and teams based overseas.

We employ approximately 3,000 people within the Group, with an annual turnover of approximately £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 3,900 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 engaging with our supplier base at pre-construction stage to ensure alignment with opportunities and working practices. 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. Following on from our supplier payment review in 2020/21 we have been able to continue to improve our payment performance with the percentage of invoices paid within 60 days increasing from 92% in the second half of 2020/21 to 97% in 2021/22. 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 implement and enforce 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, our Code of Integrity for Business Partners, and our Speak Up (whistleblowing) policy, both of which were updated in 2021/22 in line with our commitment to do so in our 2020/21 statement. Each of these documents sets out our expectations of our supply chain and reinforces our zero-tolerance of modern slavery in our supply chain.

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, responsibility, human resources and legal 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 2021/22 took the following steps:

- Following the outputs from the Government's Modern Slavery Assessment Tool, we continued to work to embed best practice into our risk identification and the management of modern slavery for our business. In 2021/22 we took steps to engage with approximately 350 of our top suppliers on the topic of modern slavery to establish a baseline of understanding and to inform future direction. 80% of respondents were not obligated under the mandatory reporting requirements. Notwithstanding this, 91% were able to confirm that they had a modern slavery policy in place and 66% were implementing this requirement for their own supply chains.
- Our UK recruitment and 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 circulated to all recruiting managers, as well as upskilling our Recruitment and Onboarding teams. Further guidance was provided to Managers and those responsible for recruitment to reflect changes that came into effect from the Home Office on 6th April 2022.
 - It remains 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. As a result of COVID-19 and social distancing requirements, in the 2021/22 reporting year we implemented temporary adjustments to this process in line with Home Office guidance to enable these checks to be completed virtually as part of our recruitment processes.

- As a Group we understand the requirements for employing individuals from outside of the UK. Our recruiting managers work closely with our HR teams throughout this process and whilst the Group has a sponsorship licence, the scope for the Skilled Worker route in our business is limited. Nevertheless, we understand and comply with our reporting responsibilities and Home Office requirements.
 - For individuals joining the Group from outside of the UK online checks via the Home Office must be conducted by the recruiting manager in support of a candidate's proof of the Right to Work in the UK; this includes EU nationals and individuals with Biometric residence permits. The Company keeps a record of all colleagues with time-limited right to work documentation and ensures that follow up checks are completed on a monthly basis to ensure colleagues hold valid right to work documentation.
- Furthermore, when new employees join the Group, other pre-employment checks are conducted by our HR Onboarding teams. These include references and relevant qualification / training checks and a request for a National Insurance number which also forms part of an individual's evidence of the Right to Work in the UK. Where discrepancies arise, we will discuss with the employee and escalate further where necessary.
- We do not make any cash or cheque payments to any of our employees with all payments made via direct bank credit direct to an account authorised by our employee. Employees are issued with a specific password protected HR account to enable them to manage all their personal details including bank account information.
- Our investment in a new HR, payroll and, learning and development system continued in 2021/22. The new system will enable us to manage our recruitment, onboarding, people management and, training and development in a more transparent, streamlined, and efficient manner. The updates to our systems are expected to be completed by the end of 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 in our Freedom business, we will be undertaking a review of how we source temporary labour requirements for Freedom in 2022/23.
- Across the Group we have recently completed our review of our standard trading terms, commercial agreements and subcontract conditions so they 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 standard working practices and procedures in making payments continues to ensure 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 provide information and evidence of 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 96% 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 the Code, we seek to engage with them to understand their policies and procedures prior to commencing work.

- Following a review undertaken in 2021/22, our Freedom business identified that they could strengthen their supply chain management process beyond the planned desk top audits by separating supplier performance and onboarding compliance. Tackling these two areas separately will ensure that supply chain performance can be monitored clearly and where underperformance or non-compliance is identified this can be dealt with swiftly. 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. We continue to review our historical suppliers and require all to accept our updated modern slavery obligations and Code of Integrity for Business Partners.

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	Due to a significant change in personnel across the Group this target is ongoing. A new procurement director has recently joined the Group who is reviewing the policy and training available to all our staff in the 2022/23 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 Anti-Slavery and Human Trafficking Policy and our Code of Integrity for Business Partners have been updated and made available on our internal systems for staff. These policy updates continue to reinforce the zero-tolerance position and 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.
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	We conducted a high-level review of those raw materials / goods that are classified as being at high risk of forced labour, as defined by the Global Slavery Index. Whilst this review identified that our overall exposure was low, where there was the potential for exposure, we conducted desk top reviews of audit documentation provided by suppliers to ensure processes and controls were in place to minimise the risk of modern slavery occurring.

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 is 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 are focused on improving supplier communication to improve transparency across the Group.
Consider and determine an audit methodology to ensure compliance within our supply chain.	Ongoing	Following the appointment of our new procurement director, we are undertaking a review of our supplier onboarding and management process during 2022/23. This review will consider how we monitor modern slavery compliance and best practice within our supply chain.
Where satisfactory controls do not currently exist, collaborate with our supply chain to develop an agreed approach to modern slavery and human trafficking.	Ongoing	Our supply chain is required to disclose their position on modern slavery before commencing works which is then subject to a 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 25th February 2022.



David Hurcomb

Chief Executive
NG Bailey Group Limited

August 2022