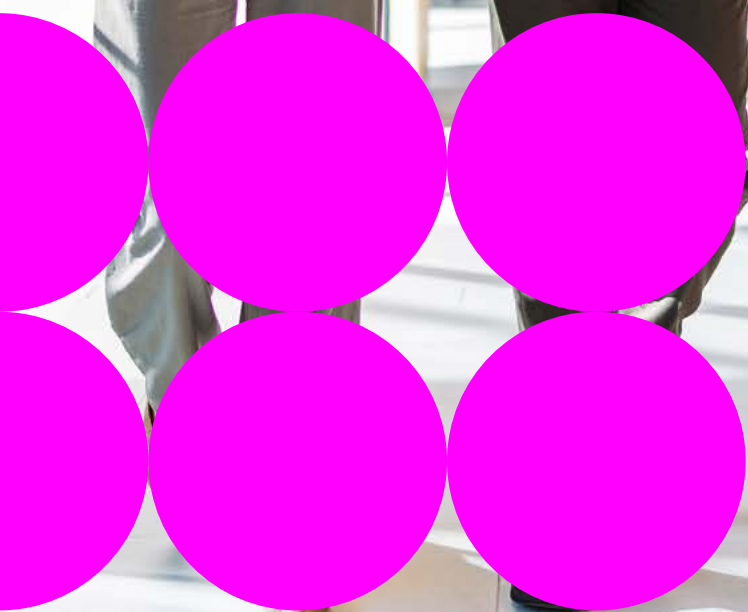


Public

Modern Slavery Statement

2026-2027



NESO
National Energy
System Operator



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Introduction

“Modern slavery has no place in the energy system we are building for the future. At NESO, we are committed to protecting human rights and driving high ethical standards across our operations and supply chains, embedding vigilance, transparency and accountability in everything we do.”

The National Energy System Operator (NESO) was established under the Energy Act 2023 as an independent public corporation with responsibility for leading Great Britain’s transition to a cleaner, more secure and affordable energy future. Our purpose – forging a path to a sustainable future for everyone – guides everything we do, and reflects our commitment to our people, our communities, and our customers. Central to this purpose is our unequivocal opposition to modern slavery in all its forms.

We are committed to being a safe, inclusive and respectful place to work, where colleagues can expect fair pay, good working conditions and the opportunity to bring their whole selves to work. These principles extend beyond our own workforce and underpin how we engage with suppliers, partners, and others who work with or on behalf of NESO.

Modern slavery remains a serious and often hidden issue. The operating environment for organisations continues to grow more complex, and pressures on workforces, including within supply chains, are increasing. These factors underline the importance of us taking a proactive approach to identifying, preventing, and mitigating harm to people.

This statement reflects our ongoing commitment under the Modern Slavery Act 2015. It sets out our approach to governance, due diligence and supplier engagement, and outlines the actions we are taking to combat modern slavery. This statement covers NESO’s financial year ended 31 March 2026 and is published in accordance with section 54(1) of the Act.

I sign this statement on behalf of the Board of Directors of National Energy System Operator Limited, following its approval on 17 September 2026.

Fintan Slye

Fintan Slye
Chief Executive Officer

About NESO

We operate today’s electricity system and design tomorrow’s energy system.

- NESO is Great Britain’s energy system operator, at the heart of the energy landscape.
- We are responsible for the day-to-day balancing and operation of networks across Great Britain’s electricity system.
- We are also responsible for the strategic planning of the nation’s electricity, gas and hydrogen systems, and markets.
- We take a whole system view so that everyone in Great Britain has access to secure, clean and affordable energy.

- The Energy Act 2023 established NESO’s statutory duties, shaping how we think, operate and make decisions.
- We also have a duty to respond to requests for advice and information from the UK government and Ofgem, our regulator, and to keep energy sector developments under review.

United by our purpose, we play a critical role in delivering a reliable, clean and affordable energy system for Great Britain.

Our values guide how we act, how we make decisions and how we work with others. As a trusted public organisation, this means acting with integrity, supporting our people to thrive, respecting human rights, and using our influence responsibly to drive higher standards across the energy system.



Our purpose

Our purpose is to forge the path to a sustainable future for everyone.



Our vision

Our vision is a future where everyone has access to reliable, clean and affordable energy; our work will be a catalyst for change across the global community.

Our values

Our values are what define us, setting the foundation for our purpose and guiding us as we move towards achieving our vision.



Accelerate Progress

We deliver better outcomes at pace when we take accountability, are courageous and progress the bigger picture.



Be Curious

We achieve more when we demonstrate a growth mindset, being curious, asking questions beyond and within our organisation to develop, learn and innovate.



Build Trust

We build trust when we listen to and understand the needs of our colleagues and customers, are transparent with our actions and deliver on our commitments.



Create Belonging

We perform at our best when we can be our true selves, embrace diversity and are truly inclusive.

Statutory and Classification Status

National Energy System Operator Limited (NESO or the Company) is a private limited company registered in England and Wales under the Companies Act 2006.

NESO is wholly owned by the Secretary of State for Energy Security and Net Zero.

Since 1 October 2024, NESO has been designated as the Independent System Operator and Planner (ISOP) for the purposes of the Energy Act

2023, providing NESO with its statutory functions and purpose to help accelerate Great Britain’s energy transition.

NESO has been economically classified on an indicative basis by HM Treasury’s Classifications team as a public non-financial corporation, pending confirmation of NESO’s status by the Office for National Statistics at a future date.

We operate solely in Great Britain, with over 2,300 employees and contingent workers based across our offices in Wokingham, Warwick, Glasgow and London.

A comprehensive approach to addressing modern slavery

Our approach to tackling modern slavery is embedded in our wider commitment to respecting and protecting human rights. We recognise that businesses have a responsibility to respect human rights, avoid causing or contributing to harm, and address adverse impacts where they occur. In carrying out our activities, we seek to operate in a manner consistent with the principles of the European Convention on Human Rights (ECHR) and the UN Guiding Principles on Business and Human Rights.

Modern slavery, human trafficking, forced labour and child labour are serious human rights abuses that exploit people for economic gain, undermining dignity, freedom and personal security. We believe that everyone who works at NESO has the right to safe, inclusive working conditions and fair pay. This commitment extends beyond our own workforce and informs how we engage with suppliers, partners and other third parties. We expect those we work with to uphold similar standards and to respect human rights throughout their operations and supply chains.

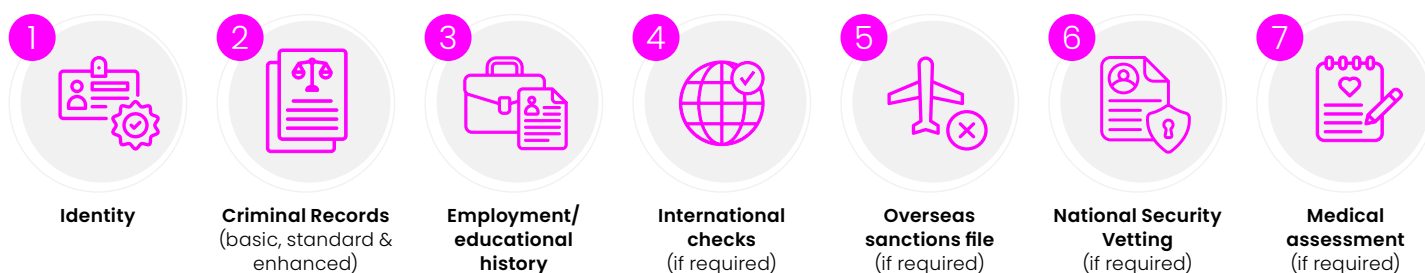
Our Colleagues and Human Rights

NESO recognises that respecting human rights starts with how we treat our people. We are committed to providing a fair, inclusive and secure working environment, where all colleagues are treated with dignity and supported to thrive.

We are focused on building a highly capable and diverse workforce, bringing together expertise from across the energy landscape to help shape the future of Great Britain's energy system.

In line with UK Government guidance on tackling modern slavery, we recognise that modern slavery risks can arise in any organisation, regardless of sector or workforce profile. At NESO, we take a proactive approach to identifying, preventing and mitigating potential harm.

As part of our due diligence, we apply robust pre-employment screening processes in line with BS7858 to verify identity, right to work and employment history for all employees and contingent workers. The specific checks undertaken may vary depending on the role, but as a minimum include:



NESO's Talent Acquisition team plays a key role in implementing our policies and due diligence processes to support fair, inclusive and responsible recruitment. Our recruitment practices are designed to reduce the risk of modern slavery and labour exploitation and are monitored to ensure compliance with relevant UK legislation. These controls form part of our wider approach to due diligence, supporting transparency, consistency and equity across our hiring activity, while enabling us to attract a diverse workforce that reflects the communities we serve.



As part of our due diligence, we require all third-party providers supporting our recruitment activity to be engaged through NESO's Preferred Supplier List and to operate in line with our policies, values and expectations, including those relating to ethical conduct and respect for human rights.

A comprehensive approach to addressing modern slavery continued

Contingent Workers

NESO engages contingent workers to provide specialist services on a temporary basis. All contingent workers are engaged through an approved Managed Service Provider (MSP) and are subject to screening requirements aligned with NESO's policies and standards. These controls support the prevention of forced or compulsory labour and promote fair and responsible recruitment practices.

Contingent workers are expected to adhere to NESO's values and Code of Ethical Conduct while providing services to the organisation. They are provided access to NESO's online policy library to support awareness and compliance.

At NESO we operate a Contingent Labour Policy, which establishes screening requirements and clearly defines the responsibilities of People Managers. The policy supports managers in ensuring that contingent workers are engaged responsibly, treated with dignity, and act in accordance with NESO's ethical standards.

Collective bargaining and freedom of association

We engage regularly with recognised trade unions and employee representatives through the NESO Joint Engagement Forum (NJEFF) as part of our commitment to meaningful stakeholder engagement. We recognise the importance of dialogue with colleagues and their representatives in understanding risks, sharing information and informing our approach to managing impacts on people.

We respect the right to freedom of association and collective representation and ensure we provide accessible information to support informed engagement across the workforce via our intranet.

Fair Pay

NESO recognises that unfair pay and insecure employment practices can increase the risk of forced labour and exploitation. We are therefore committed to responsible pay practices.

In 2026, we became an accredited Living Wage Employer

We are proud that, during the year, we became an accredited Living Wage Employer, reflecting our commitment to fair, transparent and responsible pay practices. Accreditation by the Living Wage Foundation provides a commitment that we pay wages aligned to the real cost of living, rather than the statutory minimum. Fair pay is a key control in reducing vulnerability to labour exploitation and in-work poverty and supports our wider approach to respecting human rights across our operations. By committing to the Living Wage, we reinforce ethical employment standards, support workforce wellbeing, and contribute to the prevention of practices that can increase modern slavery risk.



1646 of our employees are covered by a collective bargaining agreement



Data as at 31 March 2026

A comprehensive approach to addressing modern slavery continued

As well as our accreditation, our remuneration framework is designed to attract, retain and motivate high-calibre individuals and is reviewed annually through benchmarking against appropriate peer groups. Remuneration for the Chief Executive Officer and Executive Committee is reviewed and approved annually by the Remuneration Committee, which oversees terms of appointment, pay, benefits and termination arrangements. Remuneration for People Managers is approved by the Executive Committee in line with the remuneration policy approved by the Remuneration Committee and the NESO Board. This ensures consistent and responsible pay practices across all leadership roles.

In the wider workforce, remuneration is governed by collective bargaining arrangements agreed with recognised trade unions. These arrangements provide transparency, consistency and protection against exploitative pay practices.

We expect our suppliers and business partners to adopt fair and lawful remuneration practices, including compliance with minimum wage legislation. Through this approach, we seek to reduce the risk of modern slavery across our operations and supply chain.

Our Supply Chain

While we consider the risk of modern slavery and labour exploitation within our own operations to be relatively low, we recognise that the potential for modern slavery is greater within certain areas of our supply chain. We therefore take a proactive approach, prioritising the review, assessment and monitoring of suppliers and activities that present higher levels of risk. We believe this targeted approach enables us to focus our efforts where they can have the greatest impact in identifying, preventing and addressing modern slavery and human trafficking.

NESO procures goods and services to support the delivery of its operations. Spend on suppliers is tracked, and while the majority of expenditure occurs in countries where modern slavery legislation is in force, we recognise that risk may still be present.

We acknowledge that our relationships with suppliers may expose the organisation to potential modern slavery risks. These risks are identified and managed through ongoing monitoring of procurement activity and supply chains, in line with NESO's ethical standards and due diligence processes.

NESO's supply chains include:

- Technical suppliers, including IT services, data centres, software and technology contractors.
- Suppliers supporting electricity system operations, including specialist contingent workers and equipment for control room monitoring and operation; and
- Workplace management service providers, including cleaning, maintenance, security and catering.

Payments to our Suppliers

92%

of all supplier payments were made on time



FY25: 92%

Timely payment is a key part of NESO's ethical procurement approach and an established control within our supplier due diligence framework. Late payment can place financial pressure on suppliers and may increase the risk of exploitative labour practices within supply chains.

NESO manages this risk by monitoring supplier payment performance and applying fair and transparent commercial practices. In FY26, 92% of supplier payments were made in line with contractual payment terms* consistent with the previous financial year, reflecting NESO's commitment to the Prompt Payment Code and fair commercial practices. Through timely payment practices, NESO supports supplier stability and resilience and contributes to the identification, assessment and mitigation of modern slavery risk within its supply chain.

*For reporting purposes, payment terms are defined as the period between the invoice date and the contractual due date for payment. Reporting covers purchase order invoices paid during the financial year, excluding invoices that are reversed, cancelled or processed outside the purchase order framework to ensure consistency and accuracy.

A comprehensive approach to addressing modern slavery continued

Risk Assessment and Due Diligence

Our suppliers play an important role in supporting the delivery of NESO's services to communities and businesses, and their workers represent NESO in the delivery of those services. We are therefore committed to building open, trusted supplier relationships that support responsible business conduct and value across our supply chain.

We expect all suppliers to operate ethically, transparently and in compliance with applicable laws. In October 2024, NESO introduced its Supplier Code of Conduct, reinforcing our commitment to operating with integrity and working with suppliers who share our approach to preventing modern slavery. The Code sets out expectations including compliance with the Modern Slavery Act 2015 and relevant government procurement guidance. Our procurement processes are designed such that bidders who fail to meet such expectations can be excluded from the tender process.

Due diligence forms an important part of supplier selection and our contract management processes and includes financial resilience checks using data analytics platforms such as Moody's and Dun & Bradstreet. Where appropriate we engage with our sponsoring department, the Department for Energy Security and Net Zero, to ensure alignment with government standards.

Suppliers are required to ensure that individuals delivering services on behalf of NESO are appropriately trained, qualified and vetted. Suppliers are also expected to support NESO's obligations under section 149 of the Equality Act 2010 by delivering services in a manner that promotes equality, eliminates discrimination, harassment and victimisation, and fosters positive relations.

Where modern slavery risks or issues are identified, NESO will work constructively with suppliers to agree remediation actions and strengthen contract management. Where remediation is not possible, NESO reserves the right to terminate the contractual

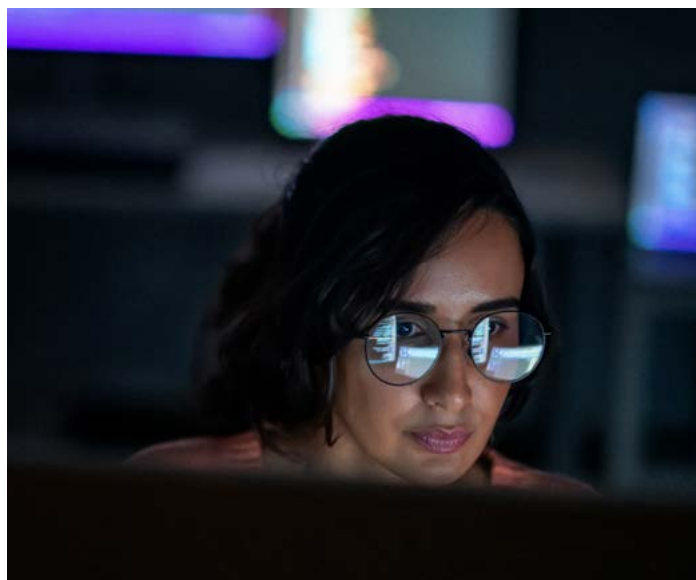
relationship, taking care to avoid the potential impact on vulnerable individuals and to avoid any action that could cause further harm to vulnerable individuals.

During the reporting period, NESO did not identify any supplier-related incidents of modern slavery.

Governance

Overall responsibility for managing modern slavery risk sits with the Chief Financial Officer, with operational implementation led by procurement specialists. The governance structure supports the integration of modern slavery risk management across the commercial lifecycle and ensures alignment with NESO's ethical, compliance and risk frameworks.

The NESO Board provides oversight and formally approves this statement, reinforcing accountability and commitment to preventing modern slavery from the highest level of the organisation.



Our Policies, Training and Awareness

Policies

NESO's approach to preventing modern slavery risk is underpinned by a suite of policies that set expectations for ethical conduct and responsible business practices. These policies support the identification and management of risk to NESO, the people we work with and those within our supply chains.

All colleagues are required to comply with these policies, which are accessible through NESO's Quality Management System. Relevant third parties are also expected to adhere to applicable NESO policies.

Through this policy framework, NESO seeks to embed consistent standards and controls that support the prevention, identification and mitigation of modern slavery risks across our operations and supply chain.



Code of Ethics

Reflects NESO's organisation-wide commitment to respecting the human rights of everyone we work with. The Code applies to all colleagues and provides a clear framework for ethical conduct across our operations.



Speak Up Policy

We want all colleagues to feel empowered raising concerns about potential wrongdoing, including issues related to modern slavery. Our independent helpline is available to all colleagues, contingent workers, and partners to report any issues confidentially.



Grievance Policy

Employees are enabled to raise concerns. Issues can be resolved informally or escalated through a formal written process, with support from trained Investigating Officers. This policy complements our Speak Up Policy.



Anti Financial Crimes Policy

We take a zero-tolerance approach to all forms of financial crime, including bribery and corruption, money laundering, the financing of terrorism, tax evasion, market abuse, and modern slavery.



Health, Safety and Wellbeing Policy

We maintain a clear Health, Safety and Wellbeing strategy that supports compliance, safe working and colleague wellbeing, promoting a culture where everyone takes responsibility.

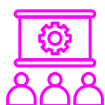
Our Policies, Training and Awareness continued

Code of Ethics Training

Training supports the effectiveness of NESO's actions to prevent modern slavery. All new starters receive Code of Ethics training as part of induction, with ongoing training reinforcing ethical standards and the identification and escalation of concerns.

99%

of colleagues completed the Code of Ethics training during the year



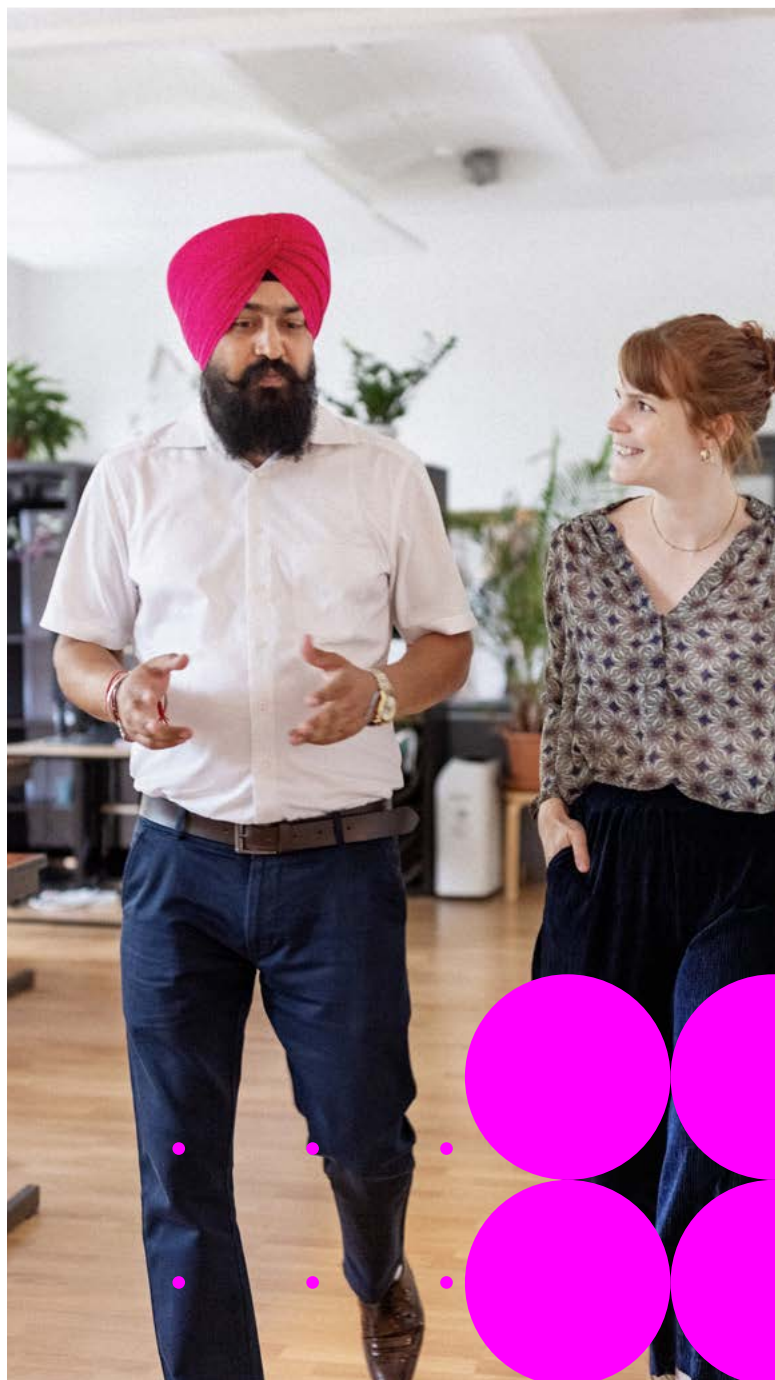
Modern Slavery Training

Procurement activities are led by experienced commercial professionals who apply specialist expertise to the management of supply chain risk. NESO is committed to building and maintaining procurement capability, including awareness of modern slavery risks across the commercial lifecycle.

Procurement colleagues are encouraged to complete targeted modern slavery training, including the Government Commercial College's modules and resources referenced in government Procurement Policy Notes. These resources support the identification of risk indicators, appropriate escalation of concerns and the application of practical mitigation measures.

Anti-Fraud and Bribery Training

We have zero tolerance for fraud and bribery and recognise that financial crime can be linked to modern slavery risk. Mandatory anti-fraud and bribery training supports awareness of individual responsibilities and helps to prevent financial misconduct. This control forms part of a wider framework for ethical conduct and risk mitigation, that supports the prevention and detection of practices that may contribute to modern slavery.



Our Focus Areas

NESO is committed to year-on-year improvement in preventing modern slavery. We recognise that tackling modern slavery requires ongoing action, continuous improvement and clear accountability.

To support this approach, during the year we undertook a review of measures that could best support our impact and assist us to monitor progress, identify areas for improvement and ensure our activities remain focused. This resulted in us undertaking the following key actions during the year:

- **introduced a contract tiering framework** to categorise agreements into gold, silver or bronze tiers based on assessed risk, enabling proportionate oversight and assurance across our commercial landscape
- **used modern slavery risk assessments** to identify contracts at high or medium risk of modern slavery
- **reviewed and aligned procurement terms, policies and procedures** with the latest government guidance
- **made the Home Office modern slavery training resources accessible** to all NESO Procurement team colleagues via the Government Commercial College
- **introduced the Ivalua procurement platform** that will support NESO's procurement processes by enhancing data quality, transparency and insight across our commercial operations
- **achieved NESO's formal accreditation as a Living Wage Employer**, reaffirming our commitment to fair pay and ethical employment practices

Building on these actions, in the year ahead we will:

- continue to use and develop our contract tiering framework and risk assessments to identify, assess and manage contracts with modern slavery risks proportionately and effectively
- ensure our procurement terms, policies and guidance remain aligned with evolving government guidance
- mandate the Government Commercial College modern slavery training for all Procurement team colleagues
- assess the modern slavery materials available from government resources for inclusion in a training and awareness package to be developed for all NESO colleagues, supporting wider organisational awareness of modern slavery and ethical decision making
- continue to implement and integrate the Ivalua procurement platform into NESO's procurement processes



Raising Concerns

At NESO we recognise that effective grievance mechanisms are a key control in identifying and addressing modern slavery risks. We promote a speak-up culture and provide clear, accessible routes for raising concerns.

We monitor the effectiveness of our speak-up culture through NESO@Listens, our colleague engagement survey, to ensure that reporting mechanisms operate effectively in practice.

Concerns can be raised through Ethics and Compliance Champions, the in-house Ethics Team or a confidential external speak-up hotline available 24/7 to employees, contingent workers, suppliers and partners. NESO does not tolerate retaliation against anyone who raises concerns in good faith.

NESO operates a Code of Ethics and Speak Up Policy. The policy sets out our expectations for ethical conduct and provides clear guidance on how to raise concerns. These policies reinforce NESO's commitment to investigating concerns thoroughly and independently.

During the reporting period, NESO did not receive any reports relating to modern slavery in its operations or supply chain. NESO continues to monitor reporting channels closely and to foster a culture in which individuals feel safe and supported to raise concerns.



Get in touch:

If you have any specific concerns about modern slavery taking place in our business or supply chains, please use the following Speak Up channels.

Internal: Follow guidance in NESO's internal Speak Up Policy.

Speak Up helpline: 0800 0260477

File a concern: fileaconcern.org/neso

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