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The Lord Alton of Liverpool
Chair, Joint Committee on Human Rights
House of Commons
London
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Dear Lord Alton,

I would like to thank the Joint Committee on Human Rights for inviting Great British Energy (GBE) to provide an update on our approach to tackling forced labour in supply chains.

I welcome this opportunity to respond to the Committee's previous recommendations. I believe that we have made significant progress over the last 12 months and, whilst there is more to do to realise our ambitions, I am proud of the progress GBE have made to date.

Some key achievements in the last 12 months include:

- Establishing the Ethical Supply Chains Unit within GBE to embed ethical and sustainable considerations across our business activities, which works hand in hand with GBE's sustainability function;
- Engaging civil society and trade unions leaders through the establishment of the GBE Ethical Supply Chains Advisory Group and Trade Union Advisory Committee;
- Incorporating responsible business conduct into live deals and grant funding, from ESG due diligence, to monitoring processes and action plans, through to incentives that reward stronger ethical practice;
- Building key relationships across the public finance ecosystem and across Government to collaborate on emerging risks and opportunities, collectively raising standards through responsible public investment and procurement.

I am happy to continue engaging with the Committee over the coming year as our work in this space progresses. GBE will publish our Modern Slavery Statement in the autumn which will build on the vision set out below.

Why ethical supply chains matter for GBE

HMG has set an ambition for GBE to be a leader in ethical supply chains. The DESNZ Shareholder Statement of Strategic Priorities also made clear that GBE should proactively work to deliver on the government’s commitments to tackle forced labour, modern slavery and human trafficking in its business and supply chains, leading by example in clean energy supply chain sectors.¹

As set out in our Strategic Plan, ethical supply chains are central to GBE’s clean energy mission. They are critical to maintaining public confidence, supporting a just transition, and ensuring that the clean energy system we are building is one that people can believe in and stand behind. We believe we can help to decarbonise the UK energy system whilst also raising labour and human rights standards, creating more good jobs in the UK and supporting more ethical supply chains globally.

GBE will seek to deliver this through activities that create social value for the public, such as high quality jobs and empowered communities, underpinned by a responsible and sustainable approach to energy investment and development that upholds international law and standards.

Introduction to GBE and its activity

GBE’s mission is to accelerate clean energy in the UK and the industries that support it, ensuring workers and communities reap the benefits of clean, secure, homegrown energy, championing fair and decent work and the creation of high-quality jobs.

GBE delivers this through four priority verticals:

- **GBE Local** – the transformative force that makes local energy and community ownership commonplace, ensuring communities and public services directly benefit from the infrastructure they host.
- **Onshore Energy** – unlocking the energy potential of public land and investing strategically to deliver the UK’s flexibility and grid stability needs.
- **Offshore Energy** – boosting jobs and growth in Scotland and the Celtic Sea by unlocking the next frontier in offshore wind: deeper waters.
- **Supply Chains** – investing in initiatives to alleviate constraints, stimulate growth and contribute to the UK’s Industrial Strategy through “Energy, Engineered in the UK.”

Whilst in the future, we expect to acquire and develop energy projects wholly owned by GBE, our activity to date has primarily focused on either taking minority equity stakes in UK projects and manufacturers, or providing funding to organisations to procure assets

¹ [Statement of Strategic Priorities to Great British Energy \(HTML\) - GOV.UK](#)

using their own commercial arrangements. This means GBE's activity to date has consisted of investing alongside others, without taking control of the companies or their supplier contracts. Further detail on GBE's activities across these verticals, and its procurement to date, can be found in **Annex A** or within our Strategic Plan published last year.²

Salient risks and opportunities

The UNGPs and the OECD Guidance emphasise that when organisations face multiple supply chain risks, they should prioritise according to *salience* (i.e. scale, scope and irremediability). In line with the risk assessment outlined in Cabinet Office Public Procurement Notice 02/23, GBE has identified salient risks through key risk indicators: namely, industry type, supply chain model and geography, and commodity type.³

Our current investment pipeline exposes five salient risk sectors with respect to human rights: solar, battery energy storage systems (BESS), wind energy and its supply chains, marine vessels, and the built environment (e.g. construction, manufacturing).

The risks within these supply chains tend to sit most acutely several tiers beyond Tier 1. Supply chains making up the construction sector and the built environment, are often complex, with a reliance on agency workers and subcontracting, particularly in construction and installation. This can lead to inconsistent pay and weaker job security. Migrant workers on construction sites and seafarers on marine vessels are also often at risk of illegal recruitment fees.

International solar, BESS and wind supply chains are underpinned by critical minerals, metals and raw materials - from lithium and rare earths underpinning batteries and magnets to the quartz and silicon used in solar photovoltaics. These supply chains sit across a wide range of geographies, including Australia, the Democratic Republic of Congo, China, Chile, Peru and many more. The reality of these supply chains is that they are complex and opaque in nature, with downstream players, like energy developers, often having low visibility.

These dependencies can intersect with regions and state-led programmes associated with human rights abuses and state-imposed forced labour, and UN reporting highlights elevated risks in these geographies.

These acute risks are embedded in highly concentrated global markets, making the task for all supply chains and energy developers one of improving visibility, due diligence, leverage and, if relevant, diversification over time.

² [Strategic Plan 2025 HTML | Great British Energy](#)

³ [PPN 0223: Guidance on tackling modern slavery in government supply chains \(HTML\) - GOV.UK](#)

For GBE in its current capacity as a minority investor, challenges are amplified by limited influence over portfolio companies' supply chain activity beyond the Tier 1 contractual supplier. In the future, GBE expects to expand its activities to include acquiring and owning energy projects, which should allow greater control and oversight of contracted suppliers across the value chain. The strategic objectives outlined below recognise this challenge and set out how we will use a range of levers to drive meaningful change within a constrained context.

The concentration of critical minerals and components in a handful of geographies is a challenge to manage, but also an opportunity to accelerate UK supply chain innovation. For GBE, this represents a strategic growth and resilience opportunity: advancing our responsible business ambitions while supporting the UK's wider industrial, economic and energy security goals.

Energy Engineered in the UK, GBE's £1 billion supply chain programme, is one of the key ways we will help realise this opportunity. By supporting the growth of UK clean energy manufacturing and supply chains, the programme has the potential to reduce exposure to some global supply chain risks, while advancing our ethical and sustainable supply chain ambitions through supporting greater domestic industrial capability and dependence.

A key example of this is GBE's recent £8.875m investment made alongside Barclays Climate Ventures to fund a new UK manufacturing facility for solar-thermal systems, demonstrating how we're looking to support the growth of innovative UK companies.

GBE policies and approach to Ethical Supply Chains

The Ethical Supply Chains Unit in GBE is guided by four key objectives:

- (i) **Seeing Clearly** - mitigating risks by improving visibility, transparency, and due diligence of high-risk supply chains.

Being intelligence-led, strengthening supply chain governance and visibility, to support risk-based due diligence. This will enable GBE to make evidence-based decisions with clear consequences for non-compliance.

- (ii) **Strengthening Capability and Collective Action** - creating value by improving industry and investor knowledge, practice, and leverage across clean energy supply chain.

Developing partnerships to build capability and generate continuous improvement. GBE will use its convening power to champion collective action across

investors, trade unions, and industry, to drive common approaches and increase leverage over high-risk supply chains.

- (iii) **Shifting the System** - seeking alternatives and diversification of high-risk supply chains through market intervention.

Taking a proactive role in shaping investment, seeking viable alternatives, and more diversified, circular supply chains that design-out risk from the outset. This will include influencing GBE's investment pipeline to encourage proactive market shaping in constrained areas.

- (iv) **Shared Understanding** - creating a shared and realistic understanding of supply chain risk management to underpin effective action.

Promoting human rights-centred and transparent dialogue on challenges and opportunities to shape a shared understanding of forced labour risks and supply chain management. This will help build a more accurate basis for action across industry and the public.

GBE will deliver its four strategic objectives on ethical supply chains through eight activity types: policies and governance, risk assessment, due diligence, training and awareness, collaboration, reporting and monitoring, strategic market interventions, and research and strategy.

How we operate responsibly

GBE will publish further details of our expectations, commitment, and processes to meet our ambitions to be a leader in this space through our Responsible Business Conduct Policy and a Code of Conduct for Partners (the "Code"), later this year. These key GBE policy documents will lay out GBE's approach to developing and investing in renewable energy in a way which respects the planet, people and society – delivering sustainable and ethical outcomes in line with the UN Sustainable Development Goals.

Both are well-aligned to international frameworks, including the UN Guiding Principles on Business and Human Rights, OECD Due Diligence Guidance for Responsible Business Conduct (2018), International Labour Organization core conventions and the UN Principles for Responsible Investment.

The Code will outline GBE's red lines, minimum expectations and a framework for continuous improvement, including the use of time-bound action plans to support partners not yet meeting standards.

These GBE policies will operate under three foundational principles:

Pragmatic & Proportionate	Applying a risk-based proportionate approach, balancing rapid deployment of clean energy and commercial objectives with our responsible business commitments. Our expectations of partners are focused on achievable, meaningful impact.
Collaboration & Collective Action	Meaningful progress depends on collaboration. Where capability is a constraint, we will focus on strengthening it through collective action, shared learning, and common approaches that raise standards.
Leadership	GBE will act as a catalyst for good, using our convening power and position as a public energy company with purpose to champion the sustainable and ethical scale-up of clean energy. We will share lessons openly to support improved practice across the sector.

To operationalise our policies, we follow a six-step responsible business conduct process, aligned to the OECD Guidance (2018), which is how we intend to address our impacts on people, the planet and society and undertake human and environmental due diligence in line with best practice.

Embed sustainability and ethics into everything we do: Build sustainability and ethics into governance, procurement, investment and project decisions from the start.

Identify and prioritise our most material impacts: Use double materiality to focus on the issues that matter most.⁴

Mitigate risks and maximise impact: Commit to mitigating the potential risks to people, places, and planet, across operations and supply chains while proactively seeking out wider benefits that maximise social, economic and environmental value.

Continually monitor, measure and evaluate performance: Use data, assurance and monitoring to track progress, learn and strengthen delivery.

Transparently communicate progress and challenges: Report openly on progress, challenges and impacts, including through the Annual Report and voluntary Modern Slavery Statement.

Cooperate in effective remedy when issues arise: Commit to cooperating in effective remedy to the extent it is determined that any of GBE's activities have caused, contributed to, or are linked to, adverse social and environmental impacts. This means taking responsibility and responding promptly if GBE falls short on its commitments.

⁴ Double materiality means assessing both a company's impacts on people, places and planet, and how sustainability and human rights risks may affect a company's delivery, resilience, reputation and long-term value. It is the methodology underpinning the EU's corporate sustainability reporting regime, principally through the Corporate Sustainability Reporting Directive (CSRD).

Contracts

The policy framework we develop will be reflected in GBE's contractual terms, tailored to the type of business activity being undertaken. GBE has not directly procured clean energy assets to date. However, where GBE undertakes direct procurement in future, contracts will include requirements to comply with the Code, including (but not limited to) expectations to comply with international human rights frameworks, rights to audit, access to grievance mechanisms and remediation clauses.

Where non-compliance is identified, our approach will prioritise remediation and improvement. However, serious or irremediable non-compliance, or a failure to engage meaningfully in remediation efforts, may ultimately constitute grounds for termination or responsible disengagement.

We have already started to apply this approach across other areas of GBE's activity. For example, relevant provisions have been incorporated into the terms and conditions of a £300 million Grant Funding Agreement⁵, as well as contracts for our investment transactions. These provisions include mechanisms for ongoing oversight, remediation where issues are identified, and, where necessary, exit.

We recognise that addressing and balancing human rights and environmental risks in supply chains is not a 'one and done' exercise. Effective due diligence requires ongoing engagement with suppliers and counterparties to monitor compliance and encourage continuous improvement, and supporting shared lessons learned as relationships and GBE's business activities mature.

As a growing organisation, GBE is continuing to develop its broader portfolio management approach. However, ongoing engagement on ethical supply chains will form a component of our investee and supplier oversight where it is identified as a material issue. As a significant minority shareholder, we will usually seek the right to make board appointment(s), which will increase our ability to engage constructively with management teams and influence business conduct. This will be achieved, for example, by including a right to undertake regular 'responsible business conduct' reviews into investees' contractual arrangements to support improvements in supply chain practice.

Multi-Stakeholder Initiatives

The Ethical Supply Chains and Sustainability function at GBE is exploring partnerships with multi-stakeholder initiatives, such as the Solar Stewardship Initiative and Global Battery Alliance, as an additional mechanism to support due diligence and shared understanding.

⁵ [\[Indicative\] Grant Funding Agreement \(GFA\) Terms & Conditions.pdf](#)

Multi-stakeholder initiatives, particularly worker-driven partnerships, can provide a valuable forum for collaboration and collective action, helping to pool expertise, strengthen shared standards and increase leverage in tackling forced labour risks across complex global supply chains.

However, we recognise any such initiative is a tool, rather than the full solution, and will be used alongside individual requirements set by GBE.

Strategic Objectives in Action

The examples below spotlight how GBE is already applying its objectives in practice, including in ways that go beyond standard market practice:

Objective	Examples of action
Seeing Clearly	Developing a Responsible Business Conduct Policy, seeking contractual commitments from investee companies to abide by it, agreeing remedies for non-compliance (such as having a right to implement remediation plans or, in cases of material breach a right to exit), and standard reporting and remediation terms to embed ethical supply chain expectations into investment assessment, structuring and management. Utilising GBE's investment leverage to pilot new approaches to ethical supply chain due diligence of pipeline investments. This includes looking at how GBE could secure stronger visibility, engage with the wider supply chain, and support companies to develop improved supply chain management systems.
Strengthening Capability and Collective Action	Working with UK Public Finance Institutions to share learning and build a more consistent approach to high-risk sectors. In addition, GBE recently set up a Public Sector Responsible Resourcing Working Group for Solar, which will bring together public sector organisations sitting outside of the Public Finance Ecosystem, to foster greater alignment and understanding between public organisations with procurement functions. Launching the Ethical Supply Chains Advisory Group, chaired by Baroness Frances O'Grady, to bring together industry, civil society, Parliament, trade unions and human rights organisations, to provide independent assessments of the measures GBE is developing and support the development of its ethical supply chain strategy. Membership of the group is included in Annex B. The Group delivers on prior commitments that GBE would work with trade unions, civil society, and Government departments as part of this agenda, and will provide a space for honest dialogue about risks, trade-offs, sharing best practice, and raising ambition across the sector.

Shifting the System	Embedding ethical supply chain considerations into the scoring criteria for the £300 million Offshore Wind and Network Grant Fund to incentivise stronger practice, proactively rewarding those who show strong ethical performance. The Grant Funding Agreement also includes terms and conditions to allow for auditing and inspections, to give us necessary powers to verify and assure practice. Building more of the energy transition here in the UK is part of the solution to global ethical risks. That is why GBE is proactively seeking to invest in UK manufacturing capacity through Energy, Engineered in the UK, its flagship £1 billion supply chain programme. Our recent £40 million investment in ITM Power, a major hydrogen electrolyser project, is a clear example of the type of opportunity we are seeking to support: driving investment into lower risk alternative technology and strengthening our domestic supply base.
Shared Understanding	Convening a teach-in with DBT, the OECD and the UK National Contact Point to strengthen internal capability and application of international standards. Delivering internal workshops on responsible business conduct, sustainability and ethical supply chains to ensure all GBE employees understand their role in delivering GBE's Responsible Business Conduct policy. Engaging with the Solar Energy UK Responsible Sourcing Steering Group and the Solar Council to update on GBE's key objectives and manage risks within solar supply chains. Working with the GBE Trade Union Advisory Committee on GBE's approach to fair work, including its human and labour rights expectations and due diligence process which will help to support risk management in the built environment.

Progress to date

To deliver against the objectives and policies set out above, GBE has established an Ethical Supply Chains Unit. Following the appointment of GBE's Head of Ethical Supply Chains at the end of 2025, the Unit will be expanded over the coming year as recruitment continues. It reports into both the Supply Chain Director and the Senior Accountable Non-Executive Director, Baroness Frances O'Grady, and works closely with GBE's Sustainability Function to ensure a holistic approach to responsible business conduct

The GBE Board has ultimate accountability for Responsible Business Conduct policy adoption, annual periodic review and disclosure. The Board play a key role in discussing, developing, and agreeing GBE's approach to ethical supply chains as GBE matures its business activities. The Board will oversee this work through the Executive Leadership Team (ELT) who have an overarching responsibility for the implementation of this programme.

Further examples of previous progress to-date in addition to the key Strategic Objectives in Action and forward-look milestones can be found in the table below:

	Examples of progress to date	Next 12 months
Seeing Clearly	- Investee engagement and transparency on supply chain risks in live transactions. - Coordinated cross-government work on improving grant risk assessment. 'Good jobs and skills plan' under development on GBE's fair work standards.	- Finalise and publish core Responsible Business policy suite of documents and Code of Conduct - Develop practical procurement guidance for local solar schemes. - Undertake a double materiality assessment, aligned to EU CSRD requirements. - Explore opportunities for bulk procurement of high-risk assets to improve visibility and leverage.
Strengthening Capability and Collective Action	- Engaged with private-sector and investors to understand approaches and explore collective leverage. - Continued engagement with civil society, trade unions, the Anti-Slavery Commissioner and forced labour academics.	- Progress relationships with Solar Stewardship Initiative and Global Battery Alliance, Ethical Trade Initiative, among other multi stakeholder initiatives. - Hold an Ethical Supply Chain Advisory Group strategy session by the end of 2026. - Continue work to align and strengthen approaches with public finance institutions.
Shifting the System	- Explored potential investment opportunities with companies able to provide alternatives to high-risk supply chain components in the UK market. - Built ethical supply chain considerations into multi-criteria analysis to inform & prioritise supply chain investment decisions.	- Initiate a market opportunities workstream to better understand the UK supply chain landscape. - Identify potential investment and partnership opportunities to support alternatives to high-risk components, materials and technologies. - Assess opportunities and potential GBE levers to strengthen UK resilience in high-risk supply chains.
Shared Understanding	- Made voluntary public commitments through annual reporting. - Delivered internal training with the OECD on responsible business accountability. - Held cross-organisational workshops and teach-ins on ethical supply chains and fair work,	- Voluntarily publish GBE's Modern Slavery Statement. - Create and use public communications opportunities to build understanding of ethical supply chain risks and GBE's approach. - Continued development and training of GBE staff and leadership.

	targeting investment and procurement leads.	Continue co-developing GBE's approach to fair work with the GBE Trade Union Advisory Committee.
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Looking ahead

In line with the OECD Due Diligence Guidance and UN Guiding Principles on Business and Human Rights, GBE will take an ongoing and continuous improvement approach to due diligence, taking a pragmatic, long-term view of success: improving visibility, due diligence, leverage and diversification over time.

While GBE is taking practical steps now to strengthen the management of ethical supply chain risks, we recognise that the most significant impact will be achieved over the longer term, particularly when GBE holds clean energy supplier relationships directly. In the future, GBE expects to acquire 'shovel-ready' projects and will have control over its supply chains as a full project developer.

Over the coming 12 months, the GBE Ethical Supply Chains Unit will work with the Impact and Analysis teams in GBE to develop KPIs and data-driven metrics to monitor and evaluate the Ethical Supply Chains Programme over time.

To deliver an enduring Ethical Supply Chains Programme, GBE will develop interventions and workstreams that span across the short, medium, and long-term horizon to deliver early impact in addition to progress against complex and historic global challenges:

Short term – Building the foundations: Over the next 12 months, we will establish the policies, governance, due diligence approaches and partnerships needed to support a robust approach to ethical supply chains. We will test these through live activity, strengthen transparency and build the evidence base needed to inform future interventions.

Medium term – Embedding delivery and increasing leverage: In the proceeding years, we will embed these foundations across delivery and use our growing investment portfolio and partnership activity to leverage stronger collective responsible business practices. We utilise bulk procurement approaches and GBE's increasing pipeline of own-developed projects to strengthen oversight of, and influence over, supplier choice and supply chains.

Long term – Strengthening domestic supply chains and resilience: Over the longer term, we will seek to support more resilient domestic clean energy supply chains and reduce exposure to concentrated areas of supply chain risk. Through our investment activity, we will help create the conditions for alternative technologies, greater supply chain diversification and stronger UK capability, recognising that ethical supply chains can be a driver of innovation, resilience and long-term industrial opportunity for the UK.

Annex A. GBE activities across key verticals

Across GBE's verticals (Local, Onshore Energy, Offshore Energy, and Supply Chains), a range of activities are being delivered to support renewable energy deployment and supply chain development in the UK:

Investments

Activity to date has primarily focused on delivering minority equity into UK projects and manufacturers that support GBE's mission. This means investing public capital into future energy projects to take a non-majority (less than 50%) stake in clean power generation projects – supporting the private sector to unlock the scale of capital needed to boost our energy independence and accelerate the pace of decarbonisation.

GBE has made three investments since it's conception:

- Naked Energy, receiving £8.875 million investment combined from GBE and Barclays Climate Ventures to fund a new UK manufacturing facility for British-led solar-thermal systems.⁶
- ITM Power UK Ltd, receiving £40 million investment from GBE to deliver a major expansion of hydrogen technology manufacturing in the UK.⁷
- Pentland Floating Offshore Wind Farm in Scotland, receiving £50 million investment from GBE alongside other public investors, National Wealth Fund, and the Scottish National Investment Bank.⁸

We have a number of further investments in the pipeline and will share details of these in due course.

Grants

As part of its GBE Local and Supply Chain programmes, GBE will also deliver strategic grant funding. For GBE Local, grant funding will enable communities to own and operate energy assets, giving local people and businesses the ability to directly benefit from clean energy infrastructure. GBE will also deliver grant funding via the Energy, Engineered in the UK £1 billion supply chain programme. To date, this has been delivered through the £300m Offshore Wind & Networks Fund, announced in December 2025, which targets critically constrained components to reduce bottlenecks and meet UK deployment targets.

⁶ [Great British Energy investment in British innovator Naked Energy | Great British Energy](#)

⁷ [Hydrogen investment fuels South Yorkshire's next industrial era | Great British Energy](#)

⁸ [Major floating offshore wind project secures backing from Great British Energy, The National Wealth Fund, and The Scottish National Investment Bank | Great British Energy](#)

Procurement

To date, GBE has not been involved in the direct procurement of energy assets (for example solar panels on schools). These initiatives were administered by DESNZ on GBE's behalf, and designed with procurement responsibility sitting with the relevant government departments and strategic local authorities.⁹

All direct procurement done by GBE has largely been focused on professional services, which can be found through publicly available online websites '[Find a Tender](#)' and '[Contracts Finder](#)' depending on which regime the contract falls under.¹⁰ We expect to increase GBE's direct procurement of energy assets as it begins to develop energy projects in its own right over the coming years.

Project Development

GBE will develop onshore and offshore energy generation projects to accelerate their delivery and boost homegrown clean power generation. This development work could include activities from site selection to project construction and operation. Where GBE develops its own projects, it will have direct control over suppliers.

⁹ All contracts issued under the GBE schools and hospitals solar initiative complied with the UK's procurement regime, including reflecting the Modern Slavery Act

Annex B. GBE Ethical Supply Chains Advisory Group Membership List

Members of the Advisory Group:

- Rachel McEwen, Royal London Asset Management Sustainability Advisory Committee, former CSO at SSE and Scotland's Just Transition Commissioner
- Chris Hewett, Chief Executive of Solar Energy UK
- Merlin Hyman OBE, Chief Executive of Regen and appointed Clean Power Commissioner for DESNZ. Merlin will occasionally require substitution by Ray Arrell, Director at Regen;
- Sarah Champion MP, Labour MP for Rotherham
- Baroness Lola Young of Hornsey OBE
- Gemma Freedman, International Officer at UNISON
- Stephen Russell, International Labour Standards Lead at TUC
- Patricia Carrier, Interim Business and Human Rights Manager at Anti-Slavery International.

Observers:

- Danny Miles, Head of Collective Action at the Ethical Trading Initiative
- George Foster, Deputy Director and Chair of the UK Office for Responsible Business Conduct, Department for Business and Trade.