

Cadent

Your Gas Network

Modern Slavery Statement 2022/23

July 2023



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Introduction

Message from the Chief Executive Officer

“Modern slavery is a serious global issue and Cadent recognises the important role we can play in tackling it. I am committed to supporting those who work directly for Cadent, and those who work on our behalf, in their working rights, including having appropriate working conditions, being treated with respect and being paid fairly.”

Our modern slavery statement sets out the steps that we have taken to prevent slavery and human trafficking from taking place in any part of our business.

Our policy framework, training and awareness programmes incorporate the commitment we make towards respecting human rights at every level in the business.

In 2022/23, we developed partnerships with the Supply Chain Sustainability School (“SCSS”) and the Slave Free Alliance. We have continued to improve our awareness of modern slavery and the controls in place to prevent it.

We continue to take positive steps forward, improving our policies, processes, and training so we can mitigate the possibility of exploitation within Cadent.

All our suppliers are strongly encouraged to join the SCSS and take advantage of the numerous resources offered.

We continue to build on our relationships within the industry, keeping abreast of developments and highlighting emerging risk areas, all with the shared goal of preventing human trafficking and slavery whilst upholding core values of equity, diversity, and inclusion.



Steve Fraser
Chief Executive Officer

A handwritten signature in black ink, appearing to be 'S Fraser', located below the printed name and title.

Overview of our business and our values

Keeping people warm, while protecting the planet.

As the UK's largest gas distribution network, it is our responsibility to look after the gas pipes so they can continue to deliver safe, reliable and low carbon energy for years to come. It's our job to fix leaks, make sure everything is running as it should and connect new homes and businesses to the network. As part of this work, we are replacing the old gas pipes that have been in the ground for decades, so that they last long into the future and continue to provide a safe, efficient, gas supply. We have partners in our supply chain, both locally and internationally, who provide goods and services to our business.

We provide extra care for those who might need it in a gas emergency. We manage the National Gas Emergency Service for all gas customers in the UK.

Our networks

We look after over 131,000 kilometres of pipelines and almost 50% of Great Britain's gas customers are served by our pipelines. Each area has its own geographical and social requirements, and we are committed to improving our levels of service with a localised customer operating model that can respond to the specific needs of the communities we serve.



We work together

- I collaborate to deliver the best solutions.
- I engage with others to identify root causes and generate better outcomes.
- I embrace inclusivity and diversity.
- I communicate clearly.
- I treat everyone with respect.

We take responsibility

- I stop and make things safe.
- I speak up when things aren't right.
- I consider the financial impact of my decisions.
- I do the right thing.

We drive performance

- I strive for excellence.
- I take ownership of everything I do.
- I put the customer at the heart of everything I do.
- I think things through before acting.

We shape the future

- I challenge the status quo.
- I welcome new ideas and different ways of thinking.
- I embrace change and am open to learning and adapt.
- I take action to make a difference.
I act in a sustainable way.

Our people

Recruiting, developing, and rewarding our people

We have further embedded the changes we made to our operating model. In taking decision making and accountability much closer to our customers, we ensure that we continue to deliver for our diverse range of customers and communities. As a responsible business, we pride ourselves on treating all employees fairly. Across our employee lifecycle, we ensure that employees are provided with equality of opportunity and a safe, secure and respectful environment.

The way we recruit is designed to ensure equal opportunities are available to all aspiring applicants and that our process complies with legislation and our core values. We are proud that we go beyond legal requirements and pay all our employees the Real Living Wage. We carefully monitor compliance with our recruitment policies and processes, meaning the risk of forced or trafficked labour being employed directly by us and our employment agency is very low.

We know that our industry is traditionally male dominated, but we are working to make positive change in this area.

Equity, diversity, and inclusion

Our Employee Communities



Women in Cadent

Creating a network of colleagues from across our business, who are all committed to creating equality and supporting women's professional and personal development.



Embrace

Raising awareness of the different faiths, discuss issues that affect colleagues from an ethnic minority background, and to help develop a workforce that reflects the communities we serve.



Cadent Military Community

Actively supporting service leavers entering the business, our current reservists and those that have previously served. We are proud signatories to the Armed Forces Covenant, and it is important that we demonstrate that we are an Armed Forces friendly employer.



Pride at Work

Allowing current and future generations of LGBTQ+ colleagues to feel comfortable, safe and included at work. Our employee-led community, Pride at Work, is a welcoming and safe space where our Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ+) and allied members can thrive.



Thrive!

Raising awareness of and supporting disabilities in the workplace. Our community is made up of both disabled and non-disabled employees who share a common vision of focusing on ability and making our workplace accessible and supportive to all. We raise awareness on the spectrum of disabilities, what this means to our people and how we can support the business to become a leading employer for those with disabilities.

c. 6000 employees.

39 is the average age of our employees.

21% of our workforce are female.

11% of our workforce are from BME backgrounds.

We work to promote diversity across the workforce. We recognise that working together involves embracing diversity and inclusivity in the workplace and so we have embedded equity, diversity, and inclusion within our values.

Cadent has many positive programmes in place to ensure we are attracting diverse talent, such as family friendly policies, partnerships with specialised organisations (including Womens' Engineering Society and Womens' Utilities Network,), a diverse range of career fairs and more. We take part in Pride events across our geographies.

All our employees are supported by an internal health and wellbeing programme and have access to a confidential employee assistance helpline. Our five employee-led Employee Communities play an important role in promoting and championing inclusiveness and integrating a diverse workforce.

'Women in Cadent' have four sub-groups on adoption, maternity, fertility, and the menopause. We are a Menopause Friendly Accredited Employer due to the measures introduced to support women, including training and policies which promote a supportive and open culture. Cadent are the first Gas Distribution Network to be awarded this accreditation. Cadent have also achieved the Fertility Friendly Employer Accreditation.

Cadent are a Disability Confident Employer and an accredited Neurodiversity Smart Employer. Cadent is committed to being an inclusive and accessible company for disabled employees.

The communities have worked collaboratively to support each other on a variety of different initiatives, including a 'No Lunch and Learn' session about Ramadan. We are launching a new employee community called 'Men in Cadent' to address issues faced by male colleagues including mental health challenges.

Promoting a ‘Speaking Up’ culture

Speaking Up

We continually promote a culture of ‘speaking up’, which is supported by the numerous channels available to all employees, those working on our behalf, and the wider population, to raise concerns. We have confidential helplines available both internally and externally, operating 24/7. Details of these helplines are available on our website, in our ethical code of conduct ‘Always Doing the Right Thing’, Supplier Code of Conduct, on our intranet and on noticeboards in our offices and depots.

We take all allegations of any type of potential ethical misconduct very seriously. We have an Ethics and Business Conduct team supported by a network of ethic champions across all functions of the business. The team is trained to deal with all reported concerns sensitively and thoroughly by carrying out independent investigations and taking relevant action. Our Board members and Executive Committee are committed to supporting and promoting a positive ‘tone from the top’ particularly with regards to ‘speaking up’. They also receive regular reports in relation to ethics and business conduct and oversee the ethical standards of the company, with the Executive leading on monitoring compliance with our policies, procedures and ethical code of conduct, ‘Always Doing the Right Thing’. Cadent’s ethical standards are embodied within our values, which have been positively communicated to all employees.

Training and awareness

We make sure all our employees are aware of and trained in our ethical code of conduct ‘Always Doing the Right Thing’. This ethical code of conduct applies to everyone working for us and on our behalf, setting out our values, behaviours and expectations. It raises awareness of the risk of slavery and human trafficking, and our commitment to preventing slavery and human trafficking in our business and supply chains.

As one of the SCSS partners, we benefit from workshops, masterclasses, resources and training materials, which we provide to our relevant supply chain professionals and contract managers to raise awareness of the risks of slavery and human trafficking in the supply chains. Cadent now co-chairs a SCSS Working Group on Skills and Learning to share knowledge of sustainability, including measures to prevent modern slavery, with others in the utilities sector.

All procurement professionals promote the School’s training to our suppliers and contractors. Our Supplier Code of Conduct sets out an expectation on our suppliers to join the SCSS and utilise their resources. Our Procurement Standard also references the SCSS and further embeds the expectation we have for our suppliers.

Progress and uptake of our suppliers and contractors using the SCSS’s resources is monitored and reported on, to identify any future improvements that will form the basis of driving inclusion in this critical resource. In 2022/23, 85% of our suppliers, measured by spend value, had used the SCSS’s resources.

We continue to work with the SCSS to further develop targeted training for procurement professionals within Cadent to raise greater awareness of the indicators and risks associated with modern slavery. It is a mandatory requirement for procurement professionals within Cadent to complete this training, and all 35 have done so. As a responsible business, we help support our employees and suppliers to have the knowledge to recognise and report any concerns that they may witness.



Our policies

Our policies and processes to prevent modern slavery and promote fairness, diversity and inclusivity

We know that setting clear expectations is very important. Our policies, which collectively set the standards we require, encompassing the prevention of modern slavery in the workplace and in our supply chain, are summarised below. We regularly monitor compliance with our policies and report on how we're doing to both our Executive and Audit and Risk Committees.

Our policies relevant to modern slavery

Policy	Relevance to modern slavery
Always Doing the Right Thing (our ethical code of conduct)	Outlines the values and guidance on all business interactions. It includes guidance relating to modern slavery identification and reporting. This is linked to Cadent's value of 'We Take Responsibility', which encourages employees to 'Speak Up' if they have concerns that things may not be right.
Equity, Inclusion and Diversity	Recognises and respects the importance of an inclusive and diverse workforce. We are fully committed to complying with all relevant legislation, specifically that which is outlined in the Equality Act 2010.
Supplier Code of Conduct	Provides our expectations of how our suppliers, and their supply chain partners, act when providing us with goods or services, ensuring the way our suppliers do business aligns to our values and aspirations. We expect all our suppliers, and their supply chain partners, to act in accordance with our ethical standards, including those in relation to modern slavery, and to comply with all relevant laws, regulations and licences.
Procurement	Sets out the responsibilities of our employees, and those working on Cadent's behalf. The principles set out in the policy aim to ensure that our code of conduct and standards on ethical procurement are maintained as well as ensuring compliance with relevant legislation and regulatory standards.
Anti-Bribery and Corruption	Outlines the responsibilities of our employees, and those working for us, in observing and holding our high ethical standards in relation to preventing bribery and corruption. We take a zero-tolerance approach and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships.
Speaking Up (whistleblowing)	Encourages reporting on slavery and human trafficking, as well as all other ethical matters through our specific 'Speaking Up' policy. This includes the provision of both internal and external reporting telephone lines with the option to remain anonymous, as well as an email address for written reporting.
Recruitment	Our employment policies and processes make sure that all direct employees have the appropriate rights to work and are employed in accordance with relevant legislation. Those who are contracted to work on our behalf are required to adopt a similar position in respect of those they engage, and this requirement is cited in the terms of our supplier contracts.
Disciplinary	This ensures that all employees know what is expected of them, the fair process we have in place and the consequences of misconduct.

Our supply chain

We work with around 1,400 suppliers and spend approximately £1.2bn with them annually. We are committed to promoting equal opportunities to all our employees and suppliers. The standards we expect are mandated into our contracts through our Supplier Code of Conduct. This relates to working conditions, pay and workers' rights for those working in our supply chain. We require a positive response from suppliers that they agree with and accept our Supplier Code of Conduct.

Due diligence processes in relation to modern slavery and human trafficking

All new suppliers that are onboarded to Cadent's Ariba Sourcing to Payment system are asked to sign up to the Supplier Code of Conduct, regardless of whether they are a one-time vendor, or we plan a longer-term relationship.

For business requirements involving a formal tender process, a risk assessment is undertaken prior to commencing that process. Based on the outcome of the risk assessment, due diligence is undertaken as part of the pre-qualification stage, this typically includes the use of third-party systems such as Utility Vendor Database (UVDB) or Constructionline.

Where a high-risk supply chain is identified additional questions will be asked regarding Modern Slavery Statements, labour contracts and how the tenderers engage with their supply chain.

Subject to a successful tender outcome, the contracted supplier will be subject to contract management activities and supplier audits which are also managed on a risk-based approach. Audits cover a wide range of activities, including modern slavery, which look beyond the compliance statement and policies to ensure that any commitments made in these statements are being enacted and driving positive outcomes.

In 2022/23, Cadent undertook external audits provided by Achilles UVDB which took a deep dive into a construction contractor to understand lessons and share best practice. This audit was in 2 parts, one was a site visit where workers were interviewed and the second part was a corporate view to follow through what was picked up on site, around recruitment practices and record keeping. . The audits did not identify any modern slavery concerns; however, several potential improvements were identified. We have discussed our assurance work in industry forums to share best practice. We shall use our experience of these external audits to further develop our internal assurance activities.

Supply Chain Sustainability School (SCSS)

We are one of the School's key partners and have maintained our Gold Level Membership in recognition of our Supply Chain Sustainability maturity and level of engagement with the School. The School provides a sector-relevant platform for organisations to manage, drive and develop a sustainable supply chain by addressing all aspects of Environmental, Social and Governance sustainability, including modern slavery.

Our Social Impact

'Our Social Impact' describes Cadent's overarching social and sustainability ambitions. Our commitments capture the work we do to support customers in vulnerable situations, protect the environment, reduce our carbon footprint, promote diversity and inclusion, and support our local communities.

Slave Free Alliance

We are a member of the Utilities Against Slavery Working Group which collaborates with the Slave Free Alliance. As part of this working group, we continually review our procurement processes to keep them in line with best practice in the Utilities Sector.

Risk assessment and management

Modern slavery risk assessment

The risk of modern slavery is recorded within our company risk management system and regularly reviewed. This includes the risk of modern slavery in our supply chain. A control framework is in place detailing how we mitigate these risks from materialising. These controls are similarly reviewed and assessed on a regular basis in line with our risk procedure.

We use our risk assessment process, designed to identify high-risk suppliers and assess whether further controls or assurances need to be put in place.

Identification of high-risk suppliers

Suppliers that are already part of Cadent's supply chain are impact assessed, to determine a risk level. The updated process is now informed by a number of key risks such as the criticality of the product the supplier provides, the continuity of supply, quality performance, previous audit scores, and their approach to preventing modern slavery.

The impact assessment is reviewed regularly to ensure the focus is on the right suppliers.

We continue to work closely with our Contract Management Organisations (CMOs), who support mains replacement activity, to support them through assessing their supply chains and identifying where any potential risks may arise by using resources provided by the SCSS. We have regular contact with CMOs and the Local Delivery Partners (LDPs) they manage for us.

Monitoring of suppliers

To inform our ongoing risk assessment we have a number of monitoring processes to provide us with the up-to-date position in respect of our suppliers and the wider market.

These include:

- Monitoring of suppliers' financials by Dun and Bradstreet.
- 'Verify' audits over our product suppliers registered with Achilles (UVDB) or monitored through Constructionline, PAS91 construction standard. For certain key products, our internal team will carry out independent audits. Approximately 60 suppliers are audited annually and are prioritised based on a set of relevant criteria.



- Monitoring programme covering our suppliers, using the Dow Jones risk database, which we use alongside our ongoing contract management. This is designed to alert us to any specific issues within our supply chain to enable us to take appropriate action, to help us understand emerging risks that may require further mitigation.
- Monitor the media and other sources and receive alerts from ARIBA in respect of companies suggested to be engaging in modern slavery practices. ARIBA is Cadent's end-to-end Enterprise Resourcing Plan system, which covers all aspects of procurement.

Control Framework

Any risks identified at the sourcing stage are reviewed and managed through the contract management processes as part of a range of health checks. In an instance where a supplier is either unwilling or unable to provide the relevant evidence, this would result in a formal process to review the contract and influence the allocation of any future project work over the framework period.

Measure of effectiveness

To date, no modern slavery concerns have been raised to our Ethics and Business Conduct team, nor our Procurement teams who work closely with our suppliers.

We continually review the measures we have in place to check our progress and ensure our programmes are effective at identifying compliance with the Modern Slavery Act.

Our ongoing commitment

Looking ahead

We continue to review our processes to make sure we operate free from enforced labour, human trafficking, and slavery. We also continue to provide regular guidance and training to our employees to embed our ethical code of conduct, 'Always Doing the Right Thing'. We are fully committed to work on the following focus areas during 2023/24.

Achievements in 2022/23

1

We have incorporated modern slavery checks into our supplier audits, including an independent modern slavery audit with Achilles.

2

We now ask suppliers whether they are a National Living Wage employer at the RFP stage of the tender process and have included this expectation within our Supplier Code of Conduct.

3

We have utilised our impact assessments to categorise the sectors that make-up our supply chain in terms of modern slavery risk to enable continued focus on higher-risk areas.

4

We have updated our 'Always Doing the Right Thing' training package.

5

We monitor the take-up of SCSS training and resources by our suppliers on a quarterly basis.

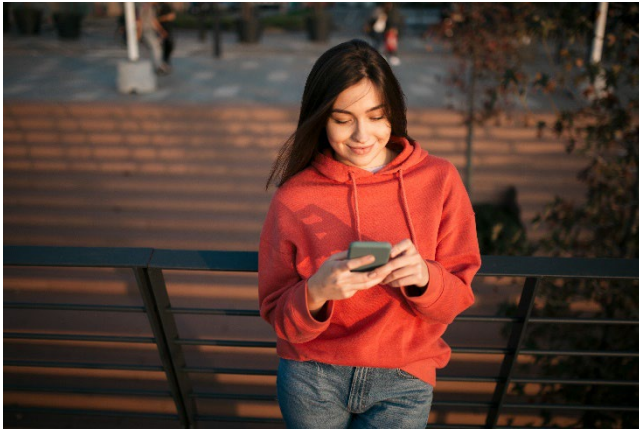
Focus areas for 2023/24

1

We shall use insights from the independent modern slavery audit to inform our future audit processes and ensure they remain robust and effective.

2

We will continue to use our position as co-chairs in the Utilities Against Slavery forum to learn and promote best practice.



Governance

Our Executive Committee is responsible for identifying, assessing and managing the risks associated with modern slavery. Our Audit and Risk Committee assesses our approach to modern slavery and oversees progress against targets and objectives set by our Board, driving our future strategy.

Contact us

To find out more, or to give us feedback on our statement contact us at:

businessconduct@cadentgas.com

Statement on the prevention of slavery and human trafficking for the Cadent Gas Group. The Cadent Gas Group consists of the following companies:

Quadgas Holdings Topco Limited
Quadgas Investments Bidco Limited
Quadgas Holdco Limited
Quadgas Pledgeco Limited
Quadgas Midco Limited
Cadent Services Limited
Cadent Finance plc
Quadgas Finance plc
Cadent Gas Limited
Cadent Gas Pension Services Limited
Cadent Gas Pension Trustee Limited
Cadent Gas Pension Property 1 Limited
Cadent Gas Pension Property 2 Limited



Steve Fraser

Chief Executive Officer

Cadent Gas Limited

19 July 2023



Mark Braithwaite

Director

Quadgas Holdings Topco Limited

19 July 2023

This statement is made according to the requirements of section 54 part 6 of the Modern Slavery Act 2015, legislation introduced to address slavery and human trafficking in the UK. Quadgas Holdings Topco Limited is the parent company of the Group and has approved this statement on behalf of the Group. This statement applies to all companies within the Group which are required to publish a statement.