

Cadent

Your Gas Network

Modern Slavery **Statement 2023/24**

July 2024



Contents

Introduction	2
Overview of our business and our values	3
Our people	4
Our code of ethics	5
Our policies and procedures	6
Our supply chain	7
Risk assessment and management	8
Our ongoing commitment	9-10

Introduction

Message from the Chief Executive Officer



Modern slavery is a serious global issue that affects millions of people around the world, and we recognise our responsibility to address and combat this injustice. We are dedicated to upholding the highest standards of integrity, transparency, and human rights throughout our business. 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 outlines and reaffirms our approach to preventing modern slavery and human trafficking from taking place in any part of our business. Our approach:

1. **Policy Commitment:** we have developed a comprehensive modern slavery statement that articulates our zero tolerance to modern slavery and human trafficking. We are always improving our policies and processes, and training so we can mitigate the possibility of exploitation within Cadent.
2. **Supply chain due diligence:** we conduct thorough due diligence on our supply chain to identify and mitigate potential risks of modern slavery and human trafficking.
3. **Supplier Engagement:** we engage with our suppliers to promote awareness of modern slavery risks and require compliance with our ethical standards.
4. **Employee Training:** we provide regular training and awareness programs to educate our employees about this important matter.
5. **Reporting Mechanism:** we maintain robust reporting mechanisms, including confidential hotlines and channels for reporting concerns.
6. **Collaboration and advocacy:** we collaborate with industry peers and relevant organisations to share best practice and drive collective action to eradicate modern slavery and human trafficking.

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



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 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.

Sustainability Strategy

Our Sustainability Framework is developed around the key commitments we made in our RII02 business plan, delivering our safety commitment, providing a resilient network, tackling climate change, improving the environment, delivering a quality experience to all our customers and stakeholders, and being trusted to act for our communities. Our 'Force for Good' Sustainability Strategy focuses on three key pillars: Easier Warmth, Fairer Opportunities and Greener Society.

Our Social Impact

Our 'Social Impact' describes our 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.

Our values



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.
- I look after my own and support others' health and wellbeing.



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.
- I move things forward at pace.



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

Our operating model ensures that decision making and accountability are close to our customers, and 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.

Our recruitment process is designed to ensure equal opportunities are available to all aspiring applicants and reflect 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.

Equity, diversity, and inclusion

Our Employee Communities

6215 employees.

39 is the average age of our employees.

22% of our workforce are female.

12% of our workforce are from BME backgrounds.

We know that our industry is traditionally male dominated and we are working to make positive change in this area. We work to promote diversity across the workforce and recognise the value that diversity brings to everything that we do. 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.

We have many positive programs in place to ensure we are attracting diverse talent, such as enhanced 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. We also encourage physical and mental wellbeing through gym memberships and Virtual GP services. Our seven employee-led Employee Communities play an important role in promoting and championing inclusiveness and integrating a diverse workforce.

'Women in Cadent' have a number of sub-groups including 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. We are the first Gas Distribution Network (GDN) to be awarded this accreditation. We have also achieved the Fertility Friendly Employer Accreditation.

Anti-Racism is one of our cultural priorities and we are an active member of Race Equality Matters. In 2024, we became the first GDN to receive a Bronze Trailblazer status for the meaningful action we've taken that has an impact on tackling race inequality.

We became a Disability Confident Leader in 2024 and are an accredited Neurodiversity Smart Employer. We are committed to being an inclusive and accessible company for disabled employees.

The communities work collaboratively to support each other on a variety of different initiatives.

Women in Cadent

Raising awareness and striving for equality and supporting women's professional and personal development.

Embrace

Promoting and championing awareness and inclusivity for all religions and faiths, discussing issues faced by ethnic minority backgrounds.

Cadent Military Community

Bringing together and supporting veterans and reservists, family and friends.

Pride at Work

Our welcoming and safe space where Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ+) and allied members can thrive, feel safe and included.

Thrive!

Raising awareness of and supporting visible and invisible disabilities, making our workplace accessible and supportive to all.

Men's Engagement Network

Focusing on men's physical health, mental health, and topics contributing to the discussion around masculinity

Grief Awareness Community

Ensuring that nobody goes through grief alone.



Our code of *ethics*

Ethical Code of Conduct

Our ethical code of conduct 'Always Doing the Right Thing' outlines our unwavering commitment to conducting business with the highest standards of integrity, honesty, and ethical behaviour. Our ethical code of conduct serves as a guiding framework for all employees, contractors, and stakeholders, reflecting our core values and principles. It raises awareness of the risk of slavery and human trafficking, and our commitment to preventing this in our business and supply chains. Our ethical standards are embodied within our values, which have been positively communicated to all employees. We make sure all our employees are aware of and trained in our ethical code of conduct.

Speaking Up

We take seriously our responsibility to remain vigilant to potential Modern Slavery issues. We continually promote a culture of 'speaking up'. We provide channels for all employees, those working on our behalf, and the wider population, to raise concerns. We not only have confidential helplines available both internally and externally, operating 24 hours a day but also a dedicated internal inbox for all Ethics and Business Conduct queries. Details of these channels 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 Manager supported by a network of Ethic Champions across all functions of the business. The Ethics and Business Conduct Manager is trained to deal with all reported concerns, ensuring they are dealt with sensitivity, confidentiality, and impartiality. Business Conduct works to address any violations of company policies/ethical standards and implement any corrective actions to prevent recurrence. 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 overall compliance.

Training and awareness

Since 2022/23, we have worked in partnership with the Supply Chain Sustainability School ("SCSS"). We are also members of Utilities Against Slavery and supporters of Slave Free Alliance and Hope for Justice. In partnership with these organisations, we collaborate with like-minded entities to share best practice, resources and insights aimed at preventing exploitation and combatting modern slavery.

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. Cadent 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, reinforcing the expectations 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 2023/24, 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. 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 *and procedures*



We are committed to eradicating modern slavery in all its forms. Our policy and procedures for addressing modern slavery reflect this unwavering commitment and are designed to ensure that every aspect of our operations uphold the highest standards of ethical conduct.

We know that setting clear expectations is very important. We regularly monitor compliance with our policies and report on how we're doing to both our Executive and Board level 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)	Always Doing the Right Thing is our ethical code of conduct, which sets out how we expect all our employees and contractors to work. It includes specific guidance relating to modern slavery identification and reporting, highlighting the need to speak up if there are concerns that something is not right.
	Equity, Diversity, and Inclusion	Our EDI policy recognises and respects the importance and value of a diverse and inclusive workforce.
	Supplier Code of Conduct	Our supplier code of conduct sets out our expectations of how our suppliers, and their supply chain partners act when providing us with goods or services, ensuring that their business practises align with 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	Our procurement policy ensures that our code of conduct and standards on ethical procurement are maintained, as well as ensuring compliance with relevant legislation and regulatory standards.
	Counter-Fraud, Bribery and Corruption Policy	Our Counter-Fraud, Bribery and Corruption policy sets out our zero-tolerance approach to fraud, bribery and corruption and our commitment to acting professionally, fairly and with integrity in all our business dealings and relationships.
	Speaking Up (whistleblowing)	Our speaking up policy sets out our expectation that everyone will speak up about any concerns they have about actions that may not comply with our high ethical standards, including speaking up about concerns relating to slavery and human trafficking. We have 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	Our disciplinary process 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 1,800 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 on our Ariba Source to Pay 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, proportional due diligence is undertaken as part of the pre-qualification stage.

Subject to a successful tender outcome, the contracted supplier will be subject to contract management activities and supplier audits, which are managed on a risk-based approach.

Supply Chain Sustainability School (SCSS)

As a key partner of the School we have maintained our Gold Level Membership, reflecting our Supply Chain Sustainability maturity and level of engagement with the School. We make use of the sector-relevant platform to assist to manage, drive and develop a sustainable supply chain - addressing all aspects of Environmental, Social and Governance sustainability, including modern slavery.

Slave Free Alliance

We are a key member of the Utilities Against Slavery Working Group, which collaborates with the Slave Free Alliance. This supports our regular review of our procurement processes to keep them in line with best practice in the Utilities Sector.



Risk assessment and *management*

Modern slavery risk assessment

Modern slavery within Cadent and within our supply chain is identified within our risk management system, which is supported by a control framework which mitigates against risks identified in this area. All risks and controls are reviewed and assessed on a regular basis in line with our risk procedure.

We work closely with our key suppliers to support their internal risk assessments in respect of modern slavery, including our Contract Management Organisations (CMOs) who support our mains replacement activity.

Monitoring of Suppliers

Our risk assessment of suppliers is ongoing after they are onboarded, supported by a monitoring process which provides us with up-to-date information about our suppliers and the wider market.

These monitoring activities include:

- Monitoring of suppliers' financials by Dun & Bradstreet.
- Independent verification audits through the Achilles platform (UVDB) or through Constructionline PAS91 construction standard. Our internal audit team also carry out targeted independent audits.
- Regular reviewing of the Dow Jones risk database to alert us to any specific issues within our supply chain that have not been identified through general contract management.
- Media and ARIBA alerts to highlight any potential issues with modern slavery practices in our supply chain. ARIBA is our end-to-end Enterprise Resourcing Plan system, which covers all aspects of procurement.

Measure of effectiveness

To date, no modern slavery concerns have been raised to our Ethics and Business Conduct team or to our Procurement team, 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 and enhance 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. We are fully committed to work on the following focus areas during 2024/25.

Achievements in 2023/24

- 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.
- Through our impact assessments we have categorised our supply chain sectors to better reflect modern slavery risk to facilitate continued focus on higher-risk areas.
- Our 'Speaking up' policy and standard have been reviewed and updated.
- We continued quarterly monitoring of the take-up of SCSS training and resources by our suppliers.
- We chaired the first ever strategy day for all members of Utilities Against Slavery during which best practice was shared.

Focus areas for 2024/25

- We will continue to provide our colleagues across the business with the relevant knowledge and support to identify and address modern slavery. Over the next year we will look to introduce training for our First Call Operatives to help identify signs of Modern Slavery.
- We will continue to use our position as co-chairs in the Utilities Against Slavery forum to learn and promote best practice.
- We will 'risk map' our supply chain by category of purchase to identify areas most susceptible to Modern Slavery and keep the map updated to reflect changes in our procurement approach.



Our ongoing *commitment*

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

Date: 24 July 2024



Mark Braithwaite

Director

Quadgas Holdings Topco Limited

Date: 24 July 2024

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.