

Supply Chain Charter

Version 2.0

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We are committed to being a sustainable business and our Supply Chain Charter sets out how our approach to responsible procurement will support that vision.

Through our Supply Chain Charter, we are sharing our aspirations and outlining our commitment to how we, with the support of our supply chain, will contribute positively to the society and environment in which we operate.

We expect our suppliers to adopt the principles in this document and to hold their conduct to the highest ethical standards, maintaining compliance with all relevant legislation.



People

At WWU we expect all suppliers to share our commitment to respecting and promoting human rights while adhering to the concepts of The Equality Act 2010, and that providing decent work is a cornerstone of economic growth. Our Charter aligns to the core labour standards of the International Labour Organisation (ILO), where overarching expectations include the freedom of association and the effective recognition to the right to collective bargaining, the elimination of all forms of forced or compulsory labour, the effective elimination of child labour and the elimination of discrimination in respect of employment and occupation.

Real Living Wage

As a Real Living Wage accredited company, we ensure that all staff directly employed on our premises earn at least the Real Living Wage. We are aware of the benefits that the Real Living Wage can deliver, including improved employee

satisfaction and retention, reduced training and recruitment costs, as well as improved retention. We encourage all our suppliers to become Real Living Wage employers.

Modern Slavery

All our contractors and suppliers are expected to comply fully with the Modern Slavery Act 2015. We will not continue to purchase goods or services from any group that is found to be engaging in human trafficking or modern slavery.

Safety

Our supply partners must have effective Health and Safety Management systems in place, appropriate to the nature and scale of their business, along with the goods, works or services they provide.

Environment

We are an environmentally ambitious company, delivering best practice while leading environmental innovation to protect and enhance the environment.

We expect all stakeholders to support and actively work with us to ensure that:

- Products and services are designed to minimise environmental impacts and maximise energy efficiency, considering whole life costs across the value chain.
- Use of natural capital is reduced wherever possible, for example plants, air, water, soil and minerals. Our future will see a positive impact on natural capital, and we expect our supply chain to support the same ambition.
- All waste is disposed of legally and wherever possible reused, repurposed or recycled.
- We encourage all stakeholders to monitor greenhouse gas emissions (or carbon emission) in line with international best practice, set carbon emission reduction targets, take action to reduce carbon emissions and engage with their supply chains to drive GHG emission reductions.

Data and Cyber Security

Wales & West Utilities is a Critical National Infrastructure (CNI) company.

We expect all suppliers to have established information security policies and procedures in place to maintain the highest possible levels of cyber security, including:

- Regular information security and data protection training for all staff (e.g., patching, network security, testing).
- Implemented appropriate physical security controls such as barriers,

fences, access control and monitoring, CCTV etc.

- Conducting pre-employment background checks and vetting employees.
- Having implemented risk management protocols including internal audits, penetration testing and risk assessments.

Data protection

Data should be protected fully in compliance with all relevant data protection legislation including the General Data Protection Regulations or equivalent provisions.

Reporting and Compliance

Suppliers have a duty to report any suspicions of non-conformance, or issues of compliance with the charter as soon as is practicable. Where a breach of the principles is known or suspected, we encourage stakeholders to speak out and allow prompt and fair investigation. If required, our Whistle blower phone line allows for concerns to be raised confidentially. We expect suppliers to adhere to any contractual or regulatory timelines where relevant and to communicate corrective actions on reported breaches.

Business Ethics

The highest standards of ethical conduct are expected from everyone within our supply chains. Suppliers must always act lawfully, complying fully with legislation and not engage in corruption, extortion or bribery to obtain unfair or improper advantage.

We have a zero-tolerance approach to tax evasion and expect all suppliers to comply with the Criminal Finances Act 2017, not engaging in or facilitating tax evasion while having reasonable preventative measures in place.

We follow and adhere to the following procurement principles namely, non-discrimination, transparency, mutual recognition, proportionality and equal treatment.

Sub-contracting

Subcontracting or work is only permitted where:

- It is compliant with CDM regulations.

- There is prior written approval for contractors, within clearly defined locations.
- Subcontractors and third parties are informed, agree, and adhere to the provisions of the charter and any relevant agreements.
- Where risk assessments have been completed and the outcome agreed.
- Under agreement that the supplier is responsible for any and all acts of any subcontractor or third parties.

Upon request, evidence of compliance with the above provisions can be provided

Stakeholders are expected to confirm that they have read and understood the Supply Chain Charter. In doing so they acknowledge the requirements placed upon them and agree to have adequate management and governance processes in place to ensure that compliance with the requirements of the charter can be demonstrated. Additionally, suppliers should take reasonable steps to cascade the requirements and aims of the Charter throughout their supply chains.