

Modern Slavery Statement

For the Financial Year
1 April 2022 to 31 March 2023



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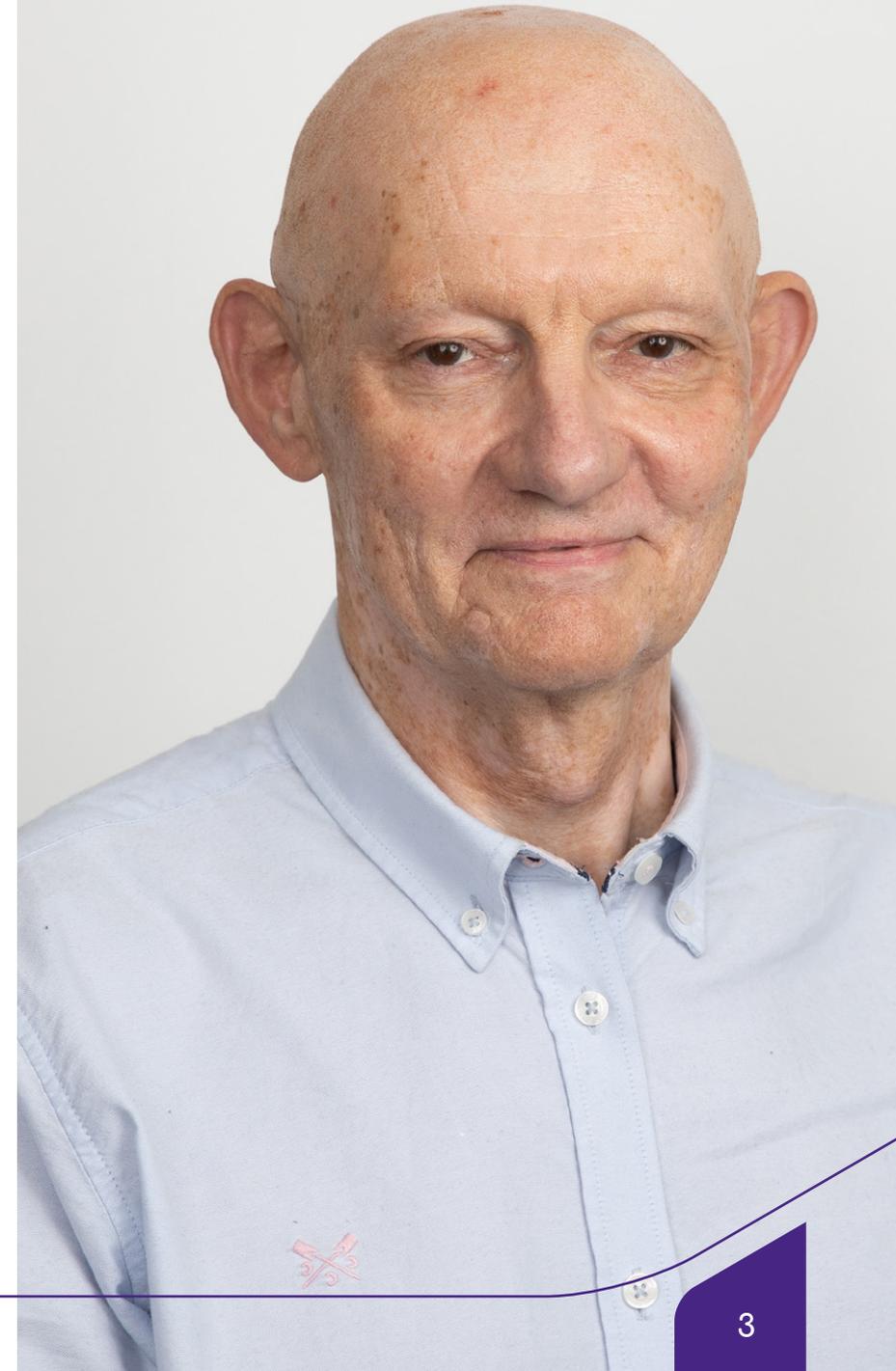
Message from Chief Executive Officer

At Wales & West Utilities we have a zero-tolerance policy for slavery and human trafficking. We believe everyone has a right to be free from exploitation and abuse, and we are committed to doing everything we can to prevent this in our business and in our supply chains. We know that anti-slavery and human trafficking are complex issues, and we are committed to continuously improving our practices to ensure our team members and those acting on our behalf can confidently raise any concerns.

We have developed targeted training for our colleagues on modern slavery and safeguarding whilst continuously carrying out audits of our suppliers to ensure all continue to comply with the Modern Slavery Act 2015. Furthermore, we are actively expanding our connections within the energy and utility sector with several organisations, including the Supply Chain Sustainability School and the Slave-Free Alliance.

Together, we can make a difference.

Graham Edwards
Chief Executive



Our anti-slavery commitment

Wales & West Utilities is owned by a consortium of three corporate shareholders, namely CK Infrastructure Holdings Limited (CKI), Power Assets Holdings Limited (PAH) and CK Hutchinson Holdings Limited (CKHH). CKI is a diversified infrastructure group with operations that span the globe. PAH owns and operates a vertically integrated electricity generation, transmission and distribution business in Hong Kong. CKHH has a diverse portfolio of investments across four core businesses.

Wales & West Utilities and our owners are fully committed to making sure that the group complies with all applicable legal requirements including, without limitation, the Modern Slavery Act 2015.

We have continued to increase our focus on making sure modern slavery does not exist in our business and have implemented refreshed procedures and updated policies to aid us in this goal.

Alongside our owners, we have a zero tolerance to slavery and human trafficking and are committed to making sure that there is no modern slavery or human trafficking in its supply chains or in any part of our business. We highlight our commitment to this effort within our Modern Slavery Policy and Corporate Social Responsibility Policy.

We are committed to improving our practices to combat slavery and human trafficking and encourage reporting on slavery and human trafficking, as well as all other ethical matters. We joined the Slave-Free Alliance in 2019, an organisation set up by the charity Hope for Justice, and we will continue to work with them in the future to improve its systems and processes and the fight against modern slavery.



Our business and values

A bit about us

At Wales & West Utilities we look after the pipes that keep the gas flowing across Wales and south west England. We respond to gas emergencies, keeping communities safe; we connect new homes and businesses; we upgrade the gas network, to keep the gas flowing safely and reliably today, and to prepare it to transport green gas like hydrogen and biomethane so we can all play our part in a green future.

We own and maintain more than 35,000 kilometres of gas pipes – enough to stretch from the UK to New Zealand and back again. Using those pipes – most of which lie hidden beneath your feet – we supply gas to around 2.5 million households and businesses, serving a population of 7.5 million people. We cover an area that stretches from Wrexham to Redruth, from the mountains of North Wales to the cliff tops of Cornwall. We serve diverse communities across cities, towns, villages and open countryside.

We are there for our customers 24 hours a day, 365 days a year – it is a vital service and one that we are extremely proud to deliver.

The way we do things

Whilst much of our gas network is underground and out of sight, our services play a central role in the daily lives of all our customers. Whether it's a safe and reliable gas supply for heating your home, making the family dinner or for a nice hot bath, we understand how important it is for our services to be there when our customers need them.

We have recently updated our business Ambition, Priorities and Values. This has resulted in an enhanced focus on sustainability, something our colleagues, customers and stakeholders told us is critically important.



Our Ambition, Priorities and Values inform everything we do as a business – from our strategic planning to the performance management of our colleagues. As we navigate a period of disruption and volatility in the energy sector, and respond to cost of living and geopolitical challenges, they help keep our focus on our customers and the future.

In the long term, the threat facing us could not be starker. In early 2022, the United Nations Intergovernmental Panel on Climate Change (IPCC) reported that “time was running out” to reverse climate change, with around 40% of the world’s population “highly vulnerable” to its impacts. Responding to the climate emergency by reducing carbon emissions will impact virtually everything we do as a country, and everything we do as a company – from the gas we transport through our network, to transitioning our fleet to electric and hydrogen vehicles.

For our part, we are committed to doing everything we can for the customers we serve to meet the net zero carbon emissions target in the most efficient, and least disruptive, way possible. This includes an ambition to deliver a net zero ready network by 2035, so our network is ready to transport green gases like hydrogen and biomethane so we can play our part in decarbonising heat, power and transport.



Our new ambition

Trusted to expertly serve customers and communities with **safe, reliable and affordable** energy services today, while investing wisely to create a **sustainable, greener future**.

Our new priorities

Doing all we can to provide sustainable energy

We are working to achieve net zero targets and deliver reliable, greener energy for heat, power and transport.

Driving outstanding service

We strive to exceed customer expectations by offering fair, inclusive, quality services while looking after those in need.

Demanding safety always

We never compromise on the safety, wellbeing and health of our colleagues and customers and continuously improve standards.

Designing our future

We're building a skilled, resilient, diverse team to work with stakeholders and help our communities and society thrive.

Delivering value for money

We always spend and invest money wisely, working smarter to offer affordable services that give value for money.

Our values

We put customers first

We build trust by giving excellent service, listening and taking action on what our customers tell us.

We take pride

We take ownership and are accountable for our work, going above and beyond to get great results.

We work as a team

We build relationships with colleagues and partners, share best practice and encourage honest, open conversations.

We bring energy

We approach all work with enthusiasm, challenging ourselves to improve by embracing new ideas and innovative solutions.

Our people

We have a diverse team of more than 1,800 skilled and dedicated colleagues who deliver for the communities we serve.

In 2021, we changed to an internal delivery model. This saw us TUPE transfer 227 of our previously contracted workforce into our directly employed team. The change of delivery model has allowed us to increase our efficiency, using our resources more effectively, while maintaining our focus on customer service and health and safety standards, for customers and colleagues alike.

Since we started operations in 2005, we've been focused on delivering outstanding service to our customers – keeping them safe and warm. We have only been able to do this by investing in our people, recruiting more than 160 new apprentices and graduates as well as upskilling colleagues, making sure they have all the skills, confidence and innovative thinking to build our business long into the future.

We are proud to have been awarded Silver Accreditation against the Investors in People Standard, demonstrating our commitment to high performance through good people management. Investors in People is the international standard for people management, defining what it takes to lead, support and manage people effectively to achieve sustainable results. Underpinning the Standard is the Investors in People framework, reflecting the latest workplace trends, essential skills and effective structures required to outperform in any industry. Investors in People enables organisations to benchmark against the best in the business on an international scale.

INVESTORS IN PEOPLE™

We invest in people Silver
Rydym yn buddsoddi mewn pobl Arian

We are committed to equality. No job applicant or colleague receives less favourable treatment on the grounds of gender, race, marital status, disability, age, part-time or fixed-term contract status, sexual orientation or religion, or is disadvantaged by conditions



or requirements that cannot be shown to be justifiable. Any form of discrimination is unacceptable conduct and any allegation of discrimination will be investigated through our Disciplinary or Grievance Procedure. And we are proud that our commitment to equality is demonstrated in our gender pay reporting – where our average pay gap is negative – reflecting our commitment to fair pay irrespective of gender.

We make sure that all organisations working on our behalf, and other organisations that we are connected to, are fully aware of our commitments to equality, diversity and fairness.

Our recruitment

All new and existing colleagues are subject to prescribed right to work checks that help us make sure we do not employ illegal workers, thereby complying with the Immigration, Asylum and Nationality Act 2006. Additionally, any third-party organisations who are contracted to work on our behalf are required to apply a similar procedure for their team too.

Our Modern Slavery Policy, last updated in October 2022 (version 2), highlights our commitment to acting ethically and with integrity in all our business relationships. It also implements and enforces effective systems and controls to provide assurance that slavery and human trafficking does not take place anywhere in our supply chains. Furthermore, our Corporate Social Responsibility Policy highlights our commitment to combating slavery and human trafficking.

We operate a Code of Conduct for our colleagues. This requires them to uphold our high standards of integrity, honesty and transparency in everything they do. Colleagues must report any possible breach of the Code of Conduct to one of: their line manager; our HR team; a member of our Senior Management Team; or via our confidential whistleblowing line.



Living Wage

In November 2022, we became an accredited employer by the Living Wage Foundation – demonstrating our commitment to paying the real Living Wage to all our colleagues.

The accreditation process was part of a voluntary long-term commitment to our staff, recognising their vast contribution, ensuring they are paid a fair wage long-term while supporting them through the cost-of-living crisis.

The real Living Wage is the only UK wage rate that is voluntarily paid by more than 12,000 UK businesses who believe their staff deserve a wage which meets everyday needs – like the weekly shop – or to cover an unexpected cost. The real Living Wage rates remain the only wage rates independently calculated based on what people need to live on.

Bethan Jones, Head of Human Resources, said:

“We’re committed to ensuring that our colleagues throughout the business are appropriately rewarded for their continued hard work and we are very proud to have been accredited as a real living wage employer by the Living Wage Foundation.

“We pride ourselves on keeping the gas flowing safely to heat and power homes and businesses, so that people are kept safe and warm, and our colleagues strive to go above and beyond to deliver on this for our customers across Wales and south west England.

“During these challenging times, it’s more important than ever that our colleagues are fairly rewarded for their commitment. We hope that this accreditation will help further strengthen the industry’s offering and entice people to consider a career at Wales & West Utilities.”



Awareness of modern slavery

Our Modern Slavery Policy takes a co-ordinated and victim-centred approach, making clear that safeguarding is everyone's responsibility; and for services to be effective they need to be based on a clear understanding of the needs and views of people impacted by modern slavery.

Anyone can witness or become aware of information suggesting that modern slavery is occurring. We encourage our colleagues to be vigilant on behalf of those unable to protect themselves. And regardless of how the concern is identified, everyone should understand what to do, and where to go to get help and advice.

We encourage our colleagues to report any slavery, human trafficking or other ethical concerns. Our confidential whistleblowing process allows colleagues to report concerns in confidence. We recently strengthened this by partnering with a third-party company which provides an independent and confidential service for individuals to make a report via telephone or online.

We remind our colleagues to look out for, amongst others, the following potential signs of modern slavery. People may:

- ▶ appear to be under the control of someone else and reluctant to interact with others
- ▶ not have personal identification on them
- ▶ have few personal belongings, wear the same clothes every day or wear unsuitable clothes for work
- ▶ not be able to move around freely
- ▶ be reluctant to talk to strangers or the authorities.

Speaking up – our whistleblowing strategy

As a responsible business, we comply with all applicable laws and regulations and behave with honesty and integrity in how we operate. We have put in place standards and policies which make sure we take the necessary and appropriate steps in accordance with legal and regulatory requirements and conduct our business in a professional and ethical manner. However, the standards we set ourselves can only be achieved and maintained through the conduct of our team.

It is the obligation of all our colleagues to conduct themselves in a manner that maintains these standards and, if necessary, to draw attention to any malpractice or unlawful conduct which they suspect is taking place at work so that it can be investigated and addressed.

We want to create the climate and the opportunities for everyone to do the right thing and speak out confidentially about any genuinely held concerns about actions or decisions that they think are wrong. The facts will be investigated fairly, thoroughly and promptly.

We have an internal whistleblowing process in place which allows anyone to raise any concerns they may have regarding modern slavery, suspicious activity, unethical conduct or illegal actions – either within our business or in dealings with third parties by:

- ▶ reporting them to their line manager
- ▶ speaking to a HR Manager (or Trades Union representative if relevant),
- ▶ contacting their local safety representative if it concerns a health and safety issue; and/or
- ▶ raising them with our Head of Internal Audit.

To further strengthen this whistleblowing process, we have partnered with Safecall, an independent organisation that provides an independent and confidential means for anyone to report any concerns they may have, if the whistleblower would prefer to deal with people outside our business.

There are two ways to contact Safecall;

- ▶ by freephone **0800 915 1571** at any time (24/7), or
- ▶ at Safecall's website at **www.safecall.co.uk/report**.

Whichever method is chosen, we can assure any whistleblower that their concerns will be raised in strictest confidence and will be followed up.

Training and awareness

We have launched an eLearning module on modern slavery to all colleagues and as part of our induction programme which sets out our commitment as a business to eliminate modern slavery and what is required from each of us to achieve this. This eLearning training has also been provided to Board members.

Governance

Executive sponsorship of our anti-modern slavery programme sits with our General Counsel. They are supported by an additional Senior Sponsor, our Head of Procurement and Operations Support. Our anti-slavery work is delivered by a number of colleagues across our business, including the following, who, alongside the sponsors, make up the Anti-Modern Slavery Working Group:

- ▶ Company Solicitor
- ▶ Head of Audit
- ▶ HR Manager
- ▶ Procurement Manager
- ▶ Sustainable Procurement Lead.

This working group meets quarterly and reports to the Environmental, Social and Governance Committee (ESG Committee) bringing Board level oversight.

Our policies

We continue to review and update our policies and processes to make sure we are setting clear expectations and safeguarding our colleagues, customers and suppliers. This includes making sure we have policies to prevent modern slavery in our business and supply chains and promoting a fair, diverse and inclusive culture in our business.

We have a number of key policies that highlight and supplement our modern slavery commitment and the standards we expect for the prevention, detection and reporting of any modern slavery concerns.

| Policy | Aim and link to modern slavery |
|----------------------------|--|
| Modern Slavery Policy | Sets out clearly our commitment to the prevention, detection and reporting of any concerns of modern slavery within our business. |
| Our Rules of Conduct | Sets out the standards we expect from our colleagues. Responsible behaviour is fundamental to how we work. This is supported by our Ambition, Priorities and Values. |
| Code of Business Conduct | <p>Defines our values, sets out the behaviour we should all demonstrate in our work and summarises the policies most relevant to our business conduct.</p> <p>It is designed to help us to do this by describing how we can judge whether we are doing the right thing, by giving guidance on some of the issues we might face, by listing key policies relevant to business conduct and by defining possible conflicts of interest.</p> |
| Equal Opportunities Policy | <p>Sets out our commitment to making sure that job applicants and existing colleagues do not receive less favourable treatment on the grounds of sex, race, marital status, disability, age, part-time or fixed-term contract status, sexual orientation or religion, or is disadvantaged by conditions or requirements that cannot be shown to be justifiable.</p> <p>We are also committed to making sure contractors working on our behalf are aware of their responsibilities under this policy.</p> |

| Policy | Aim and link to modern slavery |
|------------------------------------|--|
| Procurement Policy | Supports our business by recognising stakeholder expectations and minimising the risk of non-compliance. The Wales & West Utilities Procurement team aims to provide the business with a best-in-class service line by sourcing and selecting partners in a supply chain which is able to collaborate with us to achieve our business goals – and importantly, share our commitments to a fair, diverse and inclusive culture, and have a zero tolerance to slavery and human trafficking. |
| Supplier Charter | Supporting communication of our expectations to our supply chain, our Supplier Charter shares our aspirations and commitment to ethical procurement. Alongside existing standards and compliance, suppliers are expected to adopt all principles within the charter, including a focus on environmental awareness, digital security, human rights, ethical business practices and transparent procurement principles. |
| Anti-Bribery and Corruption Policy | Outlines how we will deal fairly with our suppliers and work to develop relationships with them based on honesty, fairness and mutual trust. We will settle bills punctually and work with suppliers to ensure no bribery, gifts or hospitality are sought, solicited, accepted or given. We will not work with suppliers that infringe the law or which, by association, endanger our reputation. We will favour suppliers with high standards of business conduct. |
| Whistleblowing Policy | Aims to create the climate and the opportunities for everyone both to do the right thing and speak out confidentially. The facts will be investigated fairly, thoroughly and promptly. To further strengthen this whistleblowing process we have now partnered with Safecall – an independent organisation that provides an independent means to report any concerns. This policy sets out how our colleagues can expect to be treated if they speak out about any genuinely held concerns about actions or decisions that they think are wrong. |
| Recruitment Processes | Sets out the standard we expect our managers to abide by as well as making sure we remain consistent within our recruiting processes. |
| Disciplinary Procedure | The main purpose of the disciplinary procedure is to encourage improvement in a colleague whose standard of work or conduct is unsatisfactory. It is designed to help and encourage all employees to achieve and maintain the standards of conduct and job performance we expect. |
| Safeguarding Policy | Sets out how we as a business can safeguard our colleagues, customers and suppliers. It gives key examples of what signs to look out for regarding modern slavery. |

Supply chain and procurement

Overview

We work with more than 1,200 suppliers, spending more than £270m every year across a diverse range of goods and services. To support the clear communication of our expectations, a Supplier Charter has been created which shares our vision for ethical procurement. The Charter outlines our commitment to providing a positive contribution to the environments in which we operate, establishing our ambitions for a supply chain free from modern slavery, while supporting the real living wage and diversity.

We use Achilles UVDB (Utilities Vendor Database) as an approved qualification system for the purposes of compliance with the Utilities Contracts Regulations 2015. This includes a standard supplier selection questionnaire requiring suppliers to confirm compliance with the Modern Slavery Act 2015 as a prerequisite to registration as an approved supplier pursuant to the Achilles UVDB.

Risk assessment and supply base mapping

As part of our initiatives to reduce the risk in our supply chains, we monitor our suppliers for compliance with the Modern Slavery Act 2015 and other applicable legislation. This approach involves a risk assessment process to identify any suppliers that offer potential risk of exposure relating to non-compliance, which helps determine whether additional controls or assurances are required for specific suppliers.

The mapping of our supply base is ongoing, helping to build awareness of activity including labour rights. This work aims to improve our understanding of the supply chains' position on a range of issues including modern slavery, sustainability and the adoption of the real Living Wage. The first phase mapping was prioritised by value and predominantly a desktop exercise, capturing 80% of spend. Subsequent activity has focused on direct contact with suppliers via a questionnaire to gauge awareness. This prioritised categories where the highest historical risk of labour exploitation is apparent, such as construction. Later



phases are looking at goods and products, with services following as considered to pose the lowest risk.

Our suite of standard form contracts expressly requires suppliers to comply with the Modern Slavery Act 2015. We reserve the right to audit compliance by our suppliers, and ultimately reserve the right to terminate an agreement if the supplier in question is found to have breached the law. Where contracts are not based on our standard form, we require a contractual provision requiring compliance with the Modern Slavery Act 2015 as part of its contractual governance.

Our Procurement Policy expressly requires compliance with the Modern Slavery Act 2015 and all invitation to tender pre-qualification questionnaires require prospective suppliers to confirm their compliance with all applicable legislation as a prerequisite to selection as a prospective supplier.

Modern Slavery Strategy

As recommended by the Slave-Free Alliance, we have produced a Modern Slavery Strategy document which will be launched in Q3 2023. This has been reviewed by the Slave-Free Alliance and sets out the people responsible, their roles and the initiatives we are taking to mitigate against the modern slavery risk in our supply chain and with our colleagues. The strategy documents how we deliver against our legal and moral obligations with respect to modern slavery, by having a cross-functional team responsible for managing the risk while providing guidance, developing action plans and reporting progress.

The Modern Slavery Strategy is currently in our internal approval process and will be signed off by the ESG Committee, which sits at Board level.



Supply Chain Sustainability School (SCSS)

We are Partner Members of the SCSS, collaborating to upskill our supply chain and team in the key areas of sustainability which matter to them, improving competitiveness, increasing efficiency and overall contract success. Partner members collectively form and chair market and trade category groups which drive the direction, delivery and focus of the SCSS.



Slave-Free Alliance

We subscribe to an annual membership with the Slave-Free Alliance. As part of this wider group, we discuss common issues across different industries as well as review processes to make sure we are applying the same levels of protection and adopting best practice.

Utilities Against Slavery (UAS) working group

As active members of the UAS working group, we meet every two months to build cross-sector awareness, while collaborating to leverage skills and experience for mutual benefit. This year has seen the formation of three strategy groups (Supply Chain, Training and Collaboration/Engagement) to help develop tools to promote best practice and effective learning solutions.

Managing risk

Key Performance Indicators

Working closely with the Slave-Free Alliance, we have introduced the following key performance indicators (KPIs) in line with the Modern Slavery Act 2015. The indicators and activities are reviewed regularly.

▶ **Supplier engagement**

Record 100% of our supply base acknowledging awareness of our Supplier Charter, either through the supplier onboarding process, desktop risk analysis or contract renewal.
FY23 = 74% (95% of spend) FY22 = 74% (80% of spend).

▶ **Due diligence and contracts**

We have committed to check a minimum of 10 Modern Slavery Statements annually from suppliers who are required to provide one. Since beginning the supplier mapping process, more than 164 suppliers have provided a copy of their statement or policy document for our records. It is clear there is a higher number of suppliers creating formal documents than the number required by law due to annual turnover, which is a positive indicator of awareness. This activity will help promote best practice in tier 2 supplies when coupled with the expectations of the Supplier Charter.

▶ **Modern slavery training**

Make sure that 100% of colleagues who have roles dealing with suppliers, such as the Procurement Team, receive on-going updates and notifications regarding business and human rights, and specifically modern slavery.

Our on-going commitment

We're continually reviewing the processes we have in place to make sure the risk of slavery and human trafficking in our supply chains is mitigated. This year, we will take a number of additional actions.

Focus areas for 2023/2024

- 1 Continue to monitor suppliers' compliance with the Modern Slavery Act 2015 and other applicable legislation.**
- 2 Require suppliers identified as high-risk to annually confirm that there have been no incidents of slavery or human trafficking in their supply chains and, ultimately, compliance with the Act, and undertake an audit if appropriate.**
- 3 Monitor best practice guidance supplied by the Home Office and through on-going consultation with the Slave-Free Alliance and other subscriptions.**
- 4 Use the Government Modern Slavery Register as an additional compliance measure.**
- 5 Approve the Modern Slavery Strategy document as part of the ESG Committee.**

Statement on the prevention of slavery and human trafficking for Wales & West Utilities Limited

Statement on the prevention of slavery and human trafficking for Wales & West Utilities Limited

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Wales & West Utilities Limited slavery and human trafficking statement for the financial year ending 31 March 2023.

This statement was approved by the Board of Directors on 21 September 2023

Name: Graham Edwards

Position: Chief Executive Officer, Wales & West Utilities

Signature:



Date: 21 September 2023

Contact us

To find out more or to give us feedback on our statement, contact us at:
procurementenquiries@wwutilities.co.uk

To anonymously report a concern, contact Safecall at:
freephone **0800 915 1571** at any time (24/7);
or **www.safecall.co.uk/report**