

Supplier Code of Conduct

March 2020



Welcome

As a supplier you play an important part in helping us to keep the energy flowing.

Our relationship with you is essential in delivering for our customers time and time again and you play a key part in enabling us to deliver against our business plan and drive our business forward.

Our Supplier Code of Conduct outlines our expectations of how our suppliers, and their supply chain partners, should act when providing Cadent with goods or services.

The way you do business should align to the values and aspirations outlined in this document. We expect all of our suppliers to act in accordance with the highest ethical standards, and to comply with all relevant laws, regulations and licences.

Thank you for supporting our business and complying with our Supplier Code of Conduct. If you have any questions as to the intent of this document or its content, then please get in touch.



A handwritten signature in black ink, appearing to read 'Mark Henderson', written in a cursive style.

Mark Henderson
Head of Supply Chain



1 - Business Ethics Standards

Cadent are committed to building together with our suppliers and their supply chain partners, an open culture in which Always Doing the Right Thing comes naturally and wrongdoing is unthinkable and unacceptable.

To do this we must all take responsibility for achieving the highest standards of ethical behaviour and promote an environment where everyone can do the right thing and feel comfortable raising concerns about actions or decisions that they think are unethical.

Cadent will not tolerate poor ethical standards. We expect all of our suppliers to be prepared to challenge unethical behaviour. Examples of unethical behavior may include, but are not limited to, bullying, harassment, discrimination, and any other unfair practices committed at a personal or corporate level. If you believe that an employee or contractor, or anybody else doing business with us, has acted unethically or unlawfully, you should quickly bring this to our attention.

In return, we will investigate the facts thoroughly, fairly and promptly when you raise a concern. We will not tolerate any form of retaliation or victimisation, where a concern is raised in good faith.

1a – Our Core Values

Cadent's core values shape the way in which we are expected to act as individuals and in teams:

Commitment

Dedication to deliver on our promises, keeping focused on safety and always doing the right thing

Community

We're one business, focused on the needs of the communities we serve

Curiosity

Exploring and embracing new ways of thinking and working to meet the needs of our customers and stakeholders

Courage

Challenging ourselves to shape the future and do things better

These values are the foundation of our business and everything we do.

1b - Fraud, bribery and corruption and facilitation of tax evasion

Cadent are committed to carrying out our business in a fair, honest and open way, and we expect you to be honest and fair when you carry out your business. We have a zero tolerance approach to any type of bribery, fraud, corrupt business practices or tax evasion or the facilitation thereof, and we expect you to have a similar approach.

We expect you to have a programme in place to prevent and detect fraud, bribery, tax evasion and other corrupt business practices. In particular, we expect you to have procedures in place to prevent bribery in accordance with all applicable national laws or regulations. This includes without limitation the UK Bribery Act 2010. In addition we expect you to have policies and procedures in place to prevent your employees and other persons associated with you from facilitating tax evasion.

We expect you to have programmes which protect employees who give you information on any unfair or inappropriate business activities (whistleblowing), making sure that you do not reveal their identity.

If you find that fraud, bribery, tax evasion or any other potentially corrupt practice has taken place and this relates to work done on our behalf or otherwise relates to our business, you should contact us using the details below.

Internal - 0800 376 0113

businessconduct@cadentgas.com

External - 0800 988 9094

report@seehearspeakup.co.uk

Cadent reserve the right to review your control procedures associated with the prevention and detection of fraud, bribery and corrupt business practices, tax evasion and the facilitation of tax evasion. If we have serious concerns, whether they relate to our business or not, we will review our relationship with you.

1c - Entertainment, hospitality, gifts and cash rewards

Cadent expect you to help us keep to our rules on business rewards, such as gifts, meals, hospitality and entertainment. We may accept hospitality and entertainment as long as it has a genuine business purpose, and is within the guidelines as set out in 'Always Doing the Right Thing.' The best way to avoid a potential conflict of interest is to avoid offering gifts, rewards, hospitality or entertainment to our employees altogether.

We encourage our employees not to take part in any activity that would

affect their judgement when dealing with you. In particular, we do not allow our staff to accept cash or cash equivalents, such as gift certificates.

Employees who are involved in the supply chain for our business are not allowed to give or receive any gifts, hospitality or entertainment. Please do not send in any unsolicited gifts or offer any hospitality of any value.

We do not allow our employees to seek or take part in any:

- offensive or inappropriate entertainment;
- hospitality or entertainment based on the value of anything we or another organisation has bought; or
- hospitality or entertainment in return for influence or for a specific decision

1d – Testimonials

Cadent will not give testimonials and you should not request them. This includes testimonials in return for a potential discount.



2 - Health and safety

Cadent want to be a recognised leader in the development and operation of safe, reliable and sustainable energy infrastructure to meet the needs of our customers and communities.

One of the ways we will achieve this is to deliver excellent levels of safety, and ensure the wellbeing of our employees and anyone else working with or for us.

We recognise that our operations potentially give rise to risk. We believe that we can eliminate or minimise those risks to achieve zero injuries or harm, and to safeguard members of the public. We further believe that everyone in our organisation and those who we contract with, collectively and individually, has a part to play to achieve this.

You must ensure safety, health, and environment (SHE) aspects of contracted work and supplies are managed and robustly undertaken so as to ensure compliance with legislative requirements and industry good practice and enable sharing of SHE information and continuous improvement.

You must be committed to creating an environment which is safe, healthy and secure for all of your employees and others affected by your operations.



3 - Data Protection

Cadent expects that all businesses within our supply chain design their

organisational structure in such a way that it meets the Data Protection requirements of the UK.

In support of this you should ensure that you are able to demonstrate compliance with:

- Cadent's data privacy policy and procedures which are available on our website www.cadentgas.com
- Any additional requirements contained within individual contracts, where data protection obligations may be subject to review as part of the ongoing management of the contract

You should process personal data for the sole purposes of the performance, management and monitoring of the contract.

In processing personal data relating to Cadent, you may act only under our supervision, in particular with regard to the purposes of the processing, the categories of data which may be processed, the recipients of the data and the means by which the data subject may exercise their rights.

Cadent expects you to restrict access to data to staff, on the basis that is strictly necessary for the performance, management and monitoring of the contract.

Taking into account the nature of the inherent risk in processing and the nature of the personal data concerned, you shall adopt appropriate technical and organisational measures in order to prevent any unauthorised person from having access to computer or other systems processing personal data.

You must ensure that:

- during communication and/or transport of personal data, data cannot be read, copied or erased without authorisation
- personal data is not transferred outside the EU without prior authorisation of Cadent
- you keep records of which personal data have been communicated, when and to whom

4 - Protecting the environment

Cadent recognise the value of sustainability. For us this means that we are committed to business practices that preserve natural resources, save money and that are good for the community. That's why we make decisions that have a positive impact on environmental factors linked to our operations, and also on social and economic factors.

We look to our suppliers to support us in meeting our policy objectives.

As a minimum Cadent expect all suppliers to comply with all legal requirements and obligations and to have in place an environmental management system that is aligned to the requirements set out in standards such as ISO14001. In particular you should:

- set meaningful targets to improve environmental performance and openly report on performance against these targets
- identify and manage any chemicals, other materials and substances which would be hazardous if released into the environment, and make sure that you handle, move, store, recycle and dispose of these materials

safely and in a way that will not be hazardous to the environment

- use materials in a responsible way which does not affect the well-being of people, animals, and other living systems
- identify all chemicals and other substances in your products, communicate this to us when required and show that you are working to substitute or reduce where possible any harmful substances from your products
- ensure that any activities that have an impact on natural habitats will be conducted in a manner that is compliant with all legal/planning requirements and conditions, including the restoration and where possible the enhancement of any habitats impacted

We expect our suppliers to use renewable and non-renewable resources more efficiently. In particular you should:

- make a reasonable effort to reduce all types of waste including reduction at source, reuse and recycling
- ensure all waste is managed, treated and disposed of as the law requires, measure and report how much waste you produce and put in place processes to continually reduce the amount of waste sent to landfill
- make an effort to focus on eco-design and think of the 'life cycle' of products, for example, think about using less packaging, using fewer natural resources, reducing the energy you use, using more recycled materials and facilitating reuse, refurbishment or recovery of materials

- reduce the amount of energy consumed and use recognised methods to work out and report on your carbon footprint (how much carbon dioxide and carbon dioxide equivalent you directly or indirectly release into the environment) and demonstrate how you plan to reduce this impact

5 - Resilience and business continuity

Cadent expect all businesses in our supply chain to have business continuity arrangements in place to ensure that you can continue to provide your services to us in the event of any disruption to your operations. As a minimum, these resilience arrangements should consider: people, premises, process (information and technology) and providers.

More detail will be provided through the procurement process and contained within individual contracts, where business continuity arrangements may be subject to review as part of the ongoing management of the contract.

5a - Security

Cadent are committed to ensuring effective controls are in place to protect corporate assets and employees. Any significant compromise of physical or cyber security could result in disruption, with potentially serious social and economic consequences. We would expect our supply chain partners to demonstrate a similar commitment to security and have appropriate policies and procedures in place to provide a continued safe and secure work

environment. Security related controls should be proportionate to the risk, the detail of which will be contained within, and managed, through individual contracts.

6 - Work and human rights

Cadent expect all businesses in our supply chain to respect the people they employ and to offer a safe workplace that is free from harm, intimidation, harassment or fear. The Ethical Trade Initiative Base Code, and the UN Global Compact Principles along with any local employment health and safety legislation, will be considered to be the minimum standard.

The extent of these rights extends, as a minimum, to the right of collective bargaining, a fair, or living wage (or minimum wage if determined by local legislation outside of the UK), working age and hours. You must not use any forced labour, whether in the form of involuntary prison labour, indentured labour, bonded labour, or otherwise. All of your employees must have volunteered to work and must be free to leave or end their employment by giving reasonable notice. You must comply with the requirements of the Modern Slavery Act 2015.

We are committed to promoting equal opportunities to all our employees, customers and suppliers. We treat all people equally with respect and dignity including those contracting to supply goods or services. We do not discriminate on the grounds of age, colour, disability, race, ethnicity, gender, marital status, gender reassignment, sexual orientation, maternity, religion, faith, caste, or on any other unjustifiable or illegal

grounds. We expect the same standards to be adhered to by all suppliers in our supply chain.

7 - Conflict minerals

Cadent are committed to complying with applicable requirements relating to conflict minerals. The term “conflict minerals” refers to certain identified minerals:

columbite-tantalite, cassiterite, wolframite, gold ores

which are respectively refined into:

tantalum, tin, tungsten, gold

and other minerals that may be designated in the future, emanating from mining operations in the following covered countries or other countries that may be designated in the future:

Democratic Republic of the Congo (DRC), The Republic of the Congo, Central Africa Republic, Tanzania, South Sudan, Burundi, Zambia, Rwanda, Angola, Uganda

Our policy is not to use products containing conflict minerals. We expect you, as a business in our supply chain, to have a policy and controls in place to monitor and prevent the use of materials sourced illegally or unethically and in particular conflict minerals sourced from any of the covered countries.

However, if you know, or have reason to believe, that conflict minerals may be contained within the product that you are supplying to us and these are not from recycled or scrap sources you must exercise due diligence to determine the source and chain of custody of the conflict minerals or derivatives. You must document your

efforts and make your due diligence measures available to us upon request and provide us with evidence of the origin of the conflict minerals in products supplied by you to us.

8 - Community and supplier diversity

Cadent expect suppliers to have an understanding of how their activities impact their local area and wider community, and we encourage them to make positive contributions and investments, for example by providing appropriate local employment opportunities, workforce volunteering and charity activities. We expect our suppliers to minimise disruption to communities.

It is our corporate policy to provide small and local businesses, minority ethnic, women owned and diverse business enterprises, with an equal opportunity to participate in our procurement and sourcing processes. We will develop, administer, and implement processes to ensure these businesses have an opportunity to participate in the procurement process, which will include extending this policy through our supply chain.

Cadent are committed to the Disability Confident standard and we actively encourage our suppliers to be so too.

<https://www.gov.uk/government/collect/ions/disability-confident-campaign>

9 - Monitoring and reporting

Cadent expect you to evaluate your own activities to make sure you are keeping to this code of conduct throughout your work. We expect you to have the ability to demonstrate

compliance to the principles set out in this document whilst working on our behalf.

You must have a process in place to remedy any instances of breaches, non-compliance, or problems you find through audits, reviews or inspections.

You should bring to our attention immediately you are aware of any significant issue or potential breach of legislation which may affect your working with us.

We also expect you to investigate and report any concerns or complaints you have about issues to do with breaking the law or standards which relate to our business, subsuppliers or subcontractors. We can then investigate and deal with these issues. We expect you to co-operate with us fully during any investigation we carry out, and we do not accept any type of retaliation against any person or business who raises any concerns.

We may request, periodically, a letter of assurance certifying that you have complied or have brought issues to our attention in a timely manner.

You should have suitable training in place for key personnel working with us, introducing this document along with your relevant policies and procedures.

shall apply to any third parties supplying goods to your organisation in relation to your contract with us.



10 - Subcontracting and supply chain

Where you are allowed under the terms of your contract with Cadent to subcontract work or services to third parties, we expect those third parties to be informed of the provisions of this Supplier Code of Conduct and to adhere to its provisions. The same

Cadent

Your Gas Network

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Registered in England and Wales No.10080864

