

Supplier Code of Conduct

June 2022



Contents

Welcome	3
Business Ethics Standards	3-5
Health and Safety	5
Data Protection	6
Protecting the Environment	7-8
Resilience and Business Continuity	8-9
- Security	
- Cyber Security	
Human Rights and Prevention of Slavery and Human Trafficking	9
Conflict Minerals	10
Community and Supplier Diversity	10
Monitoring and Reporting	11
Subcontracting and Supply Chain	11

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 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 expectations of how our suppliers, and their supply chain partners should act when providing us with goods or services. The way you do business should align to the values and standards outlined in this document.

We expect all 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 at procurementservices@cadentgas.com



Vicky Hinchliffe

Director of Procurement

Business Ethics Standards

We are committed to working together with our suppliers, to ensure we have 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 may be unethical.

We will not tolerate poor ethical standards. We expect all our suppliers to be prepared to challenge unethical behaviour. Examples of unethical behaviour may include, bullying, harassment, discrimination, and any other unfair practices committed at a personal or corporate level.

If you believe that an employee, contractor, or anybody doing business with us has acted unethically or unlawfully, you should quickly bring this to our attention. We will ensure you are supported and will not tolerate any form of retaliation or victimisation where a concern is raised in good faith. We are committed to investigating the facts of such matters thoroughly, fairly, promptly and taking appropriate action in response.

We have recently launched new values which our people and our partners are expected to embrace:



We work together



We drive performance



We take responsibility



We shape the future

Business Ethics Standards

Fraud, bribery, corruption and facilitation of tax evasion

We are committed to operating in a fair, honest and open way, and we expect you to be honest and fair in all your business dealings. We have a zero-tolerance approach to any type of fraud, bribery, corrupt business practices, tax evasion or supporting or facilitating such things. We expect you to have an equivalent 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, including 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 supports employees and others who raise concerns on potentially unfair or inappropriate business activities (whistleblowing), making sure that you treat their concerns seriously and where possible, confidentially and in accordance with the protection afforded to whistle-blowers.

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

We 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 have the right to review our relationship and future works with you.



Entertainment, hospitality, gifts and cash rewards

We 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 our Ethical Code of Conduct, '[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.

Our employees are 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 and attendance at sporting events is generally not permissible.

Employees who are in procurement and anyone engaged in a procurement event for our business are not allowed to give or receive any gifts, hospitality or entertainment. Please do not send unsolicited gifts or offer 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
- hospitality or entertainment in return for influence or for a specific decision

Testimonials

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

Health and Safety

We aspire to drive a positive health and safety benefit for both our colleagues and those who work in our supply chain, this not only means causing them no harm, but also improving their quality of life through work.

A fundamental part of us achieving this is by delivering excellent levels of health, safety and wellbeing to everyone involved in our operations, wherever they may be in our organisation, partners or suppliers. It is our expectation that everyone who seeks to work with, for or on behalf of us, or supplies us with goods and services, seeks to achieve an equally high standard.

Complying with legislation and having a great Health, Safety and Wellbeing Management System which you strive to continuously improve are only part of this. You'll also need to demonstrate that what you've committed to is actioned, through assurance and leadership. We also expect

that you'll have a safe workplace, where your team actively speak up to challenge the norm or report issues they see forming. When something does go wrong, we expect you to treat it as a learning opportunity and put measures in place to improve. A fundamental way of achieving this is by having sufficient access to competent advice.

If you're supplying us with goods or services, you need to be competent and capable of doing so and the product must meet the standards that are recognised in the UK.



Data Protection

We take the privacy of our customers and employees seriously. We require that all businesses within our supply chain must design their organisational structure in such a way that it meets our data protection standards and all relevant UK legislation.

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

- Our data privacy policy which is available on our [website](#)
- Any additional requirements contained within individual contracts, including where data protection obligations may be subject to review as part of the ongoing management of the contract

You must ensure you follow the data privacy principles:

- Purpose Limitation - you only process personal data for the sole purposes of the performance, management and monitoring of the contract
- Lawfulness, fairness, and transparency – you ensure any personal data is processed transparently, fairly, and clearly as stated in the contract
- Data Minimisation – ensure the use of personal data is necessary for the performance of the contract
- Accuracy – ensure that personal data is recorded accurately and rectify or erase personal data if required
- Integrity and Confidentiality – ensure personal data is kept secure. Using secure methods of transfer/ delivery/ access to data

Using encryption methods to ensure that data cannot be lost, read, copied or erased without authorisation

Personal data is not transferred outside the UK or European Economic Area without prior authorisation of Cadent

- Storage Limitation - you must delete personal data when it is no longer required for the contractual purposes and ensure the transfer/return any personal data to the data controller if required
- Accountability - you must report any data breach, potential data breach, or concerns regarding personal data related to us to dataprotection@cadentgas.com and the Cadent Contract manager

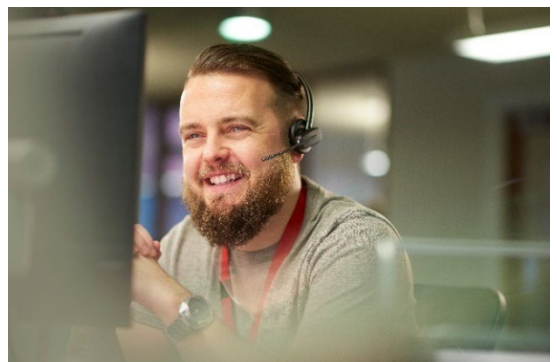
Where you are a data processor you must pass any subject access requests (SAR) made relating to your work for Cadent immediately using the contact details below, giving the date you received the request.

For customer requests:
wecare@cadentgas.com

For employee requests:
mypeopleservices@cadentgas.com

Please note a SAR can be made by customers or employees verbally or in writing.

If you have any queries, you can contact
dataprotection@cadentgas.com



Protecting the Environment

We recognise the value of sustainability. For us this means that we are committed to business practices and activities that preserve natural resources, save money and that are good for the community within and beyond our network. 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 environmental policy objectives and to take a proactive approach in reducing our environmental impact. It is a collaborative effort which we all need to play a part.

As a minimum we expect all suppliers to comply with all legal requirements and obligations, and to have in place an environmental management system or equivalent that is aligned to the requirements set out in standards such as ISO14001. We expect all suppliers to collaborate with Cadent in support of the UN Sustainability Goals, and to work on those goals that directly relate to the activities that we do.

We also require that all suppliers become a member of the free Supply Chain Sustainability School to drive Cadent's environmental commitments and reporting. In particular you should:

- Report scope 1 and 2 carbon emissions through the Supply Chain Sustainability School reporting tool, and where available scope 3 emissions monthly
- Report on waste performance, such as tonnage and percentages of waste to landfill/diversion, reuse, and recycling through the Supply Chain Sustainability School reporting tool on a monthly basis

Material use

- Identify and plan to eliminate single use plastic from packaging, materials, and product design
- Identify and appropriately manage any chemicals, other materials and substances which would be hazardous if released into the environment. Ensuring that these are handled, stored, transported and correctly disposed of, or recycled, in a way not to harm the environment
- Use materials in a responsible way, ideally from sustainable or recyclable sources which do not affect the well-being of people, ecosystems, flora & fauna
- Identify all chemicals and other substances in your products and communicate this to us when required. You will show that you are working to substitute or reduce any harmful chemical substances from 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 impacted habitats

Target setting & reporting

- Set meaningful targets to improve environmental performance in waste management, energy consumption and reduction, removal of single use plastics and openly report on performance against these targets

Energy consumption

- To have an active plan to measure, monitor and reduce energy consumption and your overall business carbon footprint. For example, by the use of renewable energy and electric vehicles. In particular you should:
 - ✓ Strive to reduce the amount of energy consumed and use recognised methodologies to work out and report your business 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

Waste Management

- 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
- Reduce all types of waste including reduction at source, reuse, and recycling
- Incorporate eco-design and the 'life cycle' of products. For example, designing out the need for packaging, using fewer non-renewable resources, reducing energy used in production, using more recyclable materials, and facilitating the reuse, refurbishment, or recovery of materials from your products

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.

Security

We are committed to ensuring effective controls are in place to protect people, property and services. Compromises of physical or cyber security can result in disruption, with potentially serious social and economic consequences. We require 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.

Cyber Security

We're committed to delivering safe, secure, reliable and sustainable operations. This includes ensuring all reasonably practicable cyber security controls are in place to prevent unauthorised access, damage or interference to our information assets or data. Failing to protect information can also have a serious reputational impact.

We take steps to reduce the risk of a cyber security breach. We require a **similar commitment** to cyber-security from our suppliers.

Suppliers must ensure that their own cyber security arrangements and those within their supply chain are appropriate to the requirements of the information assets concerned, and any contractual obligations to us.

This must include appropriate governance and risk management processes, ensuring access to data is maintained on a need to know, least privileged basis and that processes are in place to respond effectively to any incidents.

Suppliers should inform us if they become aware of any cyber security incident that could or has compromised our data or services.

Human Rights and Prevention of Slavery and Human Trafficking

We 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, bullying, harassment, victimisation, or fear.

The Ethical Trade Initiative Base Code, and the UN Global Compact Principles, along with any local employment health and safety legislation, are 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 (at least the National Living Wage for employees aged 23 and over, or the National Minimum Wage

for those of at least school leaving age, or alternative Minimum Wage as determined by local legislation if 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 your employees must have volunteered to work and must be free to leave or end their employment by giving reasonable notice. Organisations meeting certain criteria are strongly encouraged to publish their statements on the UK Government's [Modern Slavery Statement Registry](#). We have published our statement here and encourage their suppliers to do the same.

We are committed to promoting equal opportunities to all our employees, customers and suppliers. Understanding, learning and celebrating what makes us different, as well as what we have in common, is not only good for us as individuals, but it also enables us to work better together as one team. We welcome people from all backgrounds and are committed to being an equitable and diverse employer and creating an inclusive culture for all our employees and suppliers.

We ensure that employees and any job applicants receive equal treatment and opportunities, without discrimination, which applies to all aspects of employment with us; including recruitment, pay and conditions, training, appraisals, promotion, conduct at work, disciplinary and grievance procedures and termination of employment. This is regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation (protected characteristics) or on any other unjustifiable or illegal grounds. We expect the same standards to be adhered to by all suppliers in our supply chain.

Conflict Minerals

We 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.

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 and supply to us, your due diligence efforts providing us with evidence of the origin of the conflict minerals in products supplied by you to us.

Community and Supplier Diversity

We 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, providing appropriate local employment opportunities, workforce volunteering and charity activities. We expect our suppliers to minimise disruption to communities.

We aim 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 have developed and implemented processes to ensure these businesses have an opportunity to participate in the procurement process, which will include extending this policy through our supply chain.

We are committed to the [Disability Confident standard](#) and Business in the Community's [Race at Work Charter](#) and we actively encourage our suppliers to commit to these as well.



Monitoring and Reporting

We expect you to evaluate your own activities to make sure you are keeping to this code of conduct throughout your work. We also 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 may find through audits, reviews or inspections.

You should immediately make us aware of any significant issue or potential breach of legislation which may affect your working relationship 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, sub-suppliers or subcontractors. We can then review and decide what action to take. We expect you to co-operate with us fully during any investigations we carry out, and we will not tolerate any form of retaliation against any person or business who raises concerns.

We may periodically request, a letter of assurance certifying that you have complied with this code of conduct and/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 them to this document along with your relevant policies and procedures.

Subcontracting and Supply Chain

Where you are allowed under the terms of your contract with us 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 shall apply to any third parties supplying goods to your organisation in relation to your contract with us.



If you have any questions as to the intent of this document or its content, then please get in touch at procurementservices@cadentgas.com.

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