





## Trusted to act for society

We are committed to strong corporate governance and high standards of ethical conduct.



We know that we need to act in a way that builds trust in how we operate, making a real and sustainable difference to the communities we support.

We want to show clear accountability for our actions, with regards to safety and sustainability. This report is our first step in demonstrating that we intend to go above and beyond the minimum standards of regulatory and legal compliance in building a responsible business strategy to help us and our communities thrive.

Making ourselves accountable is not only the minimum expectation for businesses like ours, which are custodians of assets that deliver a critical public service – more importantly, it is the right thing to do, and something we strongly believe in.

Our Board have committed to setting up a community fund to support our customers and the communities in which they live – investing 1.25% of our post-tax profits – and this will be launched in the summer of 2019. This fund is a key part of how we can demonstrate a clear public purpose and our commitment to supporting the communities we serve.

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### Acting in a responsible and ethical way

Our Board provides strong oversight and is committed to strong corporate governance and high standards of ethical conduct. As part of this, we're committed to 'Always Doing the Right Thing' in the choices and decisions we make every day, both as individuals and as a company.

The Board sets a strong 'tone from the top' on the importance of our high ethical standards, whilst employees are supported to act ethically by local 'Ethics Champions' in each area of the business, as well as by a dedicated Ethics team. Our ethical guide, 'Always Doing the Right Thing', on which all employees are trained, underpins our values, guiding how we behave and work today, along with our aspirations for tomorrow.

Through our Supplier Code of Conduct we outline our expectations of how our suppliers, and their supply chain partners, are to act when providing us with goods or services, ensuring the way our suppliers do business aligns to our values and aspirations. We expect all our suppliers to act in accordance with the highest ethical standards, and to comply with all relevant laws, regulations and licences.

Our Modern Slavery Statement sets out the steps we have taken to prevent slavery and human trafficking in our business and supply chains and at the same time raises awareness of this important issue. We continue to review our processes to prevent enforced labour, human trafficking and slavery, and provide regular guidance and training to our employees to embed our ethical code of conduct.

### Living by our values

We have embedded four key values to drive the way we do business and ensure that even when decisions may be uncomfortable or challenging we always do the right thing.

**1 Commitment**  
We are dedicated to delivering on our promises, keeping focused on safety and doing the right thing.

- Putting customers front and centre;
- Maintaining a relentless focus on safety;
- Doing the right thing; and
- Decarbonising our future.

**3 Curiosity**  
We explore and embrace new ways of thinking and working to meet the needs of our customers and stakeholders.

- Encouraging a start-up mentality;
- Taking a progressive outlook; and
- Sharing ideas.

**2 Community**  
We are one business, focused on the needs of the communities we serve.

- Building team solidarity;
- Taking a human approach; and
- Serving the nation.

**4 Courage**  
We have the courage to embrace change and respond to the fundamental shifts in our society.

- Being open to change;
- Moving forward; and
- Acting with confidence.

### Making ourselves accountable

Our Safety & Sustainability report helps us communicate our commitments, priorities and progress toward becoming a sustainable business with a clear public purpose. We are passionate about delivering long-term outcomes for all of our stakeholders, including investors, customers, our people, and the public.

### Dealing with issues in high-rise buildings

We faced various challenges last year in relation to our data for high-rise buildings and the length of time it was taking to get service restored to our customers. We have worked hard with our regulators and take accountability for these issues and put them right.

We have now established a new team dedicated to minimising the number of customers we need to take off gas. When disconnection is unavoidable, we will ensure enhanced support is available including new administration procedures to meet these customers' needs.

We will continue to engage widely to ensure that our wide range of stakeholders are listened to, as we move forwards. We are leading the way as the only gas distribution network to follow the 'sustainable licence to operate' framework, developed by Sustainability First.

## Setting standards

It is our long-term ambition to stand out from the crowd in relation to our safety and sustainability commitments. We believe that our size, scale, knowledge and expertise mean we are best placed to differentiate ourselves in the following areas:

### 1. Our approach to our customers and the communities

Our drive to understand our customers through wide ranging engagement and data driven insights means we can tailor solutions that meet their needs, minimise the disruption caused by our works, and keep the energy flowing for all customers, especially those in vulnerable situations.

### 2. Our leadership in shaping the future role of gas

We are undertaking ground breaking trials to demonstrate the future role of gas in meeting the challenge of decarbonising heat and transport. We are using our expertise to lead and influence industry, Government and policymakers on this important challenge for society.

### 3. Embedding sustainability into our operations

We earn trust by doing things the right way, building our reputation as an ethical company that our stakeholders want to do business with, and our employees want to work for.

We do not have specific policies relating to human rights, slavery or human trafficking, but respect for human rights is incorporated in our employment practices and our values. Our procurement policies embed sustainability throughout our supply chain, so that we create value, preserve natural resources, and respect the interests of the communities we serve, and those we procure goods and services from.

Through our Global Supplier Code of Conduct ('GSCoC'), we expect our suppliers to comply with all laws relating to their business, and adhere to the principles of the United Nations Global Compact, the Ethical Trading Initiative Base Code and the UK Modern Slavery Act 2015.

## Our future

In May 2019, the UK Government's Committee on Climate Change published its long-awaited Net Zero report, committing to building a net-zero carbon economy by 2050.

It is necessary for us to take our belief about the role gas can play in combatting climate change and show how that will work in practice. This year we have intensified our efforts to ensure that the voice of the gas industry is heard in shaping the debates taking place across the country every day. We have been at the forefront of industry collaboration to ensure that the gas networks have a unified vision of the role that we can play in a decarbonised world.

Over the next year the Committee will need to reflect very carefully on the recent Government commitments for a net-zero carbon economy to ensure that Cadent's strategy and plans are aligned to contributing to this exciting future.

## Safety & Sustainability Committee



**Howard Higgins**  
Chair of the Safety & Sustainability Committee



**Dr Catherine Bell CB**  
Member of the Safety & Sustainability Committee



**Ian Coucher**  
Member of the Safety & Sustainability Committee