

Wales & West Utilities Limited Modern Slavery Statement

For the Financial Year 1 April 2018 to 31 March 2019

Background

Wales & West Utilities Limited (“WWU”) is the licensed gas transporter for Wales and the south west of England, with its head office based in Newport, South Wales. WWU has a workforce of approximately 1,600 skilled and dedicated staff providing connections and gas supply to 7.5 million customers, 24 hours a day and 365 days a year.

WWU has an objective to be recognised as one of the leading gas networks for customer experience and efficiency - and by the Health and Safety Executive for our safety performance. WWU and its owners are committed to supporting our business in its mission to provide a safe and reliable gas service and to deliver excellent customer service.

Company Structure

WWU 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 five core businesses.

Anti-Slavery Commitment

WWU and its owners are fully committed to ensuring that the group complies with all applicable legal requirements including, without limitation, the Modern Slavery Act 2015 (the “Act”). Over the past year WWU has increased its focus on modern slavery within its wider business and is currently in the process of implementing refreshed procedures, updating policies and offering refreshed training to employees and relevant third parties.

WWU and its owners have a zero tolerance to slavery and human trafficking and are committed to ensuring that there is no modern slavery or human trafficking in its supply chains or in any part of its business. WWU highlight its commitment to this effort within its Corporate Social Responsibility Policy.

WWU is committed to improving its practices to combat slavery and human trafficking and encourage reporting on slavery and human trafficking, as well as all other ethical matters.

Supply chain and Procurement

WWU use Achilles UVDB (Utilities Vendor Database), as an approved qualification system for the purposes of compliance with the Utilities Contracts Regulations 2006. This includes a standard supplier selection questionnaire requiring suppliers to confirm compliance with the Act as a prerequisite to registration as an approved supplier pursuant to the Achilles UVDB.

As part of its initiatives to reduce the risk in its supply chains WWU monitors its suppliers for compliance with applicable legislation, including the Act. This approach involves a risk assessment process to identify any suppliers that offer potential risk of exposure relating to non-compliance with the Act, which helps determine whether additional controls or assurances are required for specific suppliers. In addition, a sample of suppliers who have confirmed compliance with the Act shall be chosen by the Procurement Team for an audit to confirm compliance (this may include, but is not limited to, desktop audits and/or physical audits where necessary).

WWU's suite of standard form contracts expressly require suppliers to comply with the Act. WWU reserves the right to audit compliance by its suppliers with this Act and ultimately reserves the right to terminate an agreement if the supplier in question is found to have breached the Act. Where contracts are not based on our standard form WWU require a contractual provision requiring compliance with the Act as part of its contractual governance.

WWU's internal Procurement Policy expressly requires compliance with the Act and all invitation to tender pre-qualification questionnaires require prospective suppliers to confirm their compliance with applicable legislation (including the Act) as a prerequisite to selection as a prospective supplier to WWU.

Human Resources

All new and existing employees are subject to prescribed right to work checks that help ensure WWU does not employ illegal workers, thereby complying with the Immigration, Asylum and Nationality Act 2006. Any third party

organisations who are contracted to work on WWU's behalf are required to apply a similar procedure in respect of those they employ.

WWU is in the process of updating its Anti-Slavery Policy to reflect the refreshed procedure, detailed above, highlighting its commitment to acting ethically and with integrity in all its business relationships and to implement and enforce effective systems and controls to provide assurance that slavery and human trafficking does not take place anywhere in its supply chains. WWU's Corporate Social Responsibility Policy highlights WWU's commitment to combatting slavery and human trafficking.

WWU operates an employee Code of Conduct which requires employees, amongst other things, to uphold WWU's high standards of business integrity, honesty and transparency in all its business dealings. Employees are required to immediately report any possible breach of the Code of Conduct to their line manager, Human Resources or a member of WWU's Senior Management Team or via WWU's confidential whistleblowing line.

Training

As part of WWU's commitment, updated training will be issued in 2019 to all employees and relevant third parties to refresh understanding of the Act and raise awareness of slavery and human trafficking risks. WWU encourage the reporting on slavery and human trafficking and other ethical matters. WWU operates a confidential whistleblowing process which allows individuals to report any concerns on any matter in confidence, and this has recently been strengthened by partnering with a third-party company which provides an independent and confidential service for individuals to make a report via telephone or online.

Further Steps

Following a review of the processes in place to ensure the risk of slavery and human trafficking in its supply chains is appropriately mitigated, WWU intend to take a number of additional actions including, but not limited to, the following:

1. Continue to monitor suppliers' compliance with applicable legislation, including the Act;
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;
3. Audit a sample of suppliers who have confirmed compliance with the Act through the pre-qualification process;
4. Update the Modern Slavery Policy to include the refreshed procedures;
5. Refresh employee training on modern slavery; and
6. Monitor best practice guidance supplied by the Home Office and consult the Slave-Free Alliance.

Statement

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the WWU Group's slavery and human trafficking statement for the financial year ending 31 March 2019.

This statement was approved by the Board of Directors on 10 July 2019

Name: Graham Edwards

Position: Chief Executive Officer, Wales & West Utilities

Signature:

