

UK Power Networks

Supply Chain Code of Conduct



Supply Chain Code of Conduct

We strive to be the best performing distribution network operator (DNO), supported by our vision to be an employer of choice, a respected and trusted corporate citizen, and to do so in a sustainable, cost-efficient way. Our vision is informed by the world we live in and the regular and personal engagement we have with our stakeholders that, in turn, informs and shapes our strategy.

We have a critical role at the heart of the future energy landscape, enabling the transition to the net zero carbon economy and enabling all our stakeholders to benefit from better safety, reliability and cost efficiencies as we innovate and invest to deliver a sustainable energy future for all.



Basil Scarsella
CEO
UK Power Networks



Our supply chain plays a critical role in helping us deliver our obligations and commitments to our customers. The purpose of our Supply Chain Code of Conduct is to ensure that the products and services we procure are aligned with our vision.

Our Vision and Values

UK Power Networks' vision is to be:

An employer
of choice

A
respected
and trusted
corporate
citizen

Sustainably
cost efficient

Enabling
the Net Zero
transition
for all

To be consistently the best-performing Distribution network and System Operator in the UK within an agreed set of values.

Respect | Continuous Improvement | Diversity and
Inclusiveness | Responsibility | Unity | Integrity

Code of conduct

This Code of Conduct represents an agreement between UK Power Networks and our suppliers to live up to the standards of ethical conduct that our customers rightly expect of us – so that customers can have confidence that the Code of Conduct is being applied and monitored effectively, we will report annually on its implementation – and our suppliers will provide evidence to show how they have lived up to the code. UK Power Networks have made the decision to keep our code of conduct to

high level statements that reflect the direction and requirements of the business. This ensures it is relevant for our entire supply chain and allows the suppliers to engage with us on how its delivered. Our code of conduct is split across two criteria Mandatory requirements and Focus areas. Our focus areas are a proposed way to drive improvement in UK Power Networks and our supply chain which may become mandatory in the future.

Code of Conduct: **Mandatory**

Suppliers and UK Power Networks commit to:

Employer of Choice

1. Provide all employees with appropriate training and PPE, at no cost to themselves
2. Ensure all subcontractors have undertaken appropriate health and safety training and access to resources
3. Capture, report and share lessons learnt from any safety and environmental incidents (VSI, SI, LTI) or HSE intervention with follow-up improvement processes
4. Go 'beyond zero' by identifying and remedying potential factors where incidents could occur
5. Safeguard the health and safety of colleagues, suppliers, contractors and members of the public
6. Fair working conditions and a wage equal to or exceeding the local legal minimum wage
7. A working environment of equality and inclusiveness for all
8. No child labour or forced labour
9. Suitably trained, competent, screened representatives provided at all times

A respected and trusted corporate citizen

10. Treat all customers with courtesy and prioritise their safety, security and well-being
11. Understand and report on alignment to UK Power Networks vision and values being an ambassador when representing us
12. To protect the right to collective bargaining and freedom of association
13. Comply with all legal obligations relevant to the areas you operate in
14. Uphold high standards on confidentiality, data protection and cyber security
15. Generate and share accurate data and provide network asset data requirements
16. Ensure legal regulatory obligations and reporting compliance are maintained as a collective

Sustainably cost-efficient

17. Provide initiatives to UK Power Networks to reduce costs
18. Prompt payment with the entire supply chain paying within agreed terms
19. Comply with fraud, corruption, bribery and fair competition policies and legislation
20. Protect UK Power Networks assets from damage, theft, loss and misuse and only use assets when authorised
21. Develop, implement and maintain methods and processes to minimise the risk of counterfeit assets
22. Report annually on how you have delivered against UK Power Networks values

Enabling the net zero transition for all

23. Report carbon and meet targets for carbon reduction*
24. Recognise formally the value of sustainability
25. Support/facilitate the low carbon transition in a cost-efficient and just manner for the betterment of society
26. Minimise waste, targeting zero recoverable waste to landfill
27. Reduce virgin material usage, single-use plastics and incorporate waste back into the value chain

*UK Power Networks has an objective to reduce carbon within the supply chain by 25% from our 2018 baseline. Suppliers are asked to input their carbon reporting figures into our Carbon Reporting System. As standard suppliers should demonstrate yearly reductions for their activities impacting UKPN. Where the supplier is deemed to highly impact UK Power Networks carbon footprint, bespoke targets are to be agreed upon and reported against.

Code of Conduct: **Focus Areas**

Suppliers will work towards:

Employer of Choice

28. Embed well-being practices that are accessible to all employees
29. Maintain a workforce for today and the future with Succession and Workforce planning
30. Collaboratively Share safety and wellbeing improvement initiatives and ideas

A respected and trusted corporate citizen

31. Inform UK Power Networks of the resources and/or materials you can provide in emergency events such as storms or network critical or utility critical incidents
32. Align policies and practices with the UN Sustainable Development Goals

Sustainably cost-efficient

33. Proactively contribute to UK Power Networks Supply Chain Innovation Hub
34. Support UK Power Networks in achieving supply chain resilience (spanning financial stability, supply dependencies, climate resilience, risk reduction and mitigation) – human resource resilience

Enabling the net zero transition for all

35. Have a clearly-defined path to reduce your greenhouse gas (GHG) emissions that's time-bound – where possible this should be Science Based Targets accredited and reported upon
36. Move to 100% renewable REGO-backed electricity as soon as practicable
37. Reduce large carbon emission factors as far as possible (e.g reducing fuel usage by adopting electric vehicles)
38. Explore your supply chain carbon impacts and apply supply chain circular economy principles where possible
39. Contribute and proactively propose initiatives and good practices for social value when delivering large projects
40. Explore biodiversity net gain and undertake initiatives, proposals and improvements

ukpowernetworks.co.uk

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