

Modern Slavery Statement

FY 24/25

Modern Slavery Statement

Introduction

Modern slavery, in all its forms of slavery and servitude, forced or compulsory labour and human trafficking, is a heinous crime and will not be tolerated within our business operations or supply chain.

We will take appropriate steps to ensure everyone who works for DCC has their fundamental human rights respected and anyone we do business with upholds these principles.

This statement details policies, processes and actions we have taken to ensure that slavery and human trafficking do not take place in our supply chain or our business.

Our business

Our purpose – “we believe in making Britain more connected, so we can all lead smarter, greener lives” – is the driving force behind our business. We want to be a business that makes a positive and significant contribution to the country and create better outcomes for:

- Our people: by providing an environment in which they can thrive and develop.
- Our clients and customers: by being focused on effective delivery, both now and in the future.
- Our suppliers and partners: by treating them fairly and encouraging them to deliver, ethically, deliver high quality services and products.
- Our key stakeholders: by delivering the requirements of the Smart Meter Implementation Programme.
- Society: by acting as a responsible business within the national decarbonisation agenda.

We are people-focused with more than 700 skilled and committed employees who have deep understanding of our stakeholders and partners’ markets and needs.

We create value and better outcomes for all our stakeholders in how we design, implement and operate essential services; develop bespoke support for the critical business functions of the Smart Meter Implementation Programme; and support the needs of society by delivering secure network services that will modernise the working of the country’s energy economy.

With more than 200 suppliers and a key role in the decarbonisation agenda, it is critical that DCC’s supply chain is ethically delivered.



Our policies in relation to modern slavery

The following policies help us ensure modern slavery is not taking place in our business or supply chain, in addition to DCC specific policies, we adopt and follow a number of policies from our parent company, Capita plc:

Capita Human Rights Policy: ensures appropriate procedures are in place to prevent breaches to international human rights standards, in line with the UN Guiding Principles on Business and Human Rights, the International Labour Organisation (ILO core conventions on Labour Rights), and the Act.

Capita Diversity and Inclusion Policy: ensures we foster a fair and inclusive workplace, where our people are valued, their differences are respected, and discrimination is eliminated.

DCC Procurement Strategy and DCC Procurement Policy and Procedures: sets out our strategic approach and the key principles and priorities that apply to our procurement activity to ensure we have control over our external expenditure and effectively manage our supply chain risks.

During FY23-24 we have undertaken several initiatives to meet our previous Modern Slavery Statement commitments, through our ongoing development of DCC Responsible Business Framework, holding ourselves and our partners to the highest levels of integrity, governance and performance:

Implementation of DCC Sustainable Procurement Charter: sets out a partnership approach where our key strategic suppliers, representing 97% of spend, have committed to DCC, they follow our commitments to be:



The existence of effective systems and processes to eradicate Modern Slavery in DCC's Supply Chain is a core component of being a responsible business.

Following successful pilot in RY23/24, we will be focusing on the inclusion of weighted ESG questions in the procurement process in RY24/25.

Capita Code of Conduct: describes what we must do and how we must behave to ensure we have the trust of all our stakeholders. It details how we will create better outcomes in the right way, not at any cost, in line with our purpose and values

Capita Supplier Charter: This includes specific reference to our expectations for our suppliers to never use or support practices that inhibit the development of children, not hold an individual nor group in slavery or servitude, not use any form of involuntary labour, nor traffic individuals or groups for the purpose of labour exploitation in line with the Modern Slavery Act.

These policies are available to all stakeholders via our intranet and website, and managed by relevant senior leaders. Our company-wide risk management framework and reporting processes are designed to support the escalation and management of any identified issues.

Awareness of our commitments to identify the risks of, and remove all instances of, modern slavery, human trafficking and exploitation is communicated internally through our mandatory Capita Code of Conduct training, completed and periodically refreshed by every DCC employee.

The DCC's P2P transactions are made from the Capita ERP platform therefore supplier on-boarding and due diligence is controlled via the Capita policies, including a mandatory CSR questionnaire, which includes a statement, supported by evidence, of a supplier's commitment to addressing human rights and modern slavery, which is reviewed for completeness and compliance, with periodic recertification and an ongoing annual assessment for Tier 1 and high-risk suppliers. In FY23-24, 100 % of new suppliers to DCC met this due diligence requirement.

In February 2024, DCC implemented a new Commercial platform that will give capabilities in FY24/25 to run enhanced due diligence checks within DCC directly.

This will initially consist of an annual supplier survey that will identify Modern Slavery hot spot risk areas in our supply chain for further targeted audit and assurance activities.

Tackling modern slavery – our people

We provide fair working conditions for all our employees including terms and conditions of employment, remuneration, working hours, health and safety, resting time, holiday entitlements and benefits in full compliance with statutory requirements.

To ensure we recruit and treat employees fairly, our Human Resources (HR) policies set out our procedures on how we:

- Recruit and select employees in a fair, lawful and professional manner, both for internal and external candidates.
- Treat all employees fairly during their employment and have in place procedures to raise a grievance or involve a local trade union, where they exist, or where this is a legal requirement to do so, if an employee feels they have been treated unfairly.
- Manage the exit of an employee in a fair and consistent manner.

The key principles are that:

- Our employees' pay will not be lower than that required by local law or, in the absence of a law, the level paid generally within that industry.
- Hours of work will be in line with local law or, in the absence of a law, the norm within that industry, and shall not be excessive.
- Employees shall not be contractually required to work more than 48 hours per week.
- Forced or compulsory labour is prohibited. Employees will not be forced into involuntary labour and coercion at work is not acceptable.
- Financial penalty as a disciplinary sanction is prohibited.
- The employment models deployed will be in line with territory-specific law and practices. Under these practices there will not be excessive use of alternative models, such as subcontracting or labour-only contracting.

Tackling modern slavery – our supply chain

We value our business relationships and treat our suppliers fairly, paying promptly. We want to work with suppliers who share our values and support us to create better outcomes. We are working with our supply chain to ensure that together we can achieve wider social, economic and environmental benefits.

As a minimum, we expect both our employees and our suppliers to comply with all applicable local laws and regulations providing safe working conditions, treating workers with dignity and respect, acting fairly and ethically and being environmentally responsible.

Our standard terms and conditions include a clause that all suppliers are required to comply with our Modern Slavery Statement and uphold the highest standards of human and labour rights.

We have zero tolerance for modern slavery and reserve the right to terminate a relationship with a supplier or third party that cannot demonstrate compliance with our Human Rights Policy and Modern Slavery Statement produced by child or forced labour.

All employees can raise concerns through our Whistle-blowing Policy, including concerns about slavery and human trafficking. This policy sets out the channels available to any person who works for, or with us, so they can raise these concerns openly and at any time in confidence.

We also seek feedback from employees through regular surveys where we gauge how our people feel about working at DCC. This helps leaders and the People/HR team to identify potential issues around culture that could lead to a failure of ethics, controls or governance before they occur.

Training and communication

To make employees aware of the Modern Slavery Act and the drivers of modern slavery, as well as the possible indicators, this statement has been shared with all employees through our internal communication channels. It is also available on our website www.smartdcc.co.uk. Any person with queries or concerns can enquire directly to commercial@smartdcc.co.uk.

Plans for the next year

We will continue to strengthen our approach to managing the risk of modern-day slavery within our business and supply chains and:

- During FY24-25, DCC Sustainable Procurement Charter will be enhanced, utilising the new DCC Commercial platform with a mandatory detailed Sustainable Procurement Policy and Standards, to include reporting and assurance of Modern Slavery management in the supply chain.
- Maintain effective and continued focus on employee awareness of how we expect employees to conduct business responsibly, focusing on treating people fairly and equally, acting lawfully and the process involved to raise ethical concerns.
- We will also be launching more training for colleagues that have direct responsibility for upholding our commitment to eradicating modern slavery from our business and supply chain. This up-skilling supports the development and delivery of sustainability, including Modern Slavery, training to all Commercial employees.
- The new annual supplier survey via our new platform and subsequent targeted follow up audits in FY 24/25 will enhance existing compliance and assurance procedures and reporting.

DCC's approach in the event of adverse findings

In the event that evidence of Modern Slavery is found, or where sufficient evidence is not made available to allay a specific concern, DCC will:

- Ensure suitable investigation is carried out.
- Decide what additional evidence should be sought, including local inquiries.
- Document the findings from enhanced audit.
- If in our supply chain, require the supplier to discuss the findings at peer-to-peer Board level.
- Jointly agree the nature and extent of the findings.
- Agree an action plan to eradicate the circumstances leading to the adverse findings.
- Agree an ongoing schedule of reviews of suitable depth.
- Work with the supplier until complete resolution has been demonstrated.
- Terminate supply arrangements if it proves impossible to achieve resolution¹.

¹ Noting that in some circumstances, termination of an arrangement (whereby slaves or indentured workers receive no pay but are in receipt of board and lodging) may be a worst-case scenario for workers.

Board approval

This statement is made pursuant to section 54(1) of the Act, has been approved by the Board of Directors of DCC, and will be updated annually in line with the Modern Slavery Act's reporting requirements.



Angus Flett
Chief Executive Officer

