

MODERN SLAVERY AND HUMAN - TRAFFICKING STATEMENT

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INTRODUCTION

This statement sets out Morrison Data Services (MDS) actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains. This statement relates to actions and activities during the financial year 1 April 2018 to 31 March 2019.

As part of the Utilities sector, the organisation recognises that it has a responsibility to take a robust approach to slavery and human trafficking. The organisation is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

ORGANISATIONAL STRUCTURE AND SUPPLY CHAINS

This statement covers the activities of Morrison Data Services

The Company is privately owned and is the UK's leading provider of utility services to the Gas, Water, Electricity and Telecoms sector which includes major utility companies operating throughout the UK. The Company's supply chain is primarily based in the UK and supplies aggregates, gas and water pipes and components, electricity and telecoms cables, substation components and telecom equipment. In addition the company makes extensive use of a range of subcontractors from labour only to fully serviced labour, plant and equipment providers

responsible for service delivery. A number of our clients supply materials to us directly on a free issue basis which they are responsible for sourcing via their own supply chain partners.

COUNTRIES OF OPERATION AND SUPPLY

The organisation currently operates in the following countries:

- United Kingdom excluding Northern Ireland

The following is the process by which the Company assesses whether or not particular activities or countries are high risk in relation to slavery or human trafficking:

- A review of our supply chain partners including their country source of materials and labour in support of our business operations. As we are operating exclusively in the UK with the majority of our supply chain partners also based in the UK, we consider the overall risk of slavery and/or human trafficking to be very low.
- For all directly employed employees, we carry out Right to Work in the UK checks and pay minimum wages or above in accordance with published UK government legal guidelines in respect of National Minimum and National Living Wage rates.
- For all indirect workers we carry out a Health & Safety and Contract Familiarisation induction prior to their commencement of work at which we are able to check their identity, qualifications and certificates.

RISK ACTIVITIES

We have conducted a risk assessment of our supply chain activities across the business including those overseas countries where there is considered to be a material risk of slavery or human trafficking.

Where we have identified a material risk we have conducted supplier assessment audits to ensure compliance with the agreed policies. We will continue to monitor our supply chain partners and conduct supplier assessment audits where we identify there is a potential risk of slavery or human trafficking.

MDS implemented updated supply chain processes in summer 2016 including compliance checks to ensure suppliers meet or exceed our modern slavery and human trafficking policy requirements. Since implementation, over 350 suppliers have been through the updated process and gained MDS approval. We will be extending this process to other suppliers in 2018/19.

RESPONSIBILITY

Responsibility for the organisation's anti-slavery initiatives is as follows:

- Policies: HR Director, Head of Procurement, Executive Director – Support Services.
- Risk assessments: The Head of Procurement and HR Director supported by the Insurance Manager and Internal Audit Manager will assess the risk of slavery or human trafficking within the supply chain as part of the Company's overall Risk Management and Governance processes.
- Investigations/due diligence: The Internal Audit Manager is responsible for carrying out investigations supported by the HR Department and Group Commercial Department. The Procurement Department and Commercial teams are responsible for ensuring the Company's policies are communicated to the supply chain partners and form part of the supplier assessment process, which is managed by the Group Commercial Department.
- Training: All directly employed middle managers in the Procurement Department and above with supply chain responsibilities will complete training on business ethics which will include a section on modern slavery and human trafficking.

RELEVANT POLICIES

The organisation operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations:

- Whistleblowing policy: The organisation encourages all its workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, the organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. The organisation's whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation. Employees, customers or others who have concerns can use our confidential helpline provided by Expolink.
- Ethical business code of conduct: The organisation's code makes clear to employees the actions and behaviour expected of them when representing the organisation. The organisation strives to maintain the highest standards of employee conduct and ethical behaviour when managing its supply chain.
- Supplier/Procurement code of conduct: The organisation is committed to ensuring that its suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they provide safe working conditions where necessary, treat workers with dignity and respect,

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and act ethically and within the law in their use of labour. The organisation works with suppliers to ensure that they meet the standards of the code. Serious violations of the organisation's supplier code of conduct will lead to the termination of the business relationship. The MDS ethical business code of conduct forms part of the contractual documentation issued, and is made available to all suppliers and sub-contractors during engagement. We also provide links to an "Extranet" site where suppliers and sub-contractors are able to access controlled documentation including the Ethical Business Code of Conduct.

As part of our supplier and sub-contractor evaluation, candidates are asked if they have a policy/statement that sets out the steps their organisation has taken during the financial year to ensure that slavery and human trafficking are not taking place in any of their supply chains or in any part of their own business. If suppliers and sub-contractors are not able to demonstrate that they have a robust policy in place, we ensure that they agree to act in accordance with our policy.

- Recruitment Policy: The organisation uses only specified, reputable employment agencies to source labour and always verifies the practices of any new agency it is using before accepting workers from that agency. The Company will undertake random checks of the agency HR and payroll records to confirm that workers have the Right to Work in the UK and are paid a rate of pay at or above the National Minimum Wage/Living Wage guidelines.

DUE DILIGENCE

The organisation undertakes due diligence when considering taking on new suppliers, and regularly reviews its existing suppliers. The organisation's due diligence and reviews include:

- Evaluating the modern slavery and human trafficking risks of each new supplier.
- Conducting supplier audits or assessments which have a greater degree of focus on slavery and human trafficking where material risks are identified.
- Taking steps to improve substandard suppliers' practices, including providing advice to suppliers and requiring them to implement action plans.
- Invoking sanctions against suppliers that fail to improve their performance in line with an action plan or which seriously violate our supplier code of conduct, including the termination of the business relationship.

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BOARD APPROVAL

This statement has been approved by the organisation's Operational Board who will review and update it annually.

JIM ARNOLD Chief Executive

Dated: June 2018