

Advanced Utility Networks Ltd

Policy

Supply Chain Code of Conduct and Responsible Sourcing

Purpose and Scope

Advanced Utility Networks (AUN) is committed to delivering safe, reliable, and sustainable utility infrastructure across its subsidiaries: TriConnex, eSmart Networks, Advanced Electricity Networks (AEN), and Advanced Water Infrastructure Networks (AWIN). This policy sets out the expectations for ethical conduct, environmental stewardship, and responsible sourcing across our supply chain. It applies to all suppliers, contractors, consultants, and partners involved in the provision of goods, services, and infrastructure across regulated and non-regulated markets.

This policy complements AUN's Environmental, Social and Governance (ESG) Policy and aligns with our broader governance framework, including the Right to Work Policy, Anti-Bribery and Gifts Policy, and Equality, Diversity and Inclusion (ED&I) Policy. It supports compliance with *International Organization for Standardization (ISO) 20400:2017 – Sustainable procurement - Guidance* principles and aligns with *Building Research Establishment (BRE) Environmental & Sustainability (BES) 6001:2014*; and *The Framework Standard for Responsible Sourcing of Construction Products, British Standard (BS) 8902:2009 – Responsible sourcing sector certification schemes for construction products. Specification*, and other recognised responsible sourcing frameworks.

Compliance and Legal Integrity

Legal compliance is the foundation of responsible supply chain conduct. All suppliers must operate in full accordance with applicable United Kingdom (UK), European Union (EU) and international legislation and conventions, including, but not limited to, the *Environmental Protection Act 1990 (c.43)*, *Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation (EC) No 1907/2006*, *European Union Timber Regulation (EUTR) Regulation (EU) No 995/2010*, the *Modern Slavery Act 2015 (c.30)*, the *Bribery Act 2010 (c.23)*, and relevant International Labour Organization (ILO) conventions. Suppliers must maintain awareness of evolving regulatory requirements and ensure that their operations, products, and services remain compliant at all times.

Suppliers must ensure that all workers have the legal right to work in the UK, in accordance with AUN's *Right to Work Policy*. This includes conducting appropriate checks and maintaining documentation to prevent illegal working and safeguard against modern slavery.

AUN maintains a zero-tolerance approach to bribery and corruption. Suppliers must comply with the *Bribery Act 2010* and ensure that no form of bribery (direct or indirect) is tolerated. Suppliers must also provide mechanisms for employees to raise concerns in good faith, without fear of reprisal, in line with AUN's *Whistleblowing Policy*.

Environmental Management

Environmental stewardship is central to AUN's infrastructure delivery. Suppliers must demonstrate proactive environmental management across all phases of their operations. AUN strongly encourages subcontractors and manufacturers to maintain or be working towards achieving a recognised environmental accreditation such as *ISO 14001:2015 – Environmental management systems*, or the *Eco Management and Audit Scheme (EMAS)*. EMAS builds on ISO 14001 by requiring verified environmental statements, legal compliance audits and transparent public reporting.

Where Environmental management must be embedded in material selection, waste handling, emissions control, and site setup, suppliers must identify and mitigate environmental risks. This includes contributing to biodiversity protection, minimising pollution, and enhancing resource efficiency, where practicable.

All materials and substances used must comply with relevant chemical safety and environmental legislation. This includes avoiding hazardous substances, phasing out high-volatile organic compound (VOC) products, and

ensuring that all chemicals are registered under REACH. Where client specifications constrain product choice, suppliers must notify AUN and propose environmentally responsible alternatives or mitigation measures.

Sustainability Commitment

Improving sustainability is key to Advanced Utility Networks' long-term strategy because it reflects both a moral imperative and a commercial necessity. As a provider of critical infrastructure, AUN recognises its role in enabling a low-carbon future; not just for its clients, but for the communities it serves. This means reducing greenhouse gas (GHG) emissions across the full lifecycle of its operations, from design and procurement to installation and maintenance. It drives innovation in materials, accelerates digitalisation, and strengthens resilience against climate-related risks.

AUN recognises that suppliers play a vital role in helping the group achieve its longer-term low-carbon ambitions. AUN supports its key suppliers to begin identifying and understanding the key sources of carbon emissions linked to their products and services. Where it is possible and practical, suppliers are expected to share information on energy use, materials, and logistics, enabling both AUN and its partners to work together in reducing emissions. In addition, suppliers should explore opportunities to lower their carbon impact over time, such as adopting lower-carbon materials, improving efficiency in transport and site operations, and supporting the use of renewable energy where feasible.

Given the limited number of suppliers for certain specialist products (e.g. cables, pipes, meters, transformers), AUN recognises that flexibility may be required. However, all suppliers must demonstrate continuous improvement and transparency in their carbon performance. Collaboration on data sharing is essential to support benchmarking, to enable hotspot analysis, and provide digital integration, going forward.

Materials and Responsible Sourcing

Responsible sourcing is fundamental to AUN's procurement strategy. All materials procured must be ethically and responsibly sourced. Suppliers must avoid inputs linked to environmental degradation, conflict zones, or human rights violations, and comply with the UN Global Compact and the UK Modern Slavery Act.

Waste Management and Circular Economy

AUN is committed to minimising waste and promoting circularity. Suppliers must design out waste through efficient design, supporting lean construction, and modularity. Waste must be segregated, tracked, and reported by volume, type, and destination. Accreditation to PAS 402 is preferred for supplier waste service providers.

Circular economy principles should be considered across product design and delivery, including take-back schemes, closed-loop recycling, and design for disassembly. Suppliers must endeavour to reduce packaging waste by using larger pack sizes and recyclable materials where appropriate.

Where products are sourced from a limited supplier base, AUN encourages suppliers to engage directly with manufacturers to improve packaging practices and explore circular alternatives.

Health, Safety and Wellbeing

AUN prioritises the safety and wellbeing of everyone involved in its operations. Suppliers must comply with all relevant health and safety legislation, including the *Construction (Design and Management) (CDM) Regulations 2015* and Health and Safety Executive (HSE) standards. Robust safety management systems, risk assessments, and control measures are required to protect workers and the public.

Suppliers must provide safe working conditions, appropriate Personal Protective Equipment (PPE), and welfare facilities. AUN expects suppliers to promote mental health and wellbeing through inclusive workplace practices and support services. All incidents, near misses, and corrective actions must be reported transparently to enable shared learning and continuous improvement.

Where client specifications or site constraints limit the ability to implement certain safety measures, suppliers must notify AUN and propose alternative solutions that maintain compliance and protect wellbeing.

Social Value and Inclusion

AUN is committed to creating positive social impact through its supply chain. Suppliers must uphold international human rights standards, ensure fair wages, and prohibit forced or child labour. Compliance with the Modern Slavery Act, ILO conventions, and UK employment legislation is mandatory.

Suppliers must treat all workers fairly and promote dignity, respect, and inclusion. Discrimination, harassment, or exclusion on the basis of race, gender, age, disability, religion, or any other protected characteristic will not be tolerated.

AUN encourages suppliers to engage with local communities, minimise disruption, and support social value creation. Where client specifications require national or international suppliers, AUN expects suppliers to demonstrate local engagement and community benefit wherever possible.

Business Continuity and Resilience

Resilience is essential to maintaining uninterrupted service delivery. Suppliers must maintain robust business continuity plans (BCPs) that address supply chain shocks, cyber incidents, labour shortages, extreme weather events, and geopolitical risks.

Given that many of AUN's products and components are sourced from a limited number of manufacturers, suppliers must proactively manage risks associated with single-source dependencies. This includes maintaining buffer stock, identifying alternative suppliers, and engaging directly with manufacturers to ensure continuity of supply.

Business continuity planning must also address ESG-related risks, such as reputational damage from non-compliance, regulatory breaches, or unethical labour practices. Suppliers are expected to integrate ESG considerations into their risk registers and ensure that continuity plans reflect AUN's values and obligations under its ESG Policy.

Transparency, Reporting and Continuous Improvement

Transparency is key to accountability and progress. Suppliers must be prepared to submit ESG performance data, including carbon, waste, water, and safety metrics. Should AUN deem it appropriate to audit the supplier, the supplier should be prepared to participate and implement any improvement initiatives identified.

Where products are sourced from a limited pool of manufacturers, suppliers must work with AUN to ensure that data transparency and ESG reporting obligations are met, even if direct access to manufacturer data is restricted.

Governance and Enforcement

Compliance with this policy is a mandatory requirement. AUN reserves the right to audit suppliers, investigate concerns, and require corrective actions.

This policy will be reviewed annually and updated to reflect changes in legislation, client requirements, and industry best practice. It complements AUN's ESG strategy and supports our commitment to sustainable growth, operational excellence, and stakeholder trust.

AUN's governance approach is built on transparency, accountability, and continuous improvement. Suppliers are expected to engage constructively with audit findings, participate in corrective action planning, and demonstrate progress against agreed targets. Where systemic issues are identified e.g., repeated non-compliance, data withholding, or unethical conduct, AUN may escalate enforcement measures, including contractual remedies or removal from approved supplier lists.

To ensure consistency and fairness, AUN will apply its enforcement procedures in accordance with its internal governance framework and relevant legal obligations. Suppliers are encouraged to raise concerns, seek clarification, or propose improvements to this policy through their designated AUN contact.

Signed on behalf of Advanced Utility Networks Group

Name: Rob Mighall

Title: Chief Financial Officer

Date: December 2025

Signature: _____

Appendix A: Summary of Applicable Legislation and Standards

This summary outlines key legal and voluntary frameworks referenced in the policy.

Category	Reference	Description
Legal	Modern Slavery Act 2015	Prohibits forced labour and human trafficking
Legal	Bribery Act 2010	Prohibits bribery and corruption
Environmental	ISO 14001 / EMAS / BS 8555	Environmental management systems
Waste	PAS 402	Waste management accreditation