Classified as: Public



Modern Slavery Statement

FY 2025/26

Approved September 2026

Contents

01 Executive Foreword 3
02 Our Business and Supply Chain 4
03 Our Anti-Modern Slavery Commitment 5
04 Recognising the Signs of Modern Slavery 5
05 Policies and Controls 6
06 Our People 7
07 Training and Awareness 7
08 Supply Chain Due Diligence 7
09 Supplier Risk Mapping 8
10 Supplier Engagement 8
11 Supplier Remediation and Escalation 9
12 Progress During 2025/26 9
12.1 Progress against our 2025/26 commitments 10
13 Focus Areas for 2026/27 10
14 Contact and Reporting Information 11
15 Governance and Approval 11

01 Executive foreword

Modern slavery, human trafficking, forced labour and child labour are serious violations of human rights. SGN has a zero-tolerance approach to these practices and recognises that no sector, industry or supply chain is exempt from the potential risk of modern slavery.

During the financial year ending 31 March 2026, we have continued to strengthen our approach to supplier governance, risk assessment and ethical procurement. This includes strengthening the implementation of our Sustainable Procurement Code, continuing to improve supplier data quality, engaging with suppliers on modern slavery requirements and developing enhanced risk-based monitoring across our supply chain.

We understand that tackling modern slavery requires ongoing commitment, clear accountability and continuous improvement. We will continue to develop our governance, due diligence, training, supplier engagement and reporting processes to help identify, assess and mitigate modern slavery risks within our own operations and supply chain.

This statement sets out the steps SGN has taken during the year and the further actions we intend to progress as part of our ongoing commitment to preventing modern slavery and human trafficking.

"At SGN, we deliver the energy our customers need, keeping gas flowing safely, securely and increasingly sustainably. Our ability to do this is underpinned by the high standards we expect from our colleagues, suppliers, contractors and partners. As part of this, we are committed to identifying and eliminating all forms of modern slavery."



Simon Kilonback
Chief Executive Officer
September 2026

02 Our Business and Supply Chain

SGN is one of the UK's biggest utility companies with a supply chain value of over £800 million per annum, operating across Scotland, Southern England and Northern Ireland. We manage the network that distributes natural and green gas to millions of homes and businesses, supported by a significant number of suppliers, contractors and joint venture partners.

5.8 million
Homes supplied with natural and green gas

189,000
Industrial and commercial customers

£800m+
Annual supply chain value

3
Regulated operating companies

We employ highly skilled employees who work within our businesses regulated by the Office for Gas and Electricity Markets (OFGEM) and the Northern Ireland Utility Regulator (UREG), as well as our non-regulated business entities. We work closely with suppliers to ensure their values on issues such as safety, environment and modern slavery are upheld throughout our supply chain, and our Supplier Relationship Management (SRM) help enhance performance and strengthen relationships with strategic suppliers.

SGN Group

SGN operates through three regulated operating companies (Scotland Gas Networks plc, Southern Gas Networks plc & SGN Evolve Network Ltd), alongside the holding company (Scotia Gas Networks Ltd) with a number of unregulated businesses within the SGN group structure. This statement covers all businesses within the SGN group.

03 Our Anti-Modern Slavery Commitment

SGN has a zero-tolerance approach to modern slavery, human trafficking, forced labour and child labour. We are committed to acting ethically and with integrity in all our business relationships and to implementing effective systems and controls to reduce the risk of modern slavery occurring in our own operations and within our supply chain.

Our approach is supported by a number of policies, procedures and controls, including our Code of Conduct, Sustainable Procurement Code, Procurement processes, Speak Up Policy, Vetting and Verification procedure, Living Wage accreditation and supplier due diligence arrangements. We expect all colleagues, contractors, suppliers and business partners to uphold these standards and to raise concerns where they suspect modern slavery, exploitation or unethical labour practices may be occurring.

04 Recognising the Signs of Modern Slavery

SGN recognises that modern slavery can take many forms and may not always be immediately visible. Potential indicators of modern slavery may include individuals who:

- Appear to be under the control or influence of another person
- Are reluctant to interact with others or speak to authorities
- Do not appear to have access to their own identification documents
- Have few personal belongings or appear to be wearing unsuitable clothing for their work
- Appear unable to move freely
- Show signs of fear, distress, exhaustion, intimidation or poor treatment
- Are transported to and from work by others and appear unable to travel independently
- Appear to have their wages, movement or accommodation controlled by another person
- Are unsure of their employment terms, location or who they are working for

All SGN colleagues and those working on our behalf are encouraged to remain alert to these indicators and to report any concerns through the appropriate Speak Up channels.

05 Policies and Controls

SGN's approach to preventing modern slavery and human trafficking is supported by a number of policies, procedures and controls, which set out the standards we expect from our colleagues, suppliers, contractors and other business partners.

POLICY / CONTROL	LINK TO MODERN SLAVERY
Code of Conduct	Sets out the behaviours and principles expected of SGN colleagues and those working on our behalf. It supports our commitment to doing the right thing and speaking up where something does not seem right.
Sustainable Procurement Code	Sets out SGN's expectations of suppliers in relation to human rights, modern slavery, forced labour, child labour, discrimination, environmental compliance, health and safety, equality, diversity and inclusion, and ethical business practices.
Procurement processes	Support supplier selection, onboarding and assurance activity, including requirements relating to legal compliance, supplier governance and responsible procurement.
Modern slavery contract clause	Requires suppliers to comply with modern slavery legislation and take reasonable steps to ensure slavery and human trafficking are not taking place in their business or supply chain.
Living Wage clause	Requires relevant suppliers to pay directly employed personnel, and employees of contractors and subcontractors performing the services, not less than the Living Wage.
Vetting and verification procedure	Supports right-to-work checks and appropriate verification for SGN employees and relevant workers.
SGN Speak Up Policy (Whistleblowing)	Provides routes for colleagues and those working on SGN's behalf to raise concerns about wrongdoing, including slavery and human trafficking.
Supplier onboarding and assurance checks	Include checks that suppliers meeting the legal threshold have published an annual Modern Slavery Statement.
Supplier risk management processes	Support the identification, monitoring and escalation of supplier risks, including modern slavery and wider governance indicators.

06 Our People

SGN recognises that effective controls within our own workforce are an important part of reducing the risk of modern slavery. We undertake right-to-work checks as part of our recruitment processes to ensure that colleagues have the appropriate legal right to work in the UK. Contractors and staffing agencies are expected to apply appropriate standards in relation to their own personnel.

SGN is an accredited Living Wage employer. This reflects our commitment to fair pay and supports our wider approach to reducing the risk of labour exploitation. SGN's Living Wage commitment is also reflected in our contractual requirements for relevant works and services contracts.

07 Training and Awareness

SGN is partnered with the Supply Chain Sustainability School, which provides training and resources on a range of sustainability topics, including modern slavery. Modern slavery training is available through SGN's learning management system and is structured across different levels of awareness, from new starters through to intermediate and advanced materials for colleagues in Procurement and Supply Chain, Human Resources and other relevant functions.

In 2026/27, SGN intends to review and if required, develop its approach to training and awareness for colleagues. This will include identifying colleague groups that require targeted modern slavery training, monitoring training completion rates and providing refresher communications to supplier-facing colleagues. SGN will work to improve awareness of modern slavery indicators and reporting routes. In addition, SGN will consider developing targeted briefing materials for senior leaders and relevant governance forums.

08 Supply Chain Due Diligence

All suppliers are required to register through SGN's supplier registration processes. Suppliers intending to tender for regulated procurement activity are also required to register on Achilles Utilities Vendor Database (UVDB), the utility industry pre-qualification system used across the UK and EU. Achilles is a global leader in supply chain risk and performance management, offering services for supplier pre-qualification, questionnaires and audits. SGN's pre-qualification processes include questions relating to modern slavery and legal compliance.

SGN's Sustainable Procurement Code is reviewed every two years and sets out the standards expected of suppliers in relation to human rights, modern slavery, child labour, discrimination and responsible business conduct. Our standard contractual arrangements include modern slavery provisions, and we carry out assurance checks to validate that suppliers meeting the legal threshold have published an annual Modern Slavery Statement.

09 Supplier Risk Mapping

SGN is developing a more structured approach to modern slavery risk mapping across its supply chain, to support a risk-based approach to supplier engagement, assurance and monitoring. The approach will consider indicators such as:

- Supplier sector, service type and geographical risk
- Labour intensity and use of subcontractors or agency labour
- Site-based or manual work activity
- Contract criticality, annual spend and inherent risk
- Achilles registration and audit information
- Availability and quality of Modern Slavery Statements

In 2026/27, SGN intends to use enhanced supplier data and ESG indicators to identify higher-risk supplier groups and develop appropriate follow-up activity, supporting our ongoing commitment to improving visibility of modern slavery risks across the supply chain.

10 Supplier Engagement

SGN recognises that supplier engagement is an important part of managing modern slavery risk. We expect suppliers to share our commitment to ethical business practices, human rights and responsible labour standards. During the year, SGN continued to engage with supplier on our Sustainable Procurement Code and modern slavery requirements, including communication with suppliers representing the top 80% of SGN's annual spend.

In 2026/27, SGN intends to strengthen supplier engagement by developing measurable modern slavery and ESG-related expectations for relevant suppliers, including targeted engagement with suppliers identified through enhanced risk mapping. This includes:

- Enhanced supplier risk mapping using Achilles data to identify higher-risk suppliers and prioritise engagement.
- Suppliers participating in an Achilles audit, which is a comprehensive assessment of a supplier's management systems and processes, aimed at validating their compliance.

11 Supplier Remediation and Escalation

Where SGN identifies gaps in a supplier's modern slavery controls, we will engage with the supplier to understand the issue and agree appropriate corrective actions, which may include requesting further information, updated policies, evidence of worker checks, training records or audit outcomes.

Where concerns are serious, unresolved or indicate potential harm, SGN may escalate the matter to senior management, Legal, Procurement, Safety, Risk or other relevant functions, and may require a corrective action plan, increase monitoring, undertake physical site inspections or independent audits, pause new sourcing activity, apply contractual remedies or consider termination where appropriate. Our priority is to protect potential victims and ensure concerns are handled responsibly and proportionately.

12 Progress During 2025/26

During the financial year ending 31 March 2026, SGN continued to develop its approach to managing modern slavery risk. Key areas of progress included:

- Maintaining modern slavery clauses within relevant procurement contracts
- Checking Modern Slavery Statement publication for suppliers meeting the legal threshold
- Continuing to use Achilles and UVDB supplier registration processes
- Making training and resources available through SGN's learning management system and the Supply Chain Sustainability School
- Continuing to include modern slavery within relevant operational risk registers

12.1 Progress against our 2025/26 commitments

In our previous Modern Slavery Statement, SGN identified three areas of focus for 2025/26. Progress against these commitments is set out below.

Enhanced supplier risk mapping
During 2025/26, SGN strengthened supplier data quality and developed the criteria needed to support enhanced modern slavery risk mapping across key suppliers. This will progress further in 2026/27 through targeted assurance and follow-up activity.

Supplier ESG and modern slavery KPIs
SGN continued to engage suppliers on its Sustainable Procurement Code and modern slavery requirements during 2025/26. In 2026/27, this will be developed further through clearer, measurable ESG and modern slavery expectations for relevant suppliers.

World Economic Forum (WEF)-aligned reporting and corrective action plans
During 2025/26, SGN continued to develop its supplier governance data and reporting arrangements. In 2026/27, SGN will further strengthen reporting and introduce a clearer process for recording, monitoring and managing corrective actions.

13 Focus Areas for 2026/27

1. **Enhanced supplier risk mapping**
   Further develop our supplier risk assessment methodology by leveraging Achilles data and other available sources to assess risks associated with supplier sector, geography, service type, ESG performance and governance arrangements. This will support a more targeted due diligence approach for higher-risk suppliers.
2. **Supplier KPIs and performance monitoring**
   Develop and implement supplier KPIs to monitor compliance with modern slavery requirements, including the publication of the Modern Slavery Statement, completion of due diligence activities and ongoing compliance with SGN's supplier standards.
3. **Supplier corrective action process**
   Establish a clear and consistent process for recording, tracking and escalating modern slavery-related concerns, including defined ownership, monitoring arrangements and remediation requirements.
4. **Supplier compliance and assurance activities**
   Utilise contractual controls and targeted supplier engagement to assess higher-risk suppliers' compliance with modern slavery requirements, review supporting evidence and where gaps are identified, implement the corrective action plan.

5. **Review training and awareness programmes**
   Review our current training modules for supplier-facing colleagues and relevant functions to determine if training content needs enhancing, to ensure colleagues have necessary knowledge and capabilities to identify and report any modern slavery concerns.
6. **Measure effectiveness and report progress**
   Continue to review and develop reporting and governance arrangements to monitor the effectiveness of our modern slavery programme and provide necessary updates to senior leadership on progress against our commitments for FY 2026/27.

14 Contact and Reporting Information

SGN welcomes feedback on this statement and on our approach to managing modern slavery risk. If you have any questions or feedback, please use the contact form on the SGN website: https://sgn.co.uk/Contact-SGN/email.

Concerns relating to modern slavery, human trafficking, exploitation or unethical labour practices can be raised through SGN's Speak Up arrangements or through the appropriate SGN representative. Concerns will be reviewed in line with SGN's investigation and escalation processes, and SGN does not tolerate retaliation against anyone who raises a concern in good faith. Where there is an immediate risk of harm, emergency or safeguarding routes should be followed.

15 Governance and Approval

Modern slavery is recorded as a functional risk within SGN's procurement and supply chain risk register. The risk is reviewed and reported on a quarterly basis in accordance with SGN's Enterprise Risk Management Framework.

The SGN Board has reviewed and approved this statement and will continue to review and approve SGN's Modern Slavery Statement annually.

This statement was approved by the SGN Board of Directors on 17/09/2026 and signed on behalf of the board by:



Simon Kilonback
Chief Executive Officer
17/09/2026