

GAS NETWORKS IRELAND AND GNI (UK) LIMITED

Statement on Slavery and Human Trafficking

INTRODUCTION

This is the statement of Gas Networks Ireland (“**GNI**”) and GNI (UK) Limited (together the “**GNI Group**”) on slavery and human trafficking following the introduction of the UK Modern Slavery Act 2015 (the “**Act**”).

This statement is made pursuant to section 54 of the Act and constitutes the GNI Group’s statement for financial year ended 31 December 2023. GNI is a wholly owned subsidiary of Ervia, established pursuant to section 5 of the Gas Regulation Act 2013. It carries out activities with respect, inter alia, to the construction, operation and maintenance of, and the provision of services with respect to, GNI’s transmission and distribution networks used to transport natural gas to and within Ireland and includes all businesses carried out or to be carried out by the networks business from time to time and any subsidiaries of GNI from time to time (other than GNI (UK) Limited). GNI (UK) Limited is a wholly owned subsidiary of GNI, registered in England and Wales. The principal activity of the company is the transportation of natural gas (1) together with GNI, through two pipelines from Moffat in Scotland to Gormanston and Loughshinny in Ireland; and (2) from Belfast to Derry (through the North-West Pipeline) in Northern Ireland, and from Gormanston, Ireland to Belfast (through the South-North Pipeline). For more information on the GNI Group, please see GNI’s website, which can be found at www.gasnetworks.ie.

APPROACH

The GNI Group fully supports the aims of the Act and has a zero-tolerance approach to modern slavery. The GNI Group remains committed to acting ethically and with integrity in all its business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in its own business or in any of its supply chains. The GNI Group is committed to ensuring that there is transparency in its own business and in its approach to tackling modern slavery throughout its supply chains and expects the same high standards from all its contractors, suppliers and other business partners.

STEPS TAKEN

To prevent acts of slavery and human trafficking from occurring within its business and supply chains, the GNI Group has taken the following steps:

- the GNI Group always seeks to comply with employment law applicable to the jurisdictions in which it operates and puts in place contractual arrangements with providers of agency staff requiring that they achieve the same level of compliance;
- the principles of the Act have been enshrined in the Code of Business Conduct (available at www.gasnetworks.ie) which is reviewed on an annual basis. This is also highlighted and supported by a group-wide programme called Doing the Right Thing which aims to ensure that everyone carrying out business on behalf of the GNI Group does so with integrity and in an ethical manner;
- the GNI Group has developed anti-slavery and human trafficking requirements for incorporation into its procurement processes and contractual arrangements with contractors, suppliers and other third parties;
- the GNI Group provides training to relevant employees, particularly those involved in procurement processes, on the risks of slavery and human trafficking occurring; and
- the GNI Group also provides a mechanism for employees, and others, to report suspected incidents of unlawful behaviour, including slavery and human trafficking.

In 2023, the GNI Group:

- implemented a sustainable procurement policy to ensure sustainability considerations, including prevention of illegal labour practices and modern slavery, are consistently integrated into all the GNI Group procurement activities;
- finalised a Supplier Charter which sets out environmental, social, and corporate governance (“**ESG**”) standards and values which partners and suppliers are expected to comply with when engaging with the GNI Group, including with respect to modern slavery and human trafficking;
- hosted a supplier event in September 2023 to launch the Supplier Charter which included presentations and panel discussions with leading human rights and modern slavery experts, and during which the GNI Group spoke of the importance of the incorporation of ethical practices throughout each aspect of its supply chains;
- conducted a sustainability survey with several key suppliers which included questions regarding human trafficking and modern slavery including whether they had any such policies or any such instances or breaches;
- implemented a supplier risk management process that prioritises suppliers on a criticality basis with a focus on operational impact, financial wellbeing, market risks, business continuity and ESG risks, including modern slavery and human trafficking;
- commenced a programme of reviewing the GNI Group’s top 40 critical suppliers and commissioned an external consultant to prepare risk reports on each of these suppliers which includes reporting on human trafficking and modern slavery; approximately 20 of these reports were completed in 2023;
- commissioned a report on several critical material supply chains to enable the GNI Group to understand key risks in the supply chain of key materials, including the source metals and minerals. This report will include risks regarding modern slavery and human trafficking;
- commissioned a report from an external expert to analyse the GNI Group’s sustainable procurement initiatives and to highlight any gaps arising when compared with the guidance set out in ISO20400 ‘Sustainable Procurement’ on how to integrate sustainable procurement into company processes;
- continued to roll out training to relevant employees, particularly those involved in procurement processes and workshops in relation to sustainable procurement, including modern slavery;
- continued to build on the incorporation of anti-slavery and human trafficking requirements into its contractual arrangements with suppliers;
- continued to include additional award criteria in its tender processes requiring suppliers to demonstrate best practice in the prevention and mitigation of risks of modern slavery or human trafficking;
- achieved a rating of A- from CDP (a sustainability and carbon disclosure rating system) in its 2022 Supplier Engagement rating, published in 2023, with the rating based on several sustainability criteria including modern slavery and human trafficking;
- was one of 15 founding members of the Irish supply chain sustainability school which includes a focus on modern slavery and human rights through training, forums, workshops and support initiatives;

- rolled out an updated Protected Disclosures Policy and training in line with the Protected Disclosures (Amendment) Act 2022 to encourage and support staff to report any suspicions of wrongdoings in respect of any aspect of the GNI Group activities.

OUR CONTINUED COMMITMENT

Over the course of the next financial year, the GNI Group will continue to implement and enhance its procedures to help identify, prevent and mitigate any risks of modern slavery or human trafficking in relation to new and existing suppliers. In particular, the GNI Group plans to take the following steps:

- analyse and implement any required actions arising from reports commissioned in 2023, including regarding review of key material supply chains and key supplier contracts;
- by utilising the supplier risk management process formulated in 2023, carry out a demand plan risk analysis for 2024 by identifying critical supplier contracts for the forthcoming year and the key critical challenges, risks and opportunities including modern slavery and human trafficking;
- continue to engage with suppliers to foster collaboration and increased alignment of sustainability requirements through supplier events, surveys, workshops and communication of GNI's Supplier Charter;
- analyse any gaps and actions required to achieve ISO20400 'Sustainable Procurement' guidance standard in 2024;
- prepare for the implementation of the Corporate Sustainability Reporting Directive and the Corporate Sustainability Due Diligence Directive through working with external consultants and internal dedicated committees;
- build on and develop the existing sustainable procurement framework by continuing to include relevant modern slavery and human trafficking award criteria and contractual obligations in procurement processes; and
- develop the Irish branch of the UK supply chain sustainability school and encourage suppliers to become members and to avail of its resources.

Any instances of non-compliance with the Act will be assessed on a case-by-case basis, with any remedial action tailored appropriately.

This statement was approved by the Board of Directors of GNI and GNI (UK) Limited. A new statement will be published each year on GNI's website for the GNI Group at www.gasnetworks.ie.



Cathal Marley
Director