

Smart DCC  
Modern Slavery  
Statement

FY2024/2025

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This statement has been prepared in accordance with Section 54 of the Modern Slavery Act 2015. It sets out the steps taken by the DCC for the financial year ending 31 March 2025 to manage modern slavery risks within our business and supply chains.

# 1. Our commitment

At the Data Communications Company (DCC), we are committed to conducting business with integrity, transparency, and respect for human rights, these commitments are reflected in our organisational values. We recognise that modern slavery and human

trafficking are serious global issues affecting millions of people, and we are determined to not only play our part in eradicating these practices from our operations and supply chains but also educate ourselves on the wider impact.



## Values

How we achieve this purpose is guided by our three core values. They help us to work consistently and collaboratively, both internally and with our diverse set of external stakeholders.

Our three core values are:



The DCC operates within a complex and critical national infrastructure environment, and we understand the importance of ensuring that our strategic suppliers and partners uphold the highest standards of ethical conduct. We fully support the principles of the **Modern Slavery Act 2015** and are committed to taking proactive steps to identify, prevent, and address any risks of modern slavery or human trafficking within our business and supply networks.

Our approach includes:

- **Robust supplier due diligence** and onboarding processes to assess ethical risks
- **Contractual obligations** requiring suppliers to comply with anti-slavery laws and demonstrate transparency in their own supply chains
- **Ongoing monitoring and audits** to ensure compliance and continuous improvement
- **Training and awareness** for employees and key stakeholders to enable them to recognise and report potential signs of exploitation.

We believe that ethical sourcing and responsible supplier management are fundamental to our mission of delivering secure and reliable smart metering services across the UK. Through our Strategic Supplier Management Programme, we will continue to embed environmental, social, and governance (ESG) principles, including modern slavery prevention, into our risk frameworks and operational practices.

Our strong focus on business integrity is also reflected through our [Responsible Business Framework](#). This framework focuses on delivering positive impact through responsible, inclusive, and sustainable practices, and it includes a commitment to hold ourselves and our partners to the highest levels of integrity, governance, and performance.

This statement reflects our unwavering commitment to safeguarding human rights and promoting fair, safe, and dignified working conditions throughout our value chain.

Visit our [Annual Report](#) for more information.

The Smart DCC Modern Slavery Statement can also be found at the [Modern slavery statement registry – GOV.UK](#).



## 2. Organisation structure and supply chains

### Our organisation

**Smart DCC (the Data Communications Company)** is a key player in the UK’s energy infrastructure and is responsible for operating the secure national communications network that underpins the smart meter roll-out across Great Britain.

The DCC is a wholly owned subsidiary of Capita plc and operates under the Smart Meter Communication Licence regulated by the Office of Gas and Electricity Markets (Ofgem). Smart DCC is an organisation of circa 700 people with a core mission to connect homes and businesses to a single, secure digital network that enables smart meters to communicate with energy suppliers, network operators, and other authorised parties.

### Services provided

Smart DCC delivers a wide range of services that support the UK’s transition to a smarter, greener energy system:

- **Smart meter network management:** design, build, operate, and maintain the secure telecommunications infrastructure that connects smart meters nationwide
- **Smart meter enrolment and adoption:** ensure new smart meters are connected to the network efficiently and support the migration of first-generation meters
- **Security and reliability:** operate to the highest security standards in collaboration with the National Cyber Security Centre (NCSC), with 24/7 monitoring

- **Central switching services:** provide systems that enable faster and more reliable switching between energy suppliers
- **Innovation enablement:** offer testing environments and support for new energy technologies, including smart electric vehicle (EV) charging and demand-flexibility services
- **Data services:** facilitate the secure and encrypted transmission of energy usage data, supporting market-wide, half-hourly settlement and other regulatory initiatives.

The DCC plays a pivotal role in enabling the UK’s net zero ambitions by acting as the digital spine of the energy system, supporting the integration of renewable technologies such as solar panels, heat pumps, and EVs.

There are now more than 34 million smart meters installed and enrolled on our network. The system currently supports over 130 distinct types of messages, known as Service Request Variants (SRVs) – and over 2.6 billion messages are sent across the network each month. At the DCC, our primary priority is operating a stable, reliable, and secure smart meter network with the coverage our customers need to meet roll-out targets across Great Britain. Smart meters, and the network we operate, play a key role in the digitalisation of our energy system, giving consumers and energy suppliers access to their data.

# Our strategic outcomes

As a regulated monopoly, we are clear on the obligations on and expectations of the smart metering network to Ofgem and DESNZ.

We will be:



**Secure and stable**

Delivering reliable network performance, nationwide, while maintaining a security posture and resilience expected of an asset deemed 'Critical National Infrastructure'



**A responsible and efficient business**

Operating efficiently and responsibly in a manner that recognises our obligations to our people, our customers and ultimately consumers



**Flexible and fast**

Delivering an accessible and flexible platform, enhancing our capabilities to provide a swift and seamless experience for current and future customers



**Right first time**

Delivering our services to the time, cost and quality expectations of our customers and wider stakeholders

## Our supply chains

The DCC currently have 210+ Suppliers within its Supply Chain operating primarily within the UK and Europe but extending globally into geographic regions including the USA, China, Malaysia, Taiwan and South Korea. Though the DCC Supply Chain is primarily service based, a small group of these suppliers provide physical manufacturing services. The DCC remains committed to identifying, addressing, and mitigating risks within its operations and supply chains. We recognise that global supply chains are complex and multi-tiered, and we adopt a structured approach to understanding dependencies so that robust governance ensures the visibility of and accountability for modern slavery due diligence.

1. **Supplier onboarding** – 100% of suppliers onboarded to the DCC have an initial due diligence check, undertaken by Capita plc, to ensure instances of noncompliance are identified ahead of entering the DCC estate. Where concerns are identified, suppliers will be precluded from onboarding.

- **Identification of supply chain dependencies and modern slavery** – We regularly map our supply chains to understand our third-party dependencies and where modern slavery risks may occur, underpinned by the comprehensive Third-Party Risk Management (TPRM) Framework. This includes our directly contracted suppliers (L1) and their immediate subcontractor dependencies (L2). Where supply elements are critical to Level 1 subcontractors or a physical manufacturing relationship is in place (e.g. components and raw materials), additional layers of the supply chain are mapped (L1-L5). Country-based dependencies are captured as part of this mapping to ensure full visibility of 'high-risk' country dependencies in applying appropriate Modern Slavery risk treatment strategies.
- **Supply chain structure and controls** – Our supply chain is structured to ensure the risk of modern slavery is actively managed through the application of the TRPM Framework principles. This ensures heightened due diligence is undertaken for all critical suppliers

and their critical subcontractors, allowing us to pre-emptively identify risks and ensure mitigations are in place to remove or minimise identified threats. An annual attestation process is undertaken to seek key inputs directly from third parties to support our assessment framework. This attestation seeks confirmation and submission of relevant supplier policies (including Modern Slavery Statement, Anti-Bribery and Corruption Statements) for review by the DCC Subject Matter Experts to ensure policy compliance.

2. **Products, sectors, and services** – We understand that the risk of modern slavery may be more inherent depending on the products and services procured or the sectors in which our suppliers operate. Attention is given to assessing procurements in products, sectors, or services in which the risk of modern slavery is higher to ensure greater visibility in areas of concern. In such cases, greater in-depth analysis of supplier practices is undertaken to evidence conformity and compliance with legislative standards.
3. **Stakeholder engagement** – We recognise that addressing modern slavery and promoting responsible supply chains requires collaboration, transparency, and shared responsibility. As such, we engage proactively with a wide range of stakeholders, identifying concerns and ensuring ownership for decision-making is outlined to swiftly eliminate risks, where identified. Where high-risk areas of the supply chain are identified (e.g. manufacturing in high-risk countries), the DCC will engage with a more comprehensive set of stakeholders at different tiers of the supply chain to ensure full visibility, supported by formal audits of those supply chain partners.

4. **Continual improvement** – Recognising the need for ongoing vigilance, due to the dynamic nature of our supply chains and the risks they pose, we are committed to continual improvement in how we identify, prevent, and address modern slavery risks within our supply chain. This includes, but is not limited to, enhancing and evolving risk assessments, strengthening supplier engagement, improving collaboration through partnerships, and measuring the effectiveness of our actions and processes.

The DCC is working with its supply chain partners to ensure that it achieves wider social, economic, and environmental benefits. As a minimum, the DCC expects suppliers to comply with all applicable local laws and regulations, provide safe working conditions, treat workers with dignity and respect, act fairly and ethically, and be environmentally responsible.

The DCC is finalising its new Suppliers Code of Conduct, which sets out the minimum expectations of its suppliers on: respecting human rights; promoting diversity, equity, and inclusion; contributing positively to communities; and ensuring the health, safety, and well-being of all workers. The DCC will collaborate with its suppliers to ensure compliance with this code.

The DCC has not identified any instances of modern slavery in its supply chains within the reporting period (i.e. the previous 12 months.) Whilst the DCC did not identify any instances of modern slavery in the reporting period, we recognise that the risk of slavery occurring in our operations or value chains remains a possibility. Going forward, our focus is on strengthening our due diligence and ability to identify, remediate and prevent this risk effectively.



### 3. Our policies in relation to modern slavery

At the DCC, we are committed to operating at the highest standards of ethical conduct, beyond minimum legal compliance, in alignment with our corporate values and international human rights frameworks. Our approach to modern slavery risk management is embedded across our internal operations and supply chains, guided by a suite of robust policies and charters.

**Policy framework** The DCC, as a regulated monopoly and subsidiary of Capita plc, maintains ownership of and accountability for its own internal policies, while docking into external (Capita plc) policies that underpin our commitment to preventing modern slavery. While we independently develop and manage policies tailored to our operational and regulatory context, we also align with and adopt relevant Capita plc policies, where appropriate, to ensure consistency and compliance across the wider group. The DCC recognises that addressing modern slavery risks is a continually evolving challenge. We are proactively enhancing our policies, procedures, and governance frameworks to ensure they remain effective, responsive, and aligned with best practice.

#### Key policies

- **Capita Human Rights Policy:** ensures appropriate procedures are in place to prevent breaches in international human rights standards, in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organization (ILO) core conventions on labour rights, and The Modern Slavery Act 2015. This policy was produced and is managed by Capita's Human Resources (HR) function.
- **Capita Code of Conduct:** describes what employees must do and how they must behave to ensure the DCC has the trust of all its stakeholders. It details how employees will create better outcomes in the right way, but not at any cost, in line with DCC purpose and values. This policy was produced and is managed by Capita's HR function.
- **DCC Whistleblowing Policy:** creates an open and transparent culture that encourages employees to promptly report suspected wrongdoing (in line with the Public Interest Disclosure Act 1998), knowing that the issue will be taken seriously and investigated. This policy was produced and is managed by the DCC's HR function.
- **DCC Responsible Business Supplier Charter:** provides a framework through which the DCC holds itself and its suppliers to the highest standards of integrity, governance, and performance – particularly in relation to diversity and inclusion and the well-being of workers. It aligns with international standards such as the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct and ILO labour standards. Developed and managed by the DCC Commercial function, the charter was initially adopted on a voluntary basis. However, from financial year (FY) 2025/26 onwards, it has been formally embedded within the ESG terms for contracts and frameworks valued at over £1 million. As a result, current supplier coverage remains partial but is increasing.
- **Capita Supplier Charter:** includes specific reference to Capita expectations for its suppliers to never use or support practices that inhibit the development of children, to not hold an individual or group in slavery or servitude, to not use any form of involuntary labour, and to not traffic individuals or groups for the purpose of labour exploitation, in line with the Modern Slavery Act.
- **DCC Supplier Code of Conduct (under development):** sets out the DCC's minimum expectations of its suppliers on: respecting human rights; promoting diversity, equity, and inclusion; contributing positively to communities; and ensuring the health, safety, and well-being of all workers (in line with human rights due diligence from UNGPs and OECD, as well as UK Government guidance on modern slavery

legislative reporting requirements). When this code is implemented, it will apply to all DCC suppliers – however, engagement will primarily focus on the DCC's strategic suppliers who have complex supply chains and pose a higher risk (strategic and commercial) to the DCC. The core requirements of this code will be set out as criteria in the DCC's Third Party Risk Management (TPRM) Framework (within the Environmental, Social and Governance TPRM Framework pillar) and will be used to vet strategic suppliers at the onboarding phase and to assure compliance with the code (on at least an annual basis) during the contractual period. Where there is a risk of and/or actual noncompliance with the requirements of the code, the DCC will work with the supplier to implement actions to address the gap, while retaining the right to take further appropriate actions where there are material breaches of the code (in line with the terms of the contract). This policy will be finalised in 2025 and is managed by the DCC's Commercial function.

- **DCC Procurement Strategy and DCC Procurement Policy:** set out guidance to ensure that the DCC's procurement initiatives are conducted in a responsible and ethical way. They specify that suppliers must demonstrate that they consistently operate in line with the DCC's Responsible Business Charter (including compliance with modern slavery laws, regulations, and standards). This policy was updated in November 2024 and is managed by the DCC's Commercial function.

In addition, the DCC operates with other policies linked to achieving its modern slavery risk control outcomes, including:

- Capita Anti-Racism, Discrimination, Harassment and Bullying Policy
- Capita Safeguarding Policy
- Capita Speak Up Policy
- Capita People Policy
- DCC Health, Safety, Environment Policy.

All DCC-owned policies undergo an annual review, conducted collaboratively by the Audit, Compliance, Risk, and Assurance team and the respective policy owners. This process ensures that our policies remain aligned with evolving regulatory expectations and emerging risk factors, thereby safeguarding the organisation from potential exposure to risk. Policy enforcement is supported through a robust framework

of internal audits, assessments, and clearly defined escalation protocols.

#### Alignment with international standards

The DCC's practices are benchmarked against the UNGPs, OECD Guidelines, and UK Government statutory guidance. Our due diligence processes are structured around the OECD's six-step framework, comprising:

- Embedding responsible business conduct into management systems
- Identifying and assessing adverse impacts
- Preventing and mitigating risks
- Tracking implementation and results
- Communicating how impacts are addressed
- Providing or cooperating in remediation.

#### Stakeholder engagement and policy enforcement

- **Internal:** policies are accessible to the DCC's employees via internal platforms and communicated through DCC leadership channels; some policies form part of employees' mandatory annual training modules (e.g. the Code of Conduct) – with completion records held as evidence; when policies are updated, employees are made aware via internal channels; employees can use dedicated channels to report or escalate modern slavery risk concerns and issues
- **External:** supplier onboarding includes a corporate social responsibility (CSR) questionnaire with evidence-based confirmation of modern slavery compliance, which is reviewed annually for Tier 1 and high-risk suppliers; the DCC is enhancing enforcement through:
  - Supplier Third Party Risk Management (TPRM) Framework ESG Pillar
  - Application of the Third Party Risk Management Framework throughout the procurement process
  - Mitigation/corrective action plans for noncompliance

- Use of the speak-up principle to escalate concerns and identify risks.

(<http://www.safecall.co.uk/report> or freephone telephone: 0800 915 1571).

Speak Up Policy

All employees are encouraged to speak up and raise concerns (including regarding modern slavery) with the knowledge that the concern will be treated confidentially and fully investigated. Employees can raise concerns through their line managers, with their HR business partner, or anonymously via the independent, external Speak Up service

The DCC obtains feedback from employees through regular employee surveys to gauge how they feel about working at the DCC. This helps leaders and the HR and People functions to identify potential issues around culture that could lead to a failure of ethics, controls, or governance before they arise.



# 4. Due diligence, assessing and managing risk

Assessment frequency

The DCC assesses modern slavery risk on an annual basis for all suppliers identified as critical to business operations. This accounts for over 91% of all DCC third-party expenditure.

Criticality is defined through a supplier segmentation process, assessing:

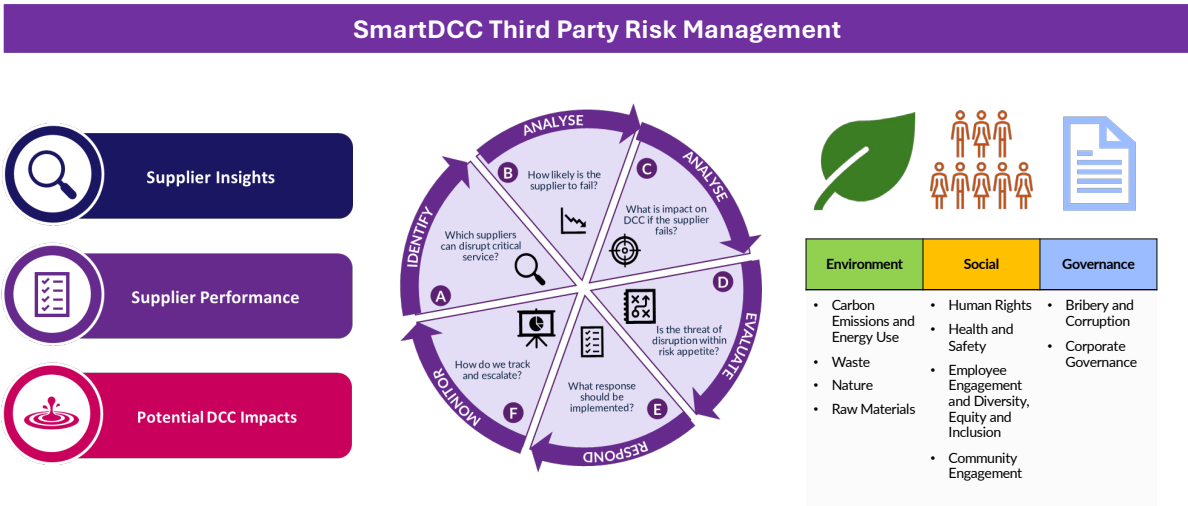
- Supplier impact on the DCC in the event of failure
- Supply continuity risk (i.e. supplier stability)
- DCC barriers to change

Changes in supplier standing are monitored live by the DCC through the use of dedicated risk management tools. When risks are identified they are addressed

through the same protocols used to govern the annual assessment.

Identifying and assessing risks

Smart DCC employs a comprehensive Third Party Risk Management (TPRM) Framework which includes an ESG Pillar designed to evaluate and manage ESG risks across its supply chain, including Modern Slavery. At its core, the framework aims to ensure that Smart DCC's critical suppliers operate responsibly and ethically, aligning with the DCC's values and regulatory obligations. This is an annual process, rigorously applied to all critical suppliers and enriched by insights from external sources and global indices. The framework has a structured scoring matrix that assesses suppliers across a wide range of ESG topics, including carbon emissions, biodiversity, human rights, and corporate governance.



Additional compliance measures

Additional measures to ensure compliance include:

- The DCC's General Terms and Conditions, which, within this Modern Slavery Statement, includes a clause with which all suppliers are required to comply and uphold the highest standards of human and labour rights; the DCC has the right to terminate a relationship with a supplier or

third party that cannot demonstrate compliance with its Human Rights Policy and Modern Slavery Statement concerning child labour or forced labour

- Scored ESG evaluation criteria, with mandatory modern slavery exclusion criteria now included in every request for proposal (RFP) over £1 million in value, to ensure noncompliant organisations are

not awarded further or future business, and which sets expected standards for all service providers

- External third-party small and medium-sized enterprise (SME) review of the DCC’s Modern Slavery Statement and supporting activities for the latest regulatory guidelines, published by the Home Office on 24 March 2025, to identify opportunities to enhance our statement and activities to meet consistent Level 1 conformance across all areas.

Addressing identified risks and adverse findings

In the event that evidence of modern slavery is identified or where sufficient evidence is not made available to allay a specific concern, the DCC will:

- Record the risk with its dedicated risk-management tools and allocate a suitable risk owner to drive mitigation and improvement activity
- Ensure suitable investigations are carried out
- Decide what additional evidence should be sought, including local enquiries
- Document the findings from an enhanced audit
- If the risk is identified in our supply chain, require the supplier to discuss the findings at a peer-to-peer board-level meeting
- 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 resolution (noting that in some circumstances, conditions for workers on termination of an arrangement – whereby enslaved or indentured workers receive no pay but are in receipt of board and lodging – may be a worst-case scenario).

Together, these elements form a dynamic and responsive system that helps Smart DCC safeguard its operations, uphold ethical standards, and contribute to a more sustainable and equitable supply chain.

Identified Risks

Whilst the DCC has not identified any instance of Modern Slavery within its Operations and Supply Chain, we remain vigilant and committed to upholding the highest standard of ethical sourcing. Through our ongoing risk assessments, we have identified key areas of heightened vulnerability including:

**Categories with Heightened Risk** – where greater scrutiny is required of Supply Chains with physical manufacturing or underpinned by off-shore resource. Though these are minimal within the DCC Supply Chain, greater focus is applied to manufacturing of physical Communication Hubs

**Geographic Dependencies** – where the DCC or its supplier are operating/manufacturing in higher risk countries including India, China and Malaysia where enhanced governance is required and implemented due to varying levels of regulatory oversight

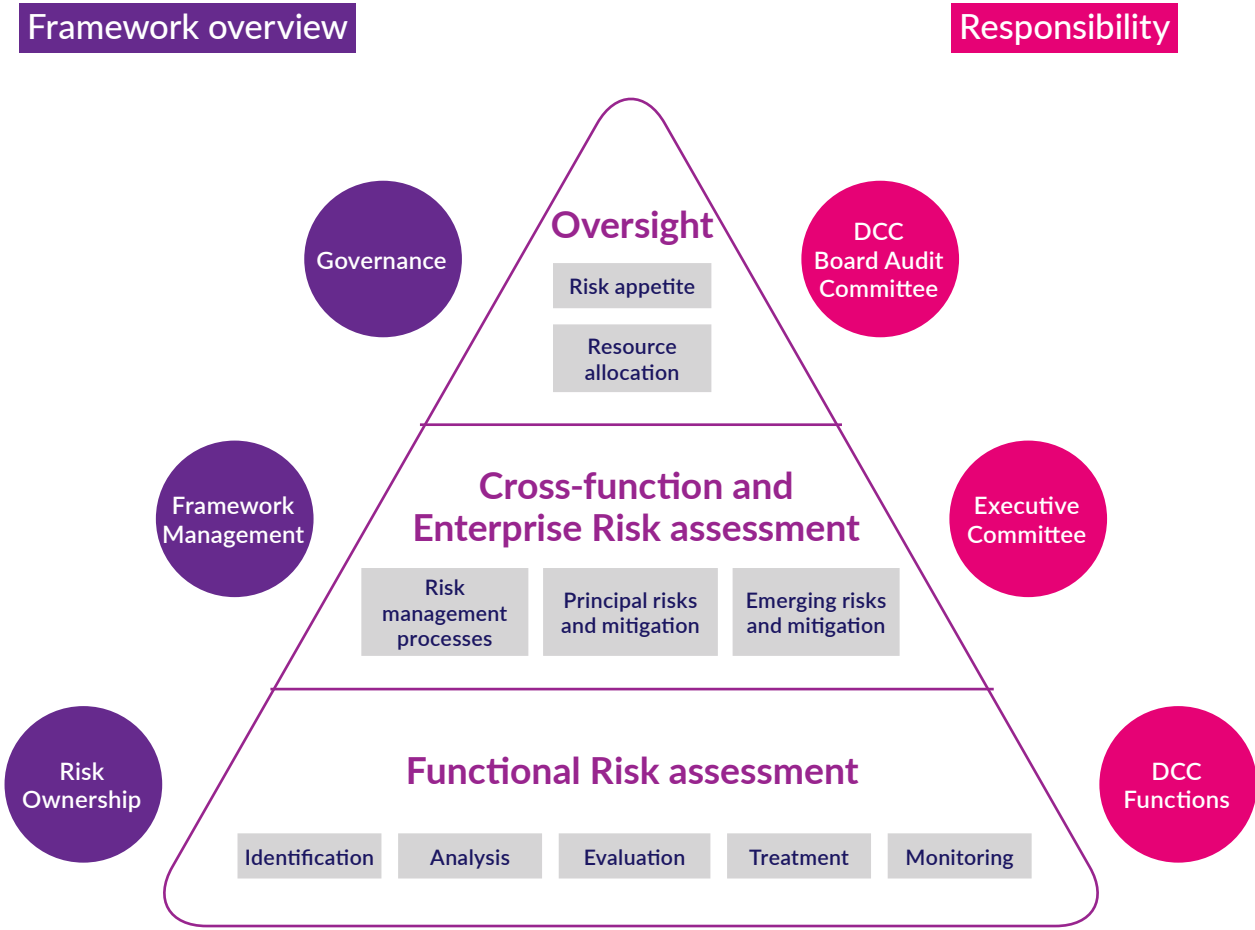
**Multi-tiered Supply Chains** – where greater visibility is required due to complex supply chains structures in which transparency may be limited and risk control diluted. This is particularly pertinent in our Communications Hub manufacturing supply chains where multi-tiered sub-contractor relationships exist

Our Risk and Assurance Framework and Process

Effective risk management and internal controls are key to the successful delivery of our strategic objectives. Our goal is to minimise threats and maximise opportunities for the benefit of our customers, stakeholders, and employees within the overall context of the DCC Licence. Our risk management approach is consistent with the principles of ISO 31000 and is a layered approach including strategic and enterprise risk, functional risk, and business process risk management. Our Business Resilience and Disaster Recovery Policy and Process, which is integral to our risk management approach, has recently been awarded ISO22301 certification. Our Internal Controls Framework is based on the ‘three lines of defence’ model to ensure that the DCC complies with all code (Smart Energy Code and Retail Energy Code), Licence, internal, and UK Corporate Governance obligations. Our information security controls are audited and certified to ISO 27001.

Our risk management approach and governance

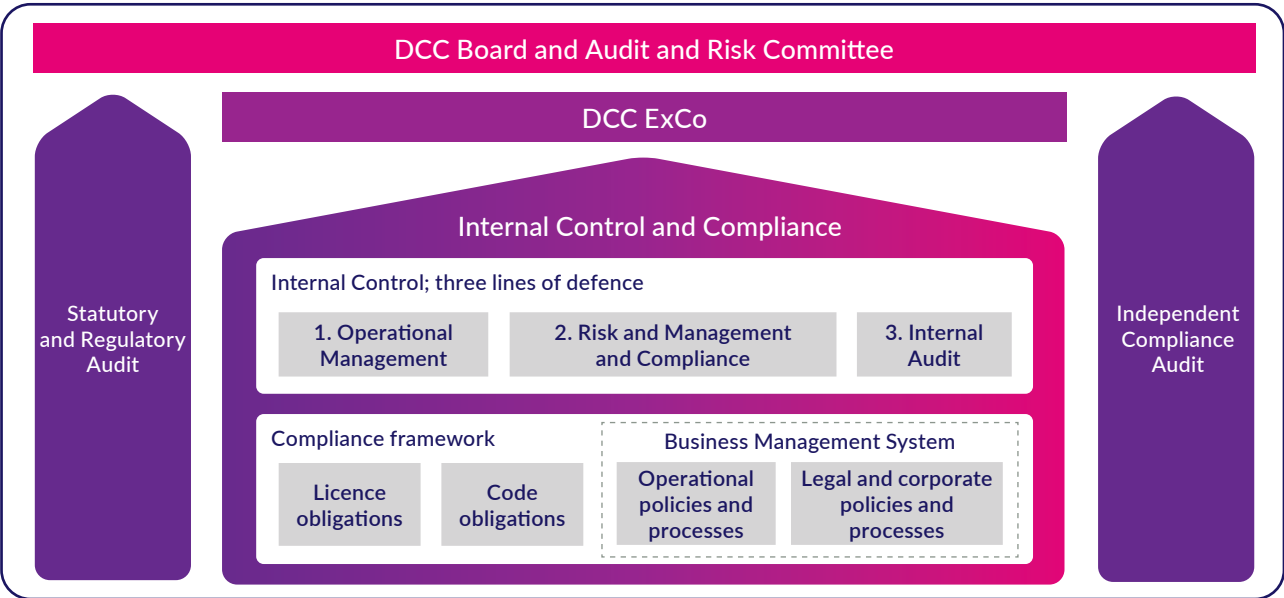
We operate a risk management approach consistent with the UK Corporate Governance Code and the principles of ISO 31000. An overview of the DCC Risk Management Framework is shown below.



Our Internal Controls and Compliance frameworks

We operate a robust Internal Controls Framework to ensure that we comply with all regulatory, Licence, internal, and UK Corporate Governance obligations. Our Internal Controls and Compliance Frameworks are illustrated below.

Due diligence and quality assurance over the operation of internal controls are informed by operational performance monitoring and reporting, functional and enterprise risk assessment and risk mitigation plans, and internal audit and compliance-testing activity.



Our performance management approach

Goal setting and key performance indicators

The DCC operates with a strategic performance management philosophy through a framework that sets out the business’s ESG outcomes and the goals to achieve them. The ESG outcomes are set by the DCC Executive Committee (ExCo), and the Chief Commercial Officer develops the goals. These goals then drive the key performance indicator (KPI) settings at the functional/operational layer of the organisation

– affecting what metrics are measured, tracked, analysed, and reported on internally or externally (if/where required).

The key KPIs used to assess the performance of the DCC Modern Slavery Policy and the DCC’s suppliers, to prevent the risk of modern slavery in DCC operations and the supply chain, are summarised in the table below.

| Key performance indicators               | Target                 | FY 2024/25                  |
|------------------------------------------|------------------------|-----------------------------|
| Suppliers in scope                       | All critical suppliers | All critical suppliers – 22 |
| Supplier expenditure under due diligence | N/A                    | 91.3%                       |
| Number of material breaches              | None identified        | None identified             |

Our performance management governance

The methodology used for managing the performance of the aforementioned KPIs involves sourcing the

relevant quantitative or qualitative data internally (across the DCC and Capita) and externally (e.g. DCC

Third Party Risk Management (TPRM) Framework findings and supplier onboarding activities such as RFx), reviewing and analysing the data, and reporting (ad hoc and annually) the outputs of data analysis across various channels (internally in the DCC and with any relevant supplier, where needed). **RFx refers to a family of procurement processes including Request for Information (RFI), Request for Proposal (RFP), and Request for Quotation (RFQ), which are used to gather supplier data and assess suitability during sourcing and onboarding.**

The governance of this framework is robust and involves the DCC’s Commercial function collaborating with diverse internal and external partners to source the data, review findings, and develop corrective improvement actions to address any gaps.

- **Evidence example one:** the completion rate MI (Management Information) for Code of Conduct training is an automated system-generated MI that is sourced from the DCC’s and Capita’s HR functions. The data is analysed (e.g. comparing actual vs. target data for the period in question, or actual vs. historical trends) by the DCC’s

Commercial function, and the findings and recommendations are shared with the DCC’s HR function. Where corrective action is required, the DCC’s HR function engages with the line managers of colleagues who have not completed the required actions to address gaps, as needed.

- **Evidence example two:** the number of material breaches MI is sourced from the assessment of suppliers (with input from the suppliers themselves) measured against the DCC’s Modern Slavery Criteria in its ESG metrics. The data is analysed by the DCC’s Commercial function, and the findings and recommendations are shared with the DCC’s Contract Management team and with the suppliers (where corrective action is required).

The DCC’s approach to performance management remains aligned to best practice and therefore we are not seeking to fundamentally shift from this philosophy in the coming year. However, the DCC is an organisation with a strong continual improvement ethos, and we have identified some key improvements areas to focus on this coming year – as detailed in Section 7 Next steps of this statement.



# 5. Training in modern slavery and trafficking

Training is a strategic enabler in the DCC’s Employee Value Proposition – Today, Tomorrow, Together – with the DCC mandating key training modules to communicate and educate on policies and values aimed at preventing the risk of modern slavery in our operations and supply chains.

## Training – internal

DCC employees complete diverse, internally managed training packages to educate them on how to prevent and report modern slavery risks. The key training modules include:

- **Code of Conduct**  
All DCC employees complete mandatory annual Code of Conduct training, developed by Capita’s HR function, to reinforce the standards of behaviour expected across the organisation. This online self-training module ensures that employees understand how their conduct affects stakeholder trust and organisational integrity. It outlines the behaviours and practices required to maintain the DCC’s reputation and ethical standing.
- **Safeguarding**  
Safeguarding training is mandatory for all employees and delivered online by Capita’s HR function. This one-time training ensures staff are equipped to identify and respond to safeguarding concerns. It provides guidance on recognising signs of abuse or exploitation and outlines the appropriate steps to take when concerns arise, reinforcing the DCC’s duty of care and vigilance in protecting vulnerable individuals.
- **Environment, social, and governance**  
Procurement staff at the DCC receive in-person ESG training delivered by the Commercial function. This one-time training provides foundational knowledge on key ESG topics, including the identification and mitigation of modern slavery risks within supply chains. It equips procurement professionals with the knowledge to integrate ESG considerations into sourcing activities, enabling them to support ethical and responsible supplier management.

## Mandatory training compliance and remediation approach

As part of Smart DCC’s licence obligations and commitment to ethical business conduct, all employees are required to complete mandatory training modules, including those focused on modern slavery awareness and prevention. These modules are essential for maintaining regulatory compliance, upholding our values, and safeguarding the integrity of our operations.

To ensure full compliance:

- Training completion is monitored centrally
- Noncompliance triggers a structured remediation process, beginning with HR-issued reminders
- Continued failure to complete training results in escalation to line managers and may lead to formal performance-management measures
- Persistent noncompliance may be escalated to senior leadership and could result in disciplinary action.

Smart DCC remains committed to fostering a culture of ethical awareness and accountability and recognises that employee education is critical to identifying and mitigating modern slavery risks across our operations and supply chains.

The data below outlines the mandatory training requirements related to modern slavery and the compliance levels across the DCC as of August 2025.

| Training                             | Compliant | Expired | Overall compliance | Frequency |
|--------------------------------------|-----------|---------|--------------------|-----------|
| Code of Conduct                      | 740       | 0       | 100%               | Biennial  |
| Diversity and inclusion              | 479       | 0       | 100%               | Biennial  |
| Diversity and inclusion for managers | 257       | 4       | 98%                | Biennial  |
| Safeguarding                         | 749       | 4       | 99%                | Biennial  |
| ESG (procurement team)               | 23        | 1       | 96%                | Annual    |

As part of the DCC Training Performance Management approach, the completion rates and engagement levels for mandatory training are monitored regularly through our internal learning management system. This data is reviewed by the HR function and reported to relevant stakeholders, as part of our Licence compliance reviews, and to external auditors.

## Training – external

Smart DCC does not directly provide external training in modern slavery to suppliers. However, suppliers are expected to uphold high ethical standards and meet the following requirements:

- Comply with the DCC’s Responsible Business Supplier Charter
- Comply with Capita’s Supplier Charter
- Explicitly prohibit slavery, servitude, involuntary labour, and trafficking
- Provide evidence of how they guard against modern slavery
- Report modern slavery law/regulation breaches and uphold ethical standards.

The DCC’s Commercial function conducts **robust due diligence** during the sourcing process to ensure suppliers operate responsibly and mitigate modern slavery risks. This includes:

- Mandatory completion of the DCC’s **CSR questionnaire**, which assesses compliance with human rights and modern slavery standards, during supplier onboarding
- Annual **recertification and risk assessments** for Tier 1 and high-risk suppliers
- Implementation of a **Sustainable Procurement Charter**, with strategic suppliers (representing 91.3% of expenditure) committing to ethical practices aligned with the DCC’s values
- Use of **weighted ESG criteria** in procurement evaluations and enhanced due diligence capabilities via the DCC’s commercial platform
- Inclusion of **contractual clauses** requiring suppliers to comply with the DCC’s Modern Slavery Statement and relevant human rights policies.

## 6. Next steps financial year 2025/26

Since the last review period, the DCC has transformed its Performance and Risk Management Framework, as detailed in this statement. Governance has been strengthened to ensure greater accountability in the monitoring and evaluation of KPIs. While our approach remains aligned with best practice, the DCC's commitment to continual improvement has led to the identification of targeted enhancements for the year ahead.

We remain resolute in our efforts to identify, manage, and mitigate the risks of modern slavery across our operations and supply chains. During FY 2025/26, we will undertake the following strategic actions to embed responsible practices and strengthen our approach in line with regulatory expectations:

- **Conduct a gap analysis** of our Modern Slavery Statement to define and implement an action plan aligned with Level 1 compliance
- **Fully embed the DCC Procurement Strategy and Supplier Code of Conduct**, establishing clear expectations for ethical behaviour and compliance across our supplier network
- **Develop and integrate supporting policies** to align with Licence renewal requirements, statutory obligations, and ESG commitments
- **Enhance the DCC Segmentation Process** to redevelop the definition of 'Criticality' to ensure external risk within the Supply Chain to people is considered when deciding 'in scope' supplies
- **Apply the DCC's risk management methodology** to proactively address risks identified through ESG framework reports and supplier attestations, which guide decisions to 'treat, tolerate, or terminate' supplier relationships
- **Refine the supplier attestation process**, introducing targeted questions to uncover risks in deeper tiers of the supply chain, in line with Home Office Level 1 guidance
- **Establish a formal scoring mechanism** to evaluate supplier responses and systematically map risk exposure across subcontractor tiers

- **Enhance internal training programmes** to meet Level 1 standards, equipping staff to identify and respond effectively to modern slavery risks
- **Enhance KPIs and measurable goals**, with transparent reporting against targeted objectives throughout the year
- **Introduce grievance mechanisms** to enable suppliers, victims, and other affected parties to report exploitation and seek remediation
- **Engage with individuals and organisations with lived experience** of modern slavery to inform proactive prevention strategies and minimise specific risks
- **Develop and maintain a Modern Slavery Risk Register** as part of our TPRM process, providing a structured and dynamic view of risk across our supply chains.

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 at [www.smartdcc.co.uk](http://www.smartdcc.co.uk).

The DCC will also publish this statement on the voluntary Modern slavery statement registry – GOV.UK.

If you have any queries or concerns, please complete our contact form at [Environmental, Social and Governance General Enquiries | Smart DCC](#).

### Closing statement

Through the aforementioned actions, the DCC reaffirms its commitment to ethical business practices and continual improvement. We recognise that addressing modern slavery is an ongoing journey – one that demands vigilance, collaboration, and accountability. By embedding these measures into our governance and operations, we aim to drive meaningful change, protect vulnerable individuals, and uphold the integrity of our supply chains.

## 7. Board approval

The DCC's Modern Slavery Statement is developed collaboratively by the Commercial, Procurement, Sustainability, and Strategic Supplier Management teams, and is approved by the Board of Directors of DCC. We remain committed to transparency, accountability, and continual improvement in our efforts to eradicate modern slavery.

This statement is made pursuant to section 54(1) of the Modern Slavery Act and will be updated annually in line with the reporting requirements of the Act.



Chris Lovatt  
Chief Executive Officer