

# Modern Slavery and Human Trafficking Statement

2020



This statement highlights the steps that Anglian Water Services Limited ('Anglian Water' or the 'Company') has taken to ensure that slavery and human trafficking is not taking place in any part of our business or within our supply chain.

### Did you know?

As of 31 March 2020, we employed 5,000 people, provided around 1.1 billion litres of drinking water to 4.8 million people every day and received about 900 million litres of used water from 6.2 million people and businesses in the East of England and Hartlepool.

We hold the Queen's Award for Enterprise: Sustainable Development, awarded in 2020, which recognises products, services and management which benefit the environment, society and the economy.

Anglian Water is the **largest** water and water recycling company in England by geographic area



**Our purpose is to bring environmental and social prosperity to the region we serve through our commitment to Love Every Drop.**

In fact, in July 2019, Anglian Water became the first water company to enshrine its purpose in its Articles of Association (the rules governing the way in which the Company does business), requiring the Directors to conduct the business and operations of the Company for the benefit of shareholders while delivering long-term value for Anglian Water's customers, the region and the communities it serves, and seeking positive outcomes for the environment and society.

We recognise that we have a duty to deliver wider benefits to society above and beyond the provision of safe, clean water and the effective recycling of waste water.



## Anglian Water takes a zero tolerance approach to any form of slavery or human trafficking, either within our business or our supply chain.

### Our procurement process

We have detailed procurement processes, which require all suppliers to demonstrate that they provide safe working conditions, treat workers with dignity and respect, act ethically and comply with all applicable legal requirements.

The vast majority (86 per cent) of our contracts are assessed as low risk based on the nature of the industry, country of origin for goods and services and other relevant supplier information, such as pre-employment checks procedure and payroll's ability to confirm bank account details. Six per cent are classed as medium risk with the remaining eight per cent classed as high risk.

High risk suppliers are generally categorised as such due to what they produce and where they do so. In the UK, for example, agriculture and transport are high-risk sectors that Anglian Water is engaged with. Personal Protective Equipment (PPE) and some other goods manufactured abroad are high risk depending on the country of origin. Our total spend with high risk suppliers is around £5 million per annum. For high risk suppliers we monitor their activity more closely and have risk mitigations in place, including bank account checks and site audits.

Our highest spend is with suppliers who are engaged to deliver our capital programme. We work closely with these suppliers in a series of alliances in an open, transparent and collaborative environment (our 'Alliance partners').

All Alliance partners have been selected on the basis of a close fit with our Love Every Drop goals and work collaboratively with all tiers of our integrated supply chain to promote the Company's vision. This includes hosting and attending awareness and collaboration events on many aspects of supply chain, including modern slavery.

### Covid-19

One of the most significant issues facing Anglian Water is the ongoing impact of the Covid-19 pandemic - a challenge that Anglian Water shares with every business and nation in the world.

We have actively engaged with suppliers during the Covid-19 emergency, including reducing the time

taken to make payments; helping to support and advise many small and medium-size suppliers with access to advanced procurement opportunities; supporting staff within some supply chain companies who have been hit with pay reductions by their employer; and issuing permits to identify the partner and supply chain workforce as key workers.

We have assessed critical suppliers and have a range of mitigations in place. We remain in regular dialogue with key suppliers to assess their business stability and mitigation strategies. Throughout the Covid-19 pandemic Anglian Water's frontline operational staff, who are classified by the government as key workers, have been continuing to work throughout the region to keep taps flowing and toilets flushing.

During this period, it has been crucial that staff have been kept protected, particularly in instances where they must enter customers' homes in the event of an emergency.

During the pandemic the Supply Chain team have been alert to the increased modern slavery risks attached to sourcing PPE at short notice, in a high demand market. In order to mitigate this risk, Anglian Water sourced as much of the PPE required as possible from its usual supplier of such equipment, which is compliant with the CIPS Corporate Code of Ethics (see below). Where alternative supplies of items such as hand sanitizers, wipes and gloves needed to be sourced, these were purchased from EU and UK-based manufacturers and distributors.





### **Risk assessment**

We have embedded a modern slavery risk assessment into our supplier selection process when appointing new suppliers. In addition, we have also embedded a modern slavery risk assurance process into our non-framework supply chain process when appointing new suppliers outside of framework.\*

All suppliers are required to confirm that they and their supply chain are compliant with the Modern Slavery Act 2015.

Our agreements require suppliers to comply with applicable laws and entitle us to conduct audits to assess the extent of legal compliance. For the year ended 31 March 2020, we undertook 108 modern slavery audits within both our framework and non-framework supply chain.

We have assessed our existing supply chain for compliance with the Modern Slavery Act and we have conducted due diligence audits on selected existing suppliers.

### **CIPS Corporate Code of Ethics**

Anglian Water has adopted the Chartered Institute of Procurement & Supply (CIPS) Corporate Code of Ethics and requires suppliers to meet the requirements under the Code within the terms of their contract. Adoption of the Code requires suppliers to 'commit to eradicating unethical business practices including bribery, fraud, corruption and human rights abuses, such as modern slavery and child labour'.

### **Employee training**

All employees who undertake procurement activity have received training on the Modern Slavery Act and the processes for risk assessment and auditing.

Our Supply Chain team have partnered with the Supply Chain Sustainability School and received additional awareness training from the school's consultants.

All Anglian Water's procurement professionals have regular training on Modern Slavery. This year's training is being extended to members of the procurement teams of our Alliance partners. All Anglian Water employees have received a Modern Slavery Act awareness communication.

### **Making the Right Choices (Doing the Right Thing)**

All staff must comply with Anglian Water's policies, including our policy on modern slavery, at all times.

A booklet, "Making the Right Choices", was issued to all employees of Anglian Water (and is part of the induction pack for new employees), setting out the behaviour expected of them and providing guidance on making the right choices when faced with decisions that might not be central to their role. The booklet is currently being refreshed (and has been renamed 'Doing the Right Thing') to ensure that it remains up to date. Its scope has also been expanded to include our Alliance Partners.

Topics covered include anti-bribery, fraud, modern slavery, whistleblowing, protecting personal information and competition law.

\* Where a framework is in place Anglian Water has an over-arching contract with the supplier. In the case of non-framework suppliers, the spend is typically of small value.



## Whistleblowing

Our whistleblowing policy and general employee communications encourage employees to identify and report any suspicions about malpractice and illegal or underhand practices in the workplace.

## The Supply Chain Sustainability School

The Supply Chain Sustainability School is a resource that offers training in different areas of sustainability, including modern slavery. Anglian Water is a contributing member, working with the School to build a world-class collaboration to enable a sustainable built environment.

## Modern Slavery Working Group

Anglian Water has a representative from its Procurement Department on the Utilities Sector Modern Slavery Working Group ('Utilities Working Group'). The Utilities Working Group held its first meeting in May 2020, with representatives from a number of different utility companies in attendance.



Its aims include sharing best practice and lessons learnt, standardisation of documentation and approach to supplier base and joint supply chain risk mapping.

During 2019/20, the Anglian Water Modern Slavery Working Group, comprising members of the Group Legal, Supply Chain and Sustainability teams, continued to meet to keep new initiatives and legislation under review.

## Recruitment

Anglian Water carries out pre-employment checks on all employees directly employed and issues a written contract of employment. The vast majority of employees are employed within the UK. Information is provided to all new employees on their statutory rights including sick pay, holiday pay and any other benefits to which they may be entitled.

Anglian Water also uses recruitment agencies to recruit both temporary and permanent employees. We thoroughly check recruitment agencies to ensure they comply with all legal requirements before adding them to our list of approved agencies and have just completed a full legal and procurement review of the agencies who provide us with temporary employees.

The majority of Alliance partners are recorded on Workday (the Company's HR administrative system) to provide greater visibility and an appropriate audit trail.

## Non-compliance

Any occurrence of non-compliance, either within our business or our supply chain, will be assessed on a case-by-case basis and appropriate action taken.

This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes Anglian Water's anti-slavery and human trafficking statement for the financial year ending 31 March 2020.

This statement was approved by the Board of Anglian Water on 30 September 2020.

A handwritten signature in black ink that reads "Peter Simpson". The signature is written in a cursive style and is enclosed in a thin black rectangular border.

**Peter Simpson**

Chief Executive Officer