

Modern Slavery & Human Trafficking Statement 2021



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Introduction

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 its business or within the Company’s supply chain.

Did you know

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

As of 31 March 2021, we employed over 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 daily from 6.4 million people and businesses in the East of England and Hartlepool.

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 major utility to change its company constitution - our Articles of Association - to lock public interest into the way we run our business, both for now and for future generations.

We recognise that we have a duty to deliver wider benefits to society above and beyond the provision of safe, clean water and effective water recycling. By changing our Articles, our directors are duty-bound to consider the long-term interests of our customers, employees, suppliers and the environment as well as shareholders’ expectations of legitimate returns.



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.

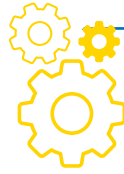


In January 2021 we were named Employer of the Year by Utility Week; we also hold the RoSPA (Royal Society for the Prevention of Accidents) gold award for our track record on health and safety, our 17th year of recognition.

We take a zero-tolerance approach to any form of slavery or human trafficking, whether within our business or our supply chain.



Our procurement processes



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

The vast majority (85 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 our payroll team's ability to confirm bank account details. Six per cent of our suppliers are classed as medium risk, with the remaining nine per cent classed as high risk.

High-risk suppliers, for example those in the transport industry, which typically employs high numbers of non-UK nationals, are generally categorised as such due to who they are likely to employ and/or what they produce and where. 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 £25 million per annum. We monitor the activity of high-risk

suppliers 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 purpose, values and behaviours, and we work collaboratively with all tiers of our integrated supply chain to promote our vision. This includes hosting and attending awareness and collaboration events on many aspects of supply chain management, including the prevention of modern slavery.





Covid-19

Our approach to dealing with the continued impact of Covid-19 has been driven by our social and environmental purpose and our values, leading us to look beyond the continuing supply of essential services to our wider role as a core member of our community. During the pandemic we have assessed our critical suppliers and have a range of existing mitigations in place; from April to October 2020 we regularly surveyed c. 400 suppliers to assess general business health; we also reduced the time taken to make payments to suppliers and helped support and advise small and medium-sized suppliers.

Risk assessment

We have embedded a modern slavery risk assessment into our supplier selection process when appointing new suppliers.

All suppliers (including our Alliance partners) 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 give us the right to conduct audits to make sure they are doing everything as they should.

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.

For the year ended 31 March 2021, we undertook 66 modern slavery audits within both our framework and non-framework supply chain.

CIPS Corporate Code of Ethics

Anglian Water has adopted the Chartered Institute of Procurement & Supply (CIPS) Corporate Code of Ethics and we require our 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

Our Supply Chain team have partnered with the Supply Chain Sustainability School and received additional awareness training from the school’s consultants. Anglian Water is a contributing member to the Supply Chain Sustainability School, working with the School to build a world-class collaboration to enable a sustainable built environment.

All Anglian Water’s procurement professionals have regular training on Modern Slavery and the processes for risk assessment and auditing. This year’s training is being extended to members of the procurement teams of our Alliance partners. We have shared information with all Anglian Water colleagues to make sure they are aware of the Modern Slavery Act and what it means for them.

Where Anglian Water uses a Pre-Qualification Database (e.g Achilles), upon registration on the database suppliers are required to complete questionnaires demonstrating their compliance with regards to Modern Slavery Act 2015.

Our people

Policies

We have a comprehensive suite of employment policies that help to prevent modern slavery.

These include policies dealing with:

- **Whistleblowing;**
- **Grievances;**
- **Disciplinary matters; and**
- **Recruitment**

We have established governance processes to consult on and implement employment policies. The Policy Review Group, which comprises both union and non-union members, reviews and shapes Company policies. All employment policies are published on Lighthouse, our intranet, which is accessible to all employees, agency workers and Alliance partners.

We regularly engage with our employees through our three recognised trade unions and our elected employee forum, Open House.

All our people must comply with Anglian Water's policies, including our policy on modern slavery, at all times. A booklet, *Doing the Right Thing*, has been 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. *Doing the Right Thing* was refreshed and updated during the year and its scope has been expanded to include our Alliance partners.

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

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 have completed a full legal and procurement review of the agencies who provide us with temporary employees and terms and conditions are signed for permanent recruitment agencies to ensure they comply with all legal requirements before we engage with the agency. The majority of Alliance partners are captured on Workday (the Company's HR administrative system), which provides us with greater visibility of our indirect workforce too.

Paying a fair wage

We believe everyone deserves to be paid at the very least a rate that enables them to live comfortably. We are committed to paying in line with the real living wage, so that all our permanent workforce, no matter what their age or role, earn a minimum of £9.50 an hour.

Whistleblowing

The Company has a whistleblowing policy whereby people can, in confidence, raise a concern relating to any wrongdoing or malpractice, including modern slavery, which may have an impact on our business. Under the policy individuals are encouraged to raise their concerns with line management, or if this is inappropriate, to raise them with the externally facilitated helpline or confidential email address, which is managed by an independent provider, SeeHearSpeakUp.

SeeHearSpeakUp maintains a register of all allegations made to it and on receipt of an allegation will notify members of the Company's management team to decide whether there are grounds for investigation. The Company's Audit Committee receives details of all whistleblowing allegations and the associated investigations. No whistleblowing allegations relating to modern slavery were raised during the year ended 31 March 2021.



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 includes representatives from a number of different utility companies and its aims include sharing best practice and lessons learnt, standardisation of documentation and approach to supplier base and joint supply chain risk mapping.

During 2020/21, the Anglian Water Modern Slavery Working Group, comprising members of the Group Legal, HR, Communications, Supply Chain and Sustainability teams, continued to meet to keep legislation under review.

Next steps

During 2021/22 we will be:

- updating our procurement processes to embed the modern slavery risk assurance process into our non-framework supply chain process;
- using Anti-Slavery week (12-18 October 2021) to raise awareness of modern slavery across the Company; and
- launching a page focussing on modern slavery resources on Lighthouse, our intranet.

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 2021.

This statement was approved by the Board of Anglian Water on 29 September 2021.



Peter Simpson
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