

love every drop
anglianwater 

Modern slavery and human trafficking statement 2024



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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.

Anglian Water is the largest water and water recycling company in England by geographic area, serving around seven million customers across the East of England and Hartlepool.

As of 31 March 2024, we employed over 6,000 people, provided around 1.2 billion litres of drinking water to five million people every day and recycled around one billion litres of used water daily.

Our Purpose is to bring environmental and social prosperity to the region we serve through our commitment to Love Every Drop. 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 have a duty to deliver wider benefits to society above and beyond the provision of safe, clean water and effective water recycling. We consider the long-term interests of our customers, employees, suppliers and the environment, as well as shareholders’ expectations of legitimate returns. Our directors are also required to consider the benefits of the Company maintaining a reputation for high standards of business conduct. We take a zero-tolerance approach to any form of slavery or human trafficking within our business and our supply chain.

At the 2023 Water Industry Awards we were recognised for our Strength in Diversity initiative; a targeted recruitment and candidate support programme helping us to engage and recruit people from ethnically diverse communities (see case study on page 6).

Our procurement processes

Framework terms and conditions

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

All framework suppliers must complete a modern slavery risk assessment during the early stages of the procurement process and are required to provide information about their anti-slavery activities and implement corrective action plans where necessary.

Anglian Water also uses the Achilles Utilities Vendor Database Service (UVBD) platform, a utilities industry pre-qualification system which captures and validates supplier data for existing and potential suppliers. Registered suppliers can also complete modern slavery assessments via this platform. All suppliers are required to complete Anglian Water's modern slavery risk assessment when bidding for any work.

Since November 2022, Anglian Water's standard Framework Terms and Conditions have contained contractual provisions which allow us to terminate a contract with any supplier who fails to comply with our requirements regarding compliance with modern slavery legislation.

Alliance Partners: Our Alliance partners deliver our capital programmes. Our highest spend is with these suppliers. We work closely with our Alliance partners in an open, transparent and collaborative environment. All Alliance partners have been selected based on alignment with our purpose, values and behaviours, and we work collaboratively with all tiers of our integrated supply chain to promote our long-term vision. This includes hosting

and attending awareness and collaboration events on many aspects of supply chain management, including the prevention of modern slavery.

High-risk suppliers: All framework suppliers are required to confirm that they and their respective supply chains are compliant with the modern slavery Act 2015, and to declare the activities they undertake to assess and mitigate the risk of modern slavery within their organisation. Suppliers are assessed based on their responses in relation to indicators such as the nature of the industry, country of origin for goods and services and other relevant supplier information, such as pre-employment check procedures.

Certain suppliers are considered high-risk due to the sectors in which they operate, the people who they are likely to employ and/or the nature of the product or service supplied. For example, suppliers operating in the electronics or construction industries, or suppliers of solar panel components are considered likely to be high-risk.

Where an industry has been identified as high-risk during the initial modern slavery risk assessment process, we may conduct further levels of due diligence checks at supplier onboarding stages. This helps us understand the potential risk of poor labour practices throughout the supply chain beyond our Tier 1 suppliers (those suppliers with whom we have a direct spend). Where necessary, a remedial action plan may be implemented which requires the supplier to take further action to identify and mitigate the risk of modern slavery within their organisation and supply chain.



Risk assessment

Modern slavery risk is reviewed and assessed at a strategic level, feeding into our risk management platform. Through this, top tier risks are reviewed regularly, and as part of this review, we consider both the reputational and financial implications should an incidence of modern slavery occur.

This process sets out the identified modern slavery related risks, and the status of the associated mitigating controls. Provided that we consider the efficacy of the controls to be satisfactory, the risk is updated as required. This regular review feeds into the Company's top tier risk register, which is ultimately reviewed and endorsed by the Company's Board of Directors, thereby minimising the likelihood of the occurrence of modern slavery.

During the 2023/24 financial year, we conducted high-level materiality ESG risk heatmapping for each category of spend. The heatmaps are used during the development of sourcing strategies and include a high-level risk matrix, which helps to determine the likelihood of the presence of modern slavery. This analysis is then used, in conjunction with individual supplier modern slavery risk assessments, to select an appropriate approach with potential suppliers.

Our Commercial Assurance team have continued to support a rigorous programme of regular desktop audits to assess compliance with the Modern Slavery Act 2015. Suppliers identified as higher risk are monitored on an ongoing basis, and, if necessary, mitigations and action plans are implemented to address any potential issues. Over the last 12 months, our Commercial Assurance team have assessed and closed out 72 supplier desktop audits. The outcomes of these audits are reported monthly in our financial controls report and form part of our ongoing assurance checks to ensure the approved procurement procedure is being followed.

We have also completed our annual partner assessments where we reviewed our 14 Alliance delivery partners on their procedures and policies. All partners demonstrated a good level of compliance, proved by clear methodologies underpinning their policies. Over the next year, we are looking to further develop our engagement with our partners implementing in person interviews to support the desk top audits we currently complete.

Key performance indicators in respect of the 2023/24 financial year:

- Number of suspected incidents of modern slavery reported: 0 (0: 2022/23 financial year)
- Number of modern slavery supplier desktop audits completed: 72 (66: 2022/23 financial year)

As part of our ongoing commitment to mitigate the risk of modern slavery, the Commercial Procurement team and members of our Alliance partners' procurement teams complete annual training on modern slavery during Anti-Slavery week in mid-October using materials and resources codeveloped with Utilities Against Slavery (UAS). The training typically contains tailored elements relating to the processes and behaviours followed by Anglian Water, including a reminder of the Anglian Water whistleblowing process and how to report suspicious activity or behaviour potentially indicative of modern slavery or forced labour. The Company's non-executive directors have access to the Company's online training portal to enable them to complete the training on modern slavery.



Supplier Code of Conduct

The Anglian Water Supplier Code of Conduct outlines expectations of our suppliers to actively minimise the risks of modern slavery and human trafficking within their organisations and supply chain. The code encourages our suppliers to report any incidences of unacceptable behaviour and to utilise the Company's whistleblowing procedure where needed. Anglian Water has also adopted the Chartered Institute of Procurement & Supply (CIPS) Corporate Code of Ethics (the code) and we require our suppliers to meet the requirements under the Code within the terms of their contract.

Adoption of this 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'.

Our people

Policies

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

These policies cover:

- [whistleblowing](#)
- [grievances](#)
- [disciplinary matters](#)
- [recruitment](#)
- [dignity at work](#)
- [domestic abuse](#)
- [safeguarding](#)

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. We have mandatory inclusion training for all employees.

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. It sets out the behaviour expected of them, providing guidance on making the right choices when faced with decisions that might not be central to their role. Doing the Right Thing also includes 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 directly employed staff and issues a written contract of employment. The vast majority of our 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 they may be entitled to.

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.

For permanent recruitment agencies, we ensure they comply with all legal requirements before we engage

with them. The majority of Alliance partners are captured on Workday, (Anglian Water's HR administrative system), which provides us with greater visibility of our indirect workforce too.



Paying a fair wage

All permanent employees are paid at levels, which are at minimum, in line with those recommended by the Living Wage Foundation. Our apprentices are an exception, with other arrangements in place to ensure they are paid in line with government apprentice rates, as a minimum. The apprentice rates of pay increase every year as their skills and experience develop.

Diversity and inclusion initiative of the year – Strength in Diversity

In 2021, to meet our ambitious goals, we launched the Strength in Diversity programme (SID), which seeks to diversify our business, by targeting specific towns in our region and working with schools, community groups and jobseekers to support them into work.

Through SID, we are engaging with and recruiting more people from Ethically Diverse Communities, alongside improving social mobility across our region.

This year we have expanded the programme to include working with prisons and ex-offenders to improve employability skills. In 2023/24, we have visited prisons in Peterborough, Norwich, Lincoln, Boston and Northampton, attending job fairs, holding employability sessions and building relationships with new sites to plan for future employability sessions. Furthermore, we have built on our partnership with the Department for Work and Pensions, continuing to offer CV and careers advice sessions at Job Centres in our region.

During 2024/25 we are developing a Society Strategy, to support our efforts to make a positive impact in the communities we serve.



Modern slavery working groups and collaboration

Anglian Water is a member of the Utilities Against Slavery (UAS) industry group. The UAS includes representatives from several different utility companies and its aims include sharing best practice, lessons learnt and standardisation of documentation and a unified approach to tackling modern slavery with our common suppliers.

This year, we have been working collaboratively with the UAS network:

- developing a common approach to engage with organisations with higher-risk of modern slavery within their value chains;
- collaborating on Strategy Day 2024, and desktop exercise 'Responding to modern slavery';
- creating and sharing Supply Chain best-practice guidance and
- develop shared training resources and toolkits ahead of modern slavery Week 2024.

Next steps during 2024/25 we will be:

- continuing the evolution of our modern slavery key performance indicators (KPIs) and
- using Anti-Slavery week (14 - 18 October 2024) to share resources, deliver training and raise awareness throughout the business and supply chain.

Non-compliance

Any occurrence of non-compliance with the modern slavery Act 2015, either within our business or our supply chain, will be assessed on a case by-case basis and appropriate action will be taken, including, where appropriate, terminating the contract of the relevant supplier.

This statement

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 2024. This statement was approved by the Board of Anglian Water on 2 October 2024.



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