

Modern Slavery and Human Trafficking Statement 2022



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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.

As of 31 March 2022, we employed over 5,000 people, provided around 1.2 billion litres of drinking water to 4.9 million people every day and received around 1 billion 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 July 2019, Anglian Water became the first major utility company 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 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. Our directors are also required to consider the benefits of the company maintaining a reputation for high standards of business conduct.



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. This is the second time we have received the accolade.

In 2022 we were named Utility of the Year at the Utility Week awards; we also hold the RoSPA (Royal Society for the Prevention of Accidents) gold award for our track record on health and safety, our 18th year of recognition.



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



Our procurement processes

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

This year, we updated our procurement processes to ensure that all current and new framework and non-framework procurement (NFP) suppliers complete Modern Slavery risk assessments, regardless of the risk associated with the framework in general, and these are typically completed at supplier selection stage of the procurement process.

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 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.

High-risk suppliers: Where an industry has been identified as high-risk, we conduct further levels of

due diligence checks to 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). We take a ‘deeper-dive’ to understand the supplier’s individual approach to identifying and mitigating the risk within their organisation and supply chain.

High-risk suppliers, for example those in the transport industry, which typically employs high numbers of non-UK nationals, or suppliers of solar panel components, where we are aware of the potential risk of modern slavery, are generally categorised as high-risk due to who they are likely to employ and/or what they produce and where. It is important that we recognise this risk and to engage and collaborate with our global suppliers to mitigate it. We expect suppliers to align with us and work with us to map our total supply chain. We also work with and support the efforts of these high-risk suppliers to combat Modern Slavery.



Risk assessment

Modern Slavery risk is reviewed and assessed at a strategic level, feeding into our Principal Risks. Top tier risk is reviewed quarterly, where we take into account both the reputational and financial implications should an incidence of modern slavery occur. This process investigates the risk in detail, identifying causes, consequences, and mitigating controls. We consider that controls are satisfactory, and we maintain Key Risk Indicators to monitor and ensure our Modern Slavery programme remains on track. The risk is updated quarterly, then reviewed and signed off by senior management. This regular ongoing assurance minimises the likelihood of the occurrence of modern slavery. The current risk assessment is considered as low.

We have embedded a modern slavery risk assessment into our supplier selection process.

All our 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.

Our agreements require suppliers to comply with applicable laws and give us the right to conduct audits where necessary to ensure they are acting ethically and responsibly.

Our Commercial Assurance teams complete desktop audits to assess our supply chain for compliance with the Modern Slavery Act, and where necessary, liaise with suppliers to clarify responses, and mutually develop action plans to address potential risks where appropriate.

In Spring 2022, we sent out an updated risk questionnaire to our framework and non-framework suppliers, using our supplier source-to-contract system, Scanmarket. From the responses received, 96% of our suppliers were assessed as low-risk. The remaining 4% were medium-risk, which was mainly due to the country of origin and/or the products/services supplied being based in a country classified as high-risk. We monitor these higher risk suppliers on a regular basis through Scanmarket and consider mitigations as appropriate.



Training and awareness

During Anti-Slavery week (12-18th October 2021), Anglian Water held a Modern Slavery awareness webinar in collaboration with Slave-Free Alliance. Invitations to this session were extended to all employees and our Alliance Partners, and highlighted the prevalence and magnitude of the issue. It also reminded attendees of the Anglian Water whistleblowing process and how to report suspicious activity or behaviour potentially indicative of Modern Slavery or forced labour.

The Integrated Supply Chain (ISC) procurement team and members of our Alliance partners procurement teams complete annual training on Modern Slavery. This year, tailored training was delivered in line with changes to the Modern Slavery supplier risk assessments and commercial assurance audits.

For Anti-Slavery Day on 18 October 2022, we are working with our internal communications team to deliver business-wide communications and provide learning resources to raise awareness of human trafficking and modern slavery.

With the Utilities Against Slavery (UAS) network, we are also co-developing an Anti-Slavery Toolkit which will serve as best-practice guidance for utility anti-slavery programmes, which utility companies can use internally and with their suppliers.

Anglian Water also uses the Achilles UVDB platform which is a utilities industry pre-qualification system which captures and validates supplier data for existing and potential suppliers. Within this, suppliers can complete a Modern Slavery questionnaire demonstrating their compliance with the Modern Slavery Act 2015.

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’. In addition, another of the contractual sustainability terms requires suppliers to ‘employ people in a fair and equitable way’.

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**
- **recruitment**
- **dignity at work**
- **domestic abuse and**
- **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 also recently launched 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 was recently updated 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 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 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. 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 least in line with those recommended by the Living Wage Foundation, with the exception of apprentices, where other arrangements are 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.

Whistleblowing

Anglian Water 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 2022.

Modern Slavery Working Groups and collaboration

Anglian Water's Modern Slavery Working Group comprises members from across the business and meets regularly to develop and progress Anglian Water Modern Slavery Strategy, and proactively engage the wider business with its anti-slavery agenda.

This year following an internal audit which highlighted new opportunities to further our approach, our modern slavery approach was reviewed. The audit was completed in January 2022, and the report and its recommendations were used by the Modern Slavery Working Group to update the strategy and execute improvements in Anglian Water's approach to combatting Modern Slavery.

In the last year we have introduced the following to strengthen our approach; updating our procurement processes and procedures and how we work with our supply chain; enhancing and updating our anti-slavery and whistleblowing policies and procedures, embedding Modern Slavery within the business risk framework, working with our Alliance partners to develop tailored training and communications to our extensive value chain. We are continuing to progress the action plan throughout 2022/23 and beyond.

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 and lessons learnt, standardisation of documentation and approach to common suppliers, and collaborative supply chain risk mapping. Anglian Water has a representative from its Procurement Department helping with the development of a utilities sector 'Anti-Slavery Toolkit' which will serve as best-practice guidance for utility anti-slavery programmes.



Our Supply Chain team are also partners of the Supply Chain Sustainability School, working with the School to build a world-class collaboration to enable a sustainable built environment.

Next steps

During 2022/23 we will be:

- Using Anti-Slavery week (17th - 23rd October 2022) to share resources, deliver training and raise awareness throughout the business and supply chain.
- Developing modern slavery related KPIs.

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 will be taken.

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 2022. This statement was approved by the Board of Anglian Water on 28 September 2022.



Peter Simpson
CEO, Anglian Water



Anglian Water Services Limited

Lancaster House
Lancaster Way
Ermine Business Park
Huntingdon
Cambridgeshire
PE29 6XU

www.anglianwater.co.uk