Modern Slavery and Human Trafficking Statement 2023
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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 2023, we employed over 5,000 people, provided around 1.2 billion litres of drinking water to five million people every day and received about one billion litres of used water daily from 6.5 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 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 take a zero-tolerance approach to any form of slavery or human trafficking whether within our business or our supply chain.

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 2023, we were named Water Company of the Year at the Water Industry Awards. This recognises the water company who delivered most progress in several key areas, including customer service and improving the environment. We were also recognised for our Strength in Diversity initiative; a targeted recruitment and candidate support initiative helping us to engage and recruit people from ethnically diverse communities.
Our procurement processes

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. However, suppliers are still required to complete Anglian Waters 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 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: 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 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 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). 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 and risk
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.

This year we have updated the supplier Modern Slavery risk assessment in line with updates to the Global Slavery Index which details countries, sectors and imports associated with highest risk. We are also updating our sourcing strategies to include a high-level risk matrix, which will allow us to determine the likelihood and impact of the presence of Modern Slavery within individual spend categories. This change will be implemented within our sourcing strategies by December 2023 and will help to formulate the approach and nature of questions asked as part of our supplier risk assessments.

Our framework agreements require suppliers to comply with applicable laws and our Commercial Assurance team conduct regular desktop audits to assess ongoing 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 would be implemented to address any potential issues. In the last 12 months, our Commercial Assurance team executed a rigorous programme of supply chain desktop audits and have completed and closed out 66. The outcomes of these audits are presented in our monthly financial controls report. This audit programme included our annual partner assessments where we reviewed our 14 Alliance delivery partners on their procedures and policies. Over the next year, we will strive to continually improve our engagement with our supply chain and review our Modern Slavery assessment. The review will ensure we continue to drive best practice across our suppliers to safeguard vulnerable people.

Training and awareness

Key performance indicators
1. Number of suspected incidents of Modern Slavery reported: 0
2. Number of Modern Slavery Supplier Desktop Audits completed: 66

Over the coming months, we plan to evolve our KPIs to capture completion statistics in relation to Modern Slavery training for our Procurement colleagues and other relevant roles within the business.

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 the year, Anglian Water Non-Executive Directors were given access to the Company’s online training portal to enable them to complete the training on Modern Slavery. This year, training will be delivered during Anti-Slavery week (16-22 October 2023) using materials and resources co-developed with Utilities Against Slavery (UAS). The training will also have tailored elements, 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.
Supplier Code of Conduct

The Anglian Water Supplier Code of Conduct has been developed this year and 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 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’.

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 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 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.
Diversity and inclusion initiative of the year - Strength in Diversity

In 2021, to meet our ambitious goals, we launched Strength in Diversity (SID). SID is a targeted recruitment and candidate support initiative, which is helping us to engage and recruit people from Ethically Diverse Communities, alongside improving social mobility.

Our SID programme has yielded great results so far. In 2022, new hires in Peterborough from Ethically Diverse Communities stood at 16% - up 6% from our 2021 hires.

Modern Slavery Working Groups and collaboration

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

This year, the group continued to progress actions arising from the Company’s 2022 Modern Slavery audit, in order to further improve Anglian Water’s approach to combatting Modern Slavery.

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 and standardisation of documentation and approach to tackling Modern Slavery with our common suppliers.

This year, we are working collaboratively with the UAS network to:

- create and share Supply Chain best-practice guidance;
- develop shared training resources and toolkits ahead of Modern Slavery Week 2023;
- conduct collaborative heatmapping of mutual supply chains to understand where the greatest risks are; and
- develop a common approach to engage with organisations with higher-risk of Modern Slavery within their value chains.

Next steps

During 2023/24 we will be:

- continuing the evolution of our modern slavery KPIs;
- using Anti-Slavery week (16 - 22 October 2023) to share resources, deliver training and raise awareness throughout the business and supply chain; and
- publishing a Supplier Code of Conduct and sharing with new and existing Suppliers.

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 2023. This statement was approved by the Board of Anglian Water on 25 September 2023.

Peter Simpson
CEO, Anglian Water