

# Supply chain code of conduct

September 2023



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# Preface

**This supply chain code of conduct outlines the minimum standards and expectations that all suppliers throughout our supply chain must adhere to. This code of conduct is intended to provide a shared understanding of sustainability and best practice and aims to help create a positive change throughout our supply chain.**

Suppliers are required to uphold the standards and expectations outlined in this guide. We reserve the right to ask for evidence on how suppliers are meeting these standards and expectations either at the tendering process or throughout the contract's duration.

We have used the terms 'we expect' 'we require' and 'must' to express the absolute minimum standards that all suppliers need to follow. The term 'we encourage' is used to signify practices that go beyond these minimum standards. These are aspirational standards which we would like all suppliers to aim for.



# Purpose

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

In 2019 we became the first major utility company to legally enshrine our purpose into our Articles of Association. This commits us to conduct our business and operations for the benefit of members as a whole, while delivering long-term value for the environment and society.

Our purpose is at the heart of everything we do and commits us to achieve positive outcomes for the environment as well as society. Our purpose is underpinned by our values of together we build trust, do the right thing and are always exploring.

To monitor our progress against our purpose we participate in the Business in the Community (BITC) Responsible Business Tracker. The tracker is structured around the BITC's Responsible Business Map and is aligned to the United Nations Sustainable Development Goals. Through this, we are able to benchmark our performance against other utilities companies within our cohort. In addition to participating in the BITC Responsible Business Tracker, we have been working with the British Standards Institute to create a new Publicly Available Specification (PAS) for embedding purpose within organisations. Through collaborating with a range of organisations including the BSI, we have developed [PAS 808](#) which centres on purpose driven organisations. We have assessed ourselves against this to ensure that our purpose is integrated throughout our business.

To further embed our commitment to our purpose and sustainability we participate in and benchmark ourselves against the Global Real Estate Sustainability Benchmark (GRESB), the Carbon Disclosure Project (CDP) and PAS 2080 standard for managing carbon in building and infrastructure. Participating in these disclosures helps us remain committed to our purpose and ensures we are always striving for best practice.



# Sustainable procurement

As part of our commitment to our purpose, we need to ensure that sustainability is embedded throughout our procurement strategy.

Sustainable procurement enables us to deliver social and environmental prosperity through reducing environmental impacts and encouraging innovation and engaging stakeholders. In addition, taking steps towards sustainable procurement practices will help future proof our supply chain against changes in social, economic and environmental factors.

Sustainable Procurement is an approach to purchasing products and services that takes into account social, economic and environmental factors alongside the price and quality considerations when buying goods, services and works.

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## Sustainable development goals

At Anglian Water it is important for us to demonstrate that our activities not only contribute to positive outcomes in our region, but also play a small part in delivering the international objectives in the United Nations (UN) Sustainable Development Goals (SDG's). The SDG's influences our thinking and the work we do contributes towards their delivery.

We work in the spirit of all 17 goals, but we have mapped our work to the 10 SDG's where we have the most significant material impact, which are:



# Environmental

## **Protecting and enhancing the environment is a central part of our purpose at Anglian Water.**

As part of our purpose, we are committed to bringing environmental prosperity to the region we serve. To cement our commitment to environmental prosperity we have committed to a set of long-term ambitions outlined in our [strategic direction statement](#).

These ambitions include:

- **making the east of England resilient to the risks of drought and flooding,**
- **ensuring sustainable economic and housing growth in the UK's fastest growing region,**
- **becoming a net zero carbon business by 2030 and reducing the carbon in building and maintaining our assets by 70%,**
- **working with others to achieve significant improvements in ecological quality across our catchments.**

In addition to this, we are committed to 'Get River Positive' which ensures we are proactively taking steps to improve river health across our region.

In 2023, we will be publishing our [environmental charter](#), which outlines our zero-tolerance approach to environmental harm. We will encourage all suppliers within our supply chain to commit to the principles outlined in the charter alongside our wider environmental policies and practices.

As a minimum, we require all suppliers to adhere to and uphold all relevant regional and national environmental laws and regulations. We also require all suppliers to ensure its operations do not lead to environmental harm which will impact upon our environmental compliance.

We expect our construction suppliers to follow the mitigation hierarchy to avoid ecological harm, minimise unavoidable harm and take steps to restore and offset biodiversity impacts.

As part of our environmental commitments, we have adopted a zero-pollutions mindset across our organisation and expect all suppliers to support us in this approach.

## Climate change and carbon

For many years, we have been at the forefront of carbon reduction in the water industry.

At Anglian Water, we never stop looking for ways to reduce our carbon emissions. Our goal is to achieve net-zero operational emissions by 2030. Our net-zero goals cover our operational activities (scope 1, 2 and outsourced scope 3 emissions) alongside capital carbon which we aim to reduce by 70% in 2030 from a 2010 baseline. Achieving this goal will require extensive collaboration with our suppliers, peers, regulators and the government.

We encourage all our suppliers to understand how their business operations affect climate change and the risks they face from a changing climate.

We encourage all our suppliers to measure and understand their carbon emissions, and to have in place a carbon emissions reduction strategy to minimise their carbon footprint where possible, aligned with our ambitious [Anglian Water Net-Zero 2030 Strategy](#). In addition, we encourage all our suppliers to continually work with us to reduce both their operational emissions, and emissions associated with the contracts delivered on behalf of Anglian Water.

In order to help us understand our scope 3 emissions, we expect suppliers to provide us with their carbon emissions data as required.



## **Circular economy and waste**

As a water company, circularity is at the heart of our business.

We encourage all our suppliers to adopt a circular economy approach and take into consideration the life cycle of a product from sourcing to end of life.

We encourage suppliers to work with us to reduce waste. All suppliers throughout our supply chain are encouraged to reduce packaging and improve waste management systems and use innovative ways of re-using or recycling materials.

Suppliers must ensure that all waste is managed appropriately using the waste management hierarchy.

## **Water**

Our increasingly volatile climate is placing pressure on homes and businesses, while our flat and low-lying Anglian Water region, with 28% of land below sea level, and lower than average rainfall (2.14mm per day, versus the national average of 2.85mm), means we are prone to flooding and drought.

As a water company, water is at the heart of everything we do. We expect all our suppliers to use water responsibly and conservatively in their operations.

## **Natural environment and biodiversity**

Our purpose commits us to achieving positive outcomes for the environment as well as society.

As a result, our aim is to protect and enhance the environment and biodiversity across the East of England. To cement our commitment to environmental prosperity, we have committed to four long-term ambitions which includes working with others to achieve significant improvements in ecological quality across our catchments. As part of this goal, we expect all of our suppliers to value the environment and biodiversity and be willing to work with us to enhance natural habitats so wildlife can thrive.

We encourage our suppliers to take steps to understand the impacts of their operations on the natural environment.

In cases where supplier's operations have negatively impacted the natural environment, suppliers are encouraged to develop solutions to mitigate and manage these impacts.

When working with us on selected projects, suppliers will be expected to support us in achieving a biodiversity net gain target of 10%.

In addition, we encourage suppliers to share their ideas for nature-based solutions with us.

Suppliers must be able to report the impacts of their operations on the environment if requested.

# Social

## Human rights

We require all our suppliers within our supply chain to adhere to our human rights policy which draws upon the International Bill of Human Rights and the International Labour Organisation Fundamental Principles and Rights at Work.

This policy states that all suppliers within our supply chain must avoid causing or contributing to adverse human rights impacts that are directly related to their operations, products or services through business operations.

In addition, suppliers must prevent and mitigate adverse human rights impacts that are directly related to their operations, products or services through business operations. Furthermore, all suppliers within our supply chain are required to support the promotion of human rights within their operations and sphere of influence.

Suppliers must report any incidents of human rights abuses within their operations or supply chain.

These expectations are outlined in our [Human Rights Policy](#).

## Modern Slavery

Modern Slavery is the illegal exploitation of others for commercial gain. Anglian Water has a zero-tolerance approach to any form of slavery and human trafficking. The use of forced, bonded, slave labour or human trafficked labour is prohibited. All suppliers and members of their supply chain are required to confirm their compliance with the Modern Slavery Act 2015.

Anglian Water expects suppliers to actively minimise the risks of Modern Slavery and Human Trafficking within their supply chain.

Suppliers must report any incidents of Modern Slavery or Human Trafficking within their company or supply chain. We strongly recommend suppliers report incidents or suspicious activity to the SeeHearSpeakUp, the official Whistleblowing Service. See page 14 for more detail.

These expectations are outlined in our [Doing the Right Thing Policy](#).

Our Modern Slavery and Human Trafficking Statement can be found [here](#).

## Child labour

Anglian Water adopts the International Labour Organisation's definition of child labour, which defines child labour as 'work that deprives children of their childhood, their potential and their dignity, and is harmful to their physical and mental development'.

We require all suppliers to abide by all relevant laws and regulations regarding children in the workplace.

Suppliers are not permitted to employ individuals under the age of 15 years old under any circumstances. In addition, hazardous work or night shifts must not be conducted by anyone under the age of 18.

Suppliers must report any incidents of child labour within their company or supply chain to their AW contact or via the SeeHearSpeakUp Whistleblowing Service (see page 14).

These expectations are outlined in our [Human Rights Policy](#).

## Equality and discrimination

All UK suppliers must comply with the Equality Act 2010. Everyone within our supply chain must be treated with dignity and respect and suppliers must aim to create an inclusive environment for all employees. Individuals within our supply chain must not be discriminated against based on their age, race, gender identity, religion or belief, disability, sex or sexual orientation.

We encourage our suppliers to promote diversity and inclusion practices and policies. In addition, we encourage our suppliers to work with us to help create a culture of diversity and inclusion within value chain.

## Harassment and abuse

The workplace must be free from harassment, abuse and violence. It is unacceptable for members of our supply chain to use physical abuse or physical discipline, verbal abuse, coercion, sexual harassment and sexual abuse at any time. The use of bullying and harassment within our supply chain is unacceptable and will not be tolerated.

We encourage all individuals within our supply chain to report any incidences of unacceptable behaviour, regardless of whether they have been personally affected. If an employee feels they are unable to do this directly, they can use the Anglian Water Whistleblowing procedure.

These expectations are highlighted within our [Doing the Right Thing Policy](#).

## Health, safety and wellbeing

Health and safety is embedded in our culture at Anglian Water, with the health, safety and wellbeing of our people being of paramount importance.

Anglian Water recognises that good health and safety performance, and the health and safety of everyone who works for us or is affected by our activities, is critical to the ongoing success of our business. Everyone working on one of our sites or assets is required to comply with and actively promote Anglian Water's health and safety charter.

This charter includes the following principles:

- **Nothing is so important that we cannot take the time to do it safely.**
- **We will never knowingly walk past an unsafe or unhealthy act or condition.**
- **We believe that work should have a positive effect on physical and mental health and wellbeing, and that all accidents or harm are preventable.**

All work conducted by contractors and suppliers must be risk assessed and must not commence until suitable and sufficient safe systems of work are in place and appropriate authorisations and permits have been issued. In addition, all contractors must be able to demonstrate suitable supervision is in place for direct employees and sub-contractors.

Contractors and suppliers must ensure all persons, employees and sub-contractors, have the right skills, knowledge training and experience for the work they are carrying out and have access to and use appropriate PPE. All plant and equipment used must meet the appropriate standards, and be fit for purpose for the task and operators must be trained and competent and authorised/appointed to operate/use.

We expect everyone within our supply chain to have health and safety systems equal to or above Anglian Water standards and suitable processes in place to monitor compliance. Anglian Water will also undertake periodic assurance for health and safety. We have an open and honest culture with everyone taking responsibility for their own health, safety and wellbeing, and of those effected by their activities. We actively encourage reporting of health and safety concerns/issues for action.

These expectations are outlined in our [HSW Policy and Charter](#).

We offer wellbeing support and resources for our employees, and hold regular events to promote a "happier, healthier, safer" workforce. It is important that we give these equal focus as they are all interconnected and support us to be safe and well at work. We encourage our suppliers to adopt similar principles and create a workplace culture that values the physical and mental health and promote the wellbeing of their employees.

## **Drugs and alcohol**

It is not permitted to consume or be under the influence of non-prescription drugs or alcohol on Anglian Water premises.

These expectations are outlined in our [Doing the Right Thing Policy](#).

## **Remuneration**

All workers must be provided with appropriate compensation which at least meets the legal minimum wage. All suppliers must ensure wages are paid on time. A deduction in wages as a form of discipline or punishment is not permitted. All suppliers must be committed to the equal pay of men and women performing equivalent work.

## **Freedom of association**

Suppliers must respect the rights of their employees to form and join organisations of their own choosing. Suppliers must not discriminate against employees based on their association or union membership.

It is important that employees are consulted on issues related to the workplace and their employment.

These expectations are outlined in our [Human Rights Policy](#).

## **Community**

When conducting their operations, suppliers must be mindful of the local community in which they operate. Suppliers must be open and honest regarding their operations.

We encourage suppliers to understand how their operations impact upon local communities and seek mutually beneficial outcomes. We encourage all our suppliers to make a positive difference in the communities they operate in.

In cases where suppliers' activities have negatively affected local communities, suppliers must develop solutions to minimise disturbance, mitigate and manage impacts of their operations.

## **Social enterprises**

We welcome interest from social enterprises who can deliver our supply chain needs whilst also delivering positive outcomes for society.

# Governance

## Sanctions

The supplier must ensure that neither it, nor any of its Group Companies, directors, beneficial owners or employees are currently designated on any sanctions list or the target of any economic or financial sanctions, restrictions, designation or trade embargos imposed under any law or regulation of any country with jurisdiction over the agreement, any party or any of their group company and the subject or the target of territory wide sanctions.

Suppliers are required to notify Anglian Water within 20 days in the event that a change of control occurs in respect of the supplier.

## Anti-bribery and corruption

Anglian Water has a zero tolerance of bribery and corruption. We expect all suppliers to comply with the Bribery Act 2010.

Anglian Water will not permit or condone any form of bribery, regardless of whether it takes place directly or through third parties. The use of gifts or corporate hospitality as bribes is unacceptable and will not be tolerated.

Consideration will be given to the termination of any contract with a partner, agent or contractor involved in bribery or which fails to have in place adequate procedures designed to prevent its employees, agents and contractors from committing bribery on its behalf. Any incidents of bribery will be reported to the police.

These expectations are outlined in our [Anglian Water Anti-bribery Policy](#).



## Declaration of interest

It is important to declare any personal relationships or special interests. Our suppliers and prospective suppliers are required to report any declarations of interest to their Anglian Water supply chain contact.

## Cyber security and data protection

Members of our supply chain must have appropriate cyber security practices and controls. The handling of data must be compliant with General Data Protection Regulation (GDPR) and the Data Protection Act 2018.

All suppliers that engage with Anglian Water who are deemed to be of medium or high impact to the business must adhere to Anglian Water's Cyber Security Third Party Assurance Framework (available upon request). This framework includes cyber assessment which must be completed in full.

If there is a direct conflict between any requirements of this framework and the terms of a written agreement between the third party and Anglian Water, the terms of this framework will prevail to the extent of the conflict.

### Whistleblowing

We encourage all members of our supply chain to use our whistleblowing helpline **(0800 988 3868)** or by emailing **[report@seehearspeakup.co.uk](mailto:report@seehearspeakup.co.uk)** to report unethical behaviour that cannot be resolved locally or where the normal consultation process isn't suitable.

# Continuous improvement

Our values are: **together we build trust, do the right thing and are always exploring**. These values demonstrate our commitment to innovation and improvement. At Anglian Water, we work continuously in line with these values to ensure we act ethically at all times. We encourage our supply chain to continuously strive for improvement and innovate, so that together we can deliberately deliver differently, and bring social and environmental prosperity to the region we serve.

# Glossary of terms



Term	Definition
<b>Bullying</b>	Commonly accepted definition of bullying is ‘offensive, intimidating, malicious or insulting behaviour or an abuse or misuse of power through offensive means that undermine, humiliate, denigrate or injure the recipient’.
<b>Child labour</b>	The International Labour Organisation define child labour as: work that deprives children of their childhood, their potential and their dignity, and is harmful to their physical and mental development.
<b>Harrassment</b>	Harassment is defined as ‘unwanted conduct related to protected characteristic which has the purpose or effect violating dignity or creates an intimidating, hostile, degrading, humiliating or offensive environment’.
<b>Circular economy</b>	The Ellen MacAuthor Foundation define a circular economy as: A systematic solution framework that tackles global challenges like climate change, biodiversity loss, waste and pollution. It is based on three principles driven by design: eliminate waste and pollution, circulate products and materials (at their highest value) and regenerate nature.
<b>Modern Slavery</b>	Modern Slavery is an umbrella term, which encompasses several types of exploitation, including forced labour, human trafficking and forced marriage. ( <a href="http://walkfree.org">walkfree.org</a> )
<b>Nature-based solutions</b>	Nature-based solutions involve working with nature to address societal challenges, providing benefits for human well-being and biodiversity.
<b>Outcome delivery incentive (ODI)</b>	Measures that reward or penalise us depending on how we meet, exceed or fall short of expectations.
<b>Pollution incident</b>	The Environment Agency defines a pollution incident as ‘a specific event or occurrence, brought to our attention, within our areas of responsibility and which may have an environmental and/or operational impact’.
<b>Sanctioned country</b>	Any country or territory that is the target of comprehensive, country or territory wide sanctions.
<b>Sustainability</b>	Meeting the needs of the present without compromising the ability of future generations to meet their own needs.

# Further references

## Internal policies and documents

Below is a range of information regarding Anglian Water Services policies regarding sustainability, human rights and the environment.

[Anglian Water Annual Intergrated Report](#)

[Anglian Water Doing the Right Thing Policy](#)

[Anglian Water Modern Slavery and Human Trafficking Statement](#)

[Anglian Water Human Rights Policy](#)

[Anglian Water Anti-bribery Policy](#)

[Anglian Water Net-Zero 2030 Strategy](#)

## External resources

Below is a range of external resources which provide further information on sustainability, labour rights and the water industry.

### [Achilles](#)

Working to identify, quality, evaluate and monitor suppliers on behalf of major organisations worldwide.

### [Ellen MacArthur Foundation](#)

Organisation that provides resources to transition towards a circular economy.

### [Slave-Free Alliance](#)

A not-for-profit social enterprise launched by international anti-slavery charity Hope for Justice.

### [British Water](#)

Trade association for the water industry supply chain.

### [International Labour Organisation](#)

A United Nations Agency who mandate is to advocate social and economic justice by setting international labour standards.

### [Sustainable Development Goals](#)

Information and resources regarding the Sustainable Development Goals.

### [Business in the Community](#)

Business network dedicated to building a fairer and greener world together.

### [Walkfree](#)

International human rights group which focuses on the eradication of Modern Slavery, in all its forms, in our lifetime.

### [CIPS](#)

Promotes and develops high standards of professional skill, ability and integrity among companies involved in purchasing and supply chain management. It assists individuals, organisations and the profession as a whole.

### [ISO2400](#)

International Organisation for Standardisation Sustainable Procurement. Provides guidance to organisations, independent of their activity or size, on integrating sustainability within procurement.

### [Water UK](#)

Represents all UK Water and wastewater services at a national and European level, providing a positive framework for the water industry to engage with government, regulators, stakeholder organisations and the public.

### [PAS 808](#)

Purpose Driven Organisations: Information regarding PAS 808 which focuses on how organisations can become purpose-driven in practice.



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