

# Anti-Slavery and Human Trafficking Statement 2024

United Utilities Group PLC  
United Utilities Water Limited



# Executive summary

We are committed to tackling modern slavery, both in terms of our own business operations and within our supply chain. Our ambition is to raise awareness of the issue throughout our direct and indirect employee base, in order that we can be vigilant when in the communities we serve.

The most recent figures from the **Global Slavery Index** (produced by the International Labour Organization (ILO), Walk Free and the International Organization for Migration (IOM)) estimate that 50 million people were trapped in conditions of slavery on any given day in 2021, an increase of 10 million people since 2016. Of this statistic, 27.6 million people were in forced labour. We will continue to engage closely with our supply chain, and anti-slavery groups, in relation to the identification of increased modern slavery risk.

This statement is prepared in accordance with the Modern Slavery Act 2015 and its definition of modern slavery, including human trafficking.

## Last year we said we would:

Target the remaining proportion of our colleagues operating within communities to complete the modern slavery awareness e-learning course, aiming for 100% to have completed the training.

Review the auditors' methodology and question set for social due diligence audits on our managed sites in 2023/24.

Update our Human Rights and Modern Slavery policies in order to ensure they align with evolving best practice standards.

## This year we have:

Achieved 84% of our colleagues operating within communities completing the modern slavery awareness e-learning course.

We have engaged with SFA who have completed an analysis of our current audit process. This included recommendations to further strengthen our methodology and due diligence process.

Working with SFA we have updated our Human Rights policy and embedded the relevant content of the Modern Slavery Policy into this so that we have a concise and clear policy on human rights. This now covers all necessary provisions and makes it easier for colleagues to understand United Utilities' human rights approach and gives them confidence to use it.

## Insight and commitment:

Our colleagues who operate within these roles include those that visit customer houses to read meters or take samples and need to schedule time to complete training. We will continue to target the remaining proportion of our colleagues operating within communities to complete the modern slavery awareness e-learning course, aiming for 100% to have completed the training. This year we will also work with Slave Free Alliance (SFA) to conduct a training needs analysis to create a strategic long-term training programme.

Following these recommendations, we will arrange for SFA to conduct site assessment shadowing on several audits during 2024/25.

Build upon this work in our Human Rights policy and ensure best practice is utilised in all future updates.

## Executive summary

We have an extensive set of policies and procedures which are monitored and updated. These aim to ensure that our employment and commercial practices prevent forced, compulsory or child labour, as well as any form of human trafficking. We are committed to building on our actions and improving our processes, training and policies to both prevent the possibility of exploitation within our supply chain and build our capability to respond to the risks.

We have continued with targeted modern slavery awareness training for colleagues in key roles. Our focus has been on customer and community-facing roles, with 84% completing our modern slavery awareness e-learning course. Over the next 12 months, we will focus on achieving a completion rate of 100%, and we will also work with SFA to conduct a training needs analysis to create a strategic long-term training programme.

We have continued to address areas where we have identified a higher risk of modern slavery potentially occurring within our supply chain and have kept abreast of industry developments to highlight emerging risk areas. This year, we have completed more modern slavery due diligence checks on our construction sites than ever before with 36 sites receiving audits. We will work with SFA to complete site assessment shadowing in 2024/25.

We have retained our Corporate Ethics Mark from the Chartered Institute of Procurement and Supply (CIPS) for the fifth year, as a result of targeted training for our commercial colleagues. We aim to retain the CIPS Corporate Ethics Mark again in 2024 to ensure our commercial colleagues are equipped to meet the challenges of modern slavery and human trafficking.

While we reflect on some positive progress this year, we are committed to addressing the global issue of modern slavery, and ensuring that internally, within our own operations, in the communities we serve and within our supply chains we do the utmost to protect those that need it most.

## Overview of our business

United Utilities provides water and wastewater services to around seven million people and 200,000 businesses in the North West of England. The group's principal subsidiary, United Utilities Water Limited (UUW) operates solely in the UK.

We directly employ over 6,000 people to deliver these services – from engineers to customer service specialists; scientists to financial experts. United Utilities has an Employee Relations Framework in place and colleagues can join one of four Trade Union bodies that we recognise and with whom we have regular and constructive engagement through a number of Forums. We also rely on over 430 agency workers, engaged through a recruitment agency, as part of our people strategy.

Our financial year, and the period covered in the statement, is from 1 April 2023 to 31 March 2024, during which our revenue was £1.950 billion.

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## Oversight of human rights and modern slavery governance

Our Chief Executive Officer has overall responsibility for compliance with human rights and modern slavery laws and best practice, with oversight from the board ESG committee.

Our Human Rights and Modern Slavery Act Compliance Group meets monthly to assess our approach and address any issues. Comprising representatives from Legal, Human Resources, Commercial, Corporate Affairs, Audit, Assurance and Customer to ensure we are tackling issues holistically, our approach is aligned to our purpose, values and corporate policies. This year the group has continued to review and assess any potential risk areas impacting colleagues, customers, suppliers and communities.

Over the coming year, the group will be working on understanding the training needs for other roles across the business, working with SFA on our audit practices and implementing any further recommendations from the Slave- Free Alliance (SFA) Gap Analysis.

# Our supply chain

As well as our colleagues, we rely on suppliers to deliver our services. Every year we spend over £1.3 billion with approximately 2,000 suppliers, from major international corporations to sole traders. While the majority of our suppliers are from the UK, we also source goods and materials from at least 37 countries around the world. In the UK alone, our research indicates that there are over 15,500 indirect jobs associated with our supply chain.

We procure works, goods and services ranging from infrastructure capital investments, through to operational spend on chemicals and energy, to the use of professional IT services.

Our approach to engaging with our supply chain is to conduct all dealings with integrity and fairness, and to ensure compliance with all legal and ethical requirements in conducting our business.

## Creating value for suppliers

We measure progress on delivering value for all our stakeholders and make the information available in our integrated annual report and accounts. Our key performance indicator for suppliers is 'invoices paid within 60 days', with a target of at least 95% for the period up to 2025. Other performance indicators include:

- Percentage of partner and strategic suppliers that have a sustainability risk assessment in place (2025 target 75%)
- Supplier Relationship Management score (2025 target 90%)
- Percentage of targeted suppliers signed up to United Supply Chain (2025 target 100%)



# Our policies to address human rights and modern slavery

We are committed to protecting the human rights of our colleagues, and those working on our behalf in our supply chain. Our **human rights policy** recognises our support for all the rights and freedoms set out in the articles of the Universal Declaration of Human Rights, and the four commitments set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. This year we have updated our human rights policy by consolidating a number of policies. By having one overarching human rights policy this ensures we are clear and concise and meeting best practice.

We have a comprehensive suite of internal employment policies that support the prevention of modern slavery among all people in our employment, including:

- Agency worker
- Equality and diversity
- Esteem in the workplace
- Family friendly and special leave
- Grievance
- Health, safety and wellbeing
- Maternity, paternity, shared parental and adoption leave
- Mental wellbeing
- Safeguarding and prevent
- Social media, internet, email and IT
- Whistleblowing
- Working time

We have an established governance process through our Health, Safety and Human Resources Policy Forum to consult on and implement employment policies. This includes consultation with our joint trade union forum (JTUF), which meets monthly. These policies are published on our intranet which is accessible to colleagues and agency workers.

This year, we've continued to review our policies and the following have been updated:

- Safeguarding and prevent policy
- Whistleblowing policy

We will continue to review and update internal employment policies to ensure they meet all legislative and business requirements.

During 2023, an agency worker tender was completed, and a new provider has been appointed. During the process there were tailored questions around modern slavery at both Pre-Qualification Question and Invitation to Negotiate stage. The questions sought the bidder's understanding, awareness and evidence of taking steps to tackle human rights issues in their activity. We're currently exploring opportunities to work closely with both the new provider and SFA to ensure that their onboarding process is robust and in line with best practices.

## Trade union relations

We develop effective partnerships with four main trade unions; Unison, GMB, Unite and Prospect. This enables effective consultation with our people on issues that affect them. There are three full-time representatives and a number of local workplace representatives, who are available within the company to provide colleagues with help and advice.

The unions also negotiate with the company collectively on behalf of colleagues on key issues such as pay, terms and conditions and working practices. This is done through a number of monthly local forums covering the main areas of the business. Joint statements are published internally following each meeting.

# Risk assessment

Modern slavery is one of the salient risks identified in our human rights risk assessment. Our policies and procedures seeking to mitigate the risk of modern slavery fall under our broader approach towards protecting human rights and upholding labour standards. We have identified three key areas of our business where there is the greatest risk of modern slavery and a likelihood that it can occur:

## Direct employment

Through our recruitment and management of colleagues and engagement of agency workers.

## By association

As a result of our operations, or as a secondary consequence of our actions.

## Indirect employment

Within our supply chain or through the use of products, or materials, which have been produced by people under conditions of forced labour.



## Direct employment

United Utilities is an accredited Real Living Wage (RLW) employer since 2021 and is aware of our commitment to ensuring all eligible colleagues, working regularly directly or indirectly, will continue to be paid at least the RLW rate and ensuring our colleagues earn a wage that goes above and beyond the government minimum, supported by regular reviews by the Living Wage Foundation. We are committed to implementing the RLW for all our in-scope contracted services within our supply chain, contingent workers and contractors. Our objective is that everyone working on a United Utilities site is paid in accordance with the RLW. Further details on the RLW and current rates can be found [here](#).

All new colleagues who join us directly, or who work on our behalf as agency workers, are subject to pre-employment checks to confirm their identity, right to work in the UK, and to verify employment history and qualifications. They are also subject to basic criminal record checks. In addition, for certain roles such as directorships and those with financial responsibilities, we carry out additional checks.

## By association

As a UK utility company operating with a principal footprint in the North West, our use of stringent employment checks means in our assessment, we have materially mitigated the risk that modern slavery or human trafficking has occurred within the local area as a result of our operations, or as a secondary consequence of our actions.

## Indirect employment

This is the area where we have the least control and where we have concentrated our efforts in ensuring our suppliers recognise their obligations under the legislation and are raising awareness and mitigating modern slavery risk throughout the supply chain.

# Managing our supply chain

We rely on suppliers to deliver our services and to help identify ways to make them better. All United Utilities Group procurement activity is carried out by our commercial department. Our approach is based on category management which takes a long-term view of our demand, specifications and the external supplier market to deliver the appropriate contract strategy. We build relationships with our key partners and suppliers based on common values to achieve our goals which are monitored through our Supplier Relationship Management (SRM) process.

United Supply Chain (USC) is our approach to work with our suppliers in a collaborative, proactive manner focusing on being better together. As part of this approach, we intend to provide suppliers with resources and forums to share best practice to develop their own capability, continuing our collaboration with the Supply Chain Sustainability School. We have retained our gold level membership to the Supply Chain Sustainability School, building a culture of best practice and will continue to leverage this relationship going forward.

Activities to address modern slavery and human trafficking are incorporated into our [USC approach](#).

Our policy and governance structures ensure USC is incorporated into contract pre-assessment, award process and ongoing relationship management. At a procurement category level, we undertake heat mapping exercises against all areas of the responsible sourcing principles as part of the sustainability risk assessment including modern slavery and human rights across our supply chain.

This enables an assessment of the issues through several tiers of the supply chain allowing us to identify the key areas of impact and the control we may have. Currently over 78% of our partner and strategic suppliers have a sustainability risk assessment in place.

Where there are issues of concern the process dictates that risk analysis is incorporated in the contract assessment and award process. Once we have a contract with a supplier the issues of concern form the basis of action and improvement through ongoing supplier relationship management. For contracts where a high risk is identified we undertake enhanced due diligence checks to provide assurance and mitigate risk. We aim to undertake enhanced due diligence on 5% of high-risk categories by 2025.

Our benchmark remains to ensure that all suppliers are able to demonstrate their employment and labour standards compliance, detailing their factories, people and ethical charters in each country where they operate. We also seek and encourage the promotion of the United Nations Global Compact Principles covering human rights, labour standards, environment and anti-corruption.

## Responsible sourcing principles

Our responsible sourcing principles are structured around environmental, social and governance issues that are important to us as a business and in our approach to responsible sourcing.

Considerations on modern slavery are incorporated into the wider issues of Human rights and fair treatment, specifically; 'Treat people with dignity and respect, whilst working to eradicate modern slavery in all its forms'. Since our last statement we have updated the principles to reflect our ongoing efforts and ensure that our supply chain is aligned to our policies and values.

The principles are available to all on our [website](#), and we have committed that 100% of targeted suppliers will be signed up to the principles by 2025.

# Supply chain modern slavery risk assessment

Through our internal risk mapping process across our entire supply chain, we have identified six sensitive areas of our supply chain where we believe the greatest potential risk of modern slavery non-compliance lies.

The following table shows our six sensitive areas and the action we have taken in the last year.

Sensitive area	Annual spend (£) / percentage of overall spend	Number of suppliers	Activity undertaken in financial year 2022/23
<p><b>Construction and maintenance</b> Approximately 75% of our construction work is undertaken by two delivery partners with whom we work on a partner basis. Around 20% is delivered via eight further framework partners and the remaining 5% through tendered contracts. Many of these construction partners employ sub-contractors and as the supply chain reaches further from our business there is less visibility and control over employment practices.</p>	<p>£503 million / 36.5%</p>	<p>10+ suppliers (predominantly via two delivery partners) working on sites across the North West.</p>	<p>This year we have completed 36 audits of active construction sites across the North West to assess the awareness and communication on modern slavery. The audits include checking for site awareness and communication of modern slavery during induction and operation of the site. Auditors look for signs of modern slavery throughout the audit.</p> <p>Modern slavery considerations have also been incorporated within existing health and safety audits on our network partners. In the coming year we will arrange for SFA to conduct site assessment shadowing on a number of audits.</p>
<p><b>Chemicals</b> Our chemical category is ever emerging as a risk area, not only on the issue of modern slavery. Due to the nature of this category there are common sector supply chains across the water industry.</p>	<p>£63 million / 5%</p>	<p>51 suppliers sourcing products and raw materials from 13 countries.</p>	<p>We have conducted further enhanced due diligence on our chemical framework suppliers, which included site visits to review working practices and conditions at suppliers' premises and to ensure expected standards are being met. One of these site visits was undertaken with four other Water companies – this demonstrates our collaborative approach to working with our suppliers and the importance of due diligence across the sector. We will continue to complete site visits including enhanced due diligence over the next 12 months.</p> <p>Through existing collaborative water industry forums in the chemicals area we have continued to investigate opportunities to work holistically to tackle supply chain issues including modern slavery. When we hosted the November Water Industry forum, modern slavery was raised as a particular point of discussion in terms of availability of chemicals in certain countries.</p>



# Supply chain modern slavery risk assessment

Sensitive area	Annual spend (£) / percentage of overall spend	Number of suppliers	Activity undertaken in financial year 2022/23
<p><b>Workwear and personal protective equipment (PPE)</b> To provide great water for a stronger, greener and healthier North West we need the right tools and equipment to do our jobs, but we also need to keep ourselves and our people safe. This is where our uniform, workwear and personal protective equipment (PPE) comes in.</p>	£1.1 million / less than 1%	One supplier in the North West.	<p>We have two framework agreements, one to provide all of our PPE and Workwear requirements and the second framework to provide us with all of our branded uniform needs.</p> <p>During monthly supplier meetings, a supplier risk matrix is reviewed and changes are discussed between us and the supplier. This consists of ensuring the suppliers in their supply chain have submitted an ethical and slavery statement. If there is a risk, it is categorised as either high or low and then evaluated how the risk is to be addressed and then managed.</p>
<p><b>Waste management</b> We work with many suppliers for waste management across our operational sites who are all UK based. We continue to engage with them concerning their procedures and governance throughout the contract term.</p>	£5.7 million / less than 1%	Four suppliers.	<p>All of our waste management requirements (inclusive of hazardous waste, chemical cleans, grits, screenings and general waste collections) have been tendered over the last 12 months.</p> <p>These included questions on modern slavery utilising lessons learnt in previous tenders with modern slavery policy update targets built into the contractual management information and KPI requirements.</p>
<p><b>Information technology (IT) hardware and equipment and offshore labour</b> IT equipment remains a focus due to the large proportion of manufacturing taking place in South East Asia, where we continue to work with our established framework partners to ensure appropriate relationships and controls are in place with the wider supply chains in this region.</p>	£40.6 million / 3%	167 suppliers located in 26 countries.	<p>Before COVID and travel restrictions, we were regularly visiting India with Digital Services colleagues as part of the management and assurance of the teams that provide these services.</p> <p>Members of the Digital Services team visited supplier offices in India in February 2023. Many of the resources continue to operate remotely with staff travelling occasionally to the office. There doesn't appear to be a push towards returning to the office which in some locations are shared with other suppliers.</p>
<p><b>Network materials (such as pipes, fittings valves, etc), mechanical, electrical and maintenance goods and services and operational technology (OT) kit (mainly metal and plastics)</b></p>	£185.5 million / 13.7%	471 maintenance suppliers and 199 OT suppliers in 28 countries.	<p>After the war began in Ukraine in 2022, we completed a comprehensive risk assessment of our supplier base to establish the countries involved in our supply chain. Following the conflict in the Middle East, we are currently completing further impact assessments. This review will help us to identify and understand more about the location of our suppliers and consider whether we would use suppliers with close links to the conflicts. This is particularly prevalent in the network materials space – alongside chemicals, fuels, energy and information and communication technology (ICT).</p> <p>Any risks are managed as part of our supplier relationship management approach with annual health checks carried out to ensure that the provisions are up to date, maintained and any improvements are captured and included.</p>

# Training

Our training programme on issues related to modern slavery is focused on colleagues who are operating within communities or directly involved in commercial activities. We have a modern slavery awareness e-learning course which covers what modern slavery is, the Modern Slavery Act, how to spot the signs and what to do if you have concerns. The course is available to all our colleagues on our online education platform, EdUUcate.

Over the last 12 months, we set a target for the remaining proportion of our colleagues operating within communities to have completed the modern slavery awareness e-learning course. We are pleased to report that over 500 colleagues accounting for 84% of roles operating within communities have completed the training. Over the next 12 months, our commitment remains in achieving a completion rate of 100% for these colleagues, and we also plan to work with SFA to conduct a training needs analysis to create a strategic long-term training programme.



To address the risk of modern slavery from our supply chain and those of our suppliers, each year we aim to retain the Chartered Institute for Procurement and Supply (CIPS) Corporate Ethics Mark. This requires all relevant commercial colleagues to undertake additional online training covering human rights and forced labour in supply chains; the implications, the risks and how to respond. To complete the training participants must reach the required pass mark. We have retained the CIPS Corporate Ethics Mark and are undertaking the process to obtain it for the sixth consecutive year. This accreditation recognises the work we have done and the level of training we have provided to our staff in support of our aim of eliminating modern slavery and human trafficking.



Our people are operating within the communities of the North West on a daily basis. To play our part in addressing modern slavery we want to support them so they know what to look for, and how to respond, if they encounter situations where modern slavery may be occurring in the community.

## Working with others

Our business is a proud member of Utilities Against Slavery (UAS). This group is facilitated by Slave-Free Alliance and is a forum for energy, water and gas providers to collaborate to prevent and address modern slavery.

Recent projects at UAS include developing training sessions, creating a high-quality pre-qualification questionnaire to enhance due diligence practices, and developing a common approach to working with suppliers to support risk management.

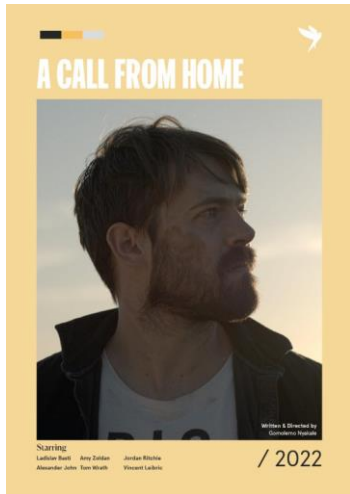
The group signifies the importance of cooperation across the industry to drive up standards, identify risks, and create opportunities in relation to the human rights of persons employed in, or impacted by, business operations and their wider supply chains.

# Raising awareness

Every October, we participate in a Modern Slavery Awareness Week to coincide with UK Anti-Slavery Day. During the week we publish daily communications to engage and remind our colleagues about modern slavery, share the latest statistics on modern slavery, and give updates on what we've been doing since our last modern slavery statement.

During our 2023 Modern Slavery Awareness Week, colleagues were also provided with further information on:

- Available webinars to attend during the week
- A reminder on how to spot the signs
- Modern slavery and the ESG agenda
- Where to find our modern slavery e-learning module
- Our work with SFA and UAS
- Men at risk of modern slavery
- Climate change and modern slavery



# Reporting of concerns

We take very seriously our responsibility to remain alert to the potential for modern slavery issues both internally and within our supply chain. In order to maintain our vigilance, we promote our whistleblowing policy and the independent, confidential whistleblowing hotline (Safecall) to our colleagues, so that concerns may be reported safely and ensure that appropriate action is taken to deal with any identified issues.

The whistleblowing hotline is available 24 hours a day, 7 days a week (excluding Christmas Day) to United Utilities colleagues, contractors, and suppliers. No issues related to modern slavery or human trafficking have been reported to the whistleblowing hotline during the last 12 months, nor previously.



This year, we have communicated further information to our colleagues on the steps to take if they are concerned about modern slavery. We have encouraged colleagues to be vigilant in spotting the signs of modern slavery within the community and whilst at work. We believe that knowing how to spot the signs and report them is a key tool in addressing modern slavery.

All issues reported to the hotline are handled in the strictest confidence by an independent operator, Safecall. When a concern is raised via the above means, the basis of that concern will be recorded, a decision made on what further actions are required and the relevant senior personnel informed so that a full investigation can be carried out. An update on the outcome of the investigation will be provided confidentially where possible to anyone who reports a concern.

To ensure a consistent and effective response to a potential concern raised about modern slavery, including safeguarding of victims during potential incidents, over the next year we will develop our escalation process for potential incidents.

# Continuous improvement

We are proud of both our progress and achievements in relation to addressing the potential risk of modern slavery, however we recognise that further work will always be required, and it is important that we maintain our efforts. We understand that there is further to go within our organisation, within our supply chain and in collaboration with other organisations to raise awareness of and mitigate against the risk of modern slavery.

## Ongoing activity

As part of our commitment to tackling modern slavery this year we have continued to work with SFA and the actions and output of the gap analysis undertaken in 2022.

Over the next 12 months we plan to address a number of actions including:

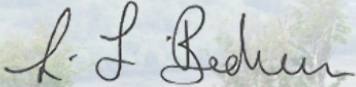
- **Training** – we will work with SFA to conduct a training needs analysis to create a strategic long-term training programme to upskill key roles in the business.
- **Audits** – Over the coming year we have 36 audits of our construction sites planned. We will also be working with SFA to upskill our auditors and conduct a number of site assessments.

We acknowledge that our current strategy is focused on our tier one supply chain with whom we have contracts for common goods and services. We also recognise the limitations that arise from global supply chains, and differences in legislation and culture across the globe. By understanding and being transparent about these challenges we can begin to tackle them.

We understand that the risks associated with modern slavery are constantly evolving. The changes in the labour market as a result of global, political and socio-economic factors such as the ongoing conflicts in Ukraine and the Middle East are increasing the risk of exploitation as greater numbers of individuals are displaced. We will continue to engage closely with our supply chain, and anti-slavery groups, in relation to identification of increased modern slavery risk.

This statement sets out the steps taken by United Utilities Group PLC and United Utilities Water Limited, both companies falling within the scope of section 54(2) of the Modern Slavery Act 2015 and the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015.

It was approved by the boards of United Utilities Group PLC and United Utilities Water Limited on 16 April 2024 and signed by



**Louise Beardmore**  
**Chief Executive Officer**  
United Utilities Group PLC

