

USC Responsible Sourcing Principles

Using our Responsible Sourcing Principles to create a high-quality supply chain and provide suppliers with a way of enhancing their performance in the North West and beyond.

We believe that operating and procuring in a responsible manner will mitigate risk, build resilience, improve compliance and ultimately deliver better value for our customers so that we can provide great water and more for the North West.

Working collaboratively with our supply chain we can achieve more in tackling environmental and social issues. This is accomplished through the USC approach.

As part of the USC approach we expect our suppliers, as a minimum, to become a **signatory** to the United Utilities Responsible Sourcing Principles and we'd encourage as many suppliers as possible to become **leaders** – demonstrating meaningful co-operation with us to deliver improved ethical and sustainable outcomes. We also expect all suppliers to promote the principles within their supply chains to maximise the benefits of the USC approach.

As a **signatory** to the United Utilities Responsible Sourcing Principles, a supplier commits to adhering to the standards set within these principles, to develop their own supply chain by sharing resources, training and upskilling their staff, whilst working with United Utilities to assure this approach by identifying learning opportunities.

As a **leader**, suppliers not only agree to uphold the United Utilities Responsible Sourcing Principles to the same level as a **signatory**, but also commit to go further by demonstrating their commitment to the principles, collaborating with United Utilities in improving practice, and identifying new ways of working to enhance value.



USC Responsible Sourcing Principles

We work with over 2,200 suppliers in our supply chain to deliver our services, from SMEs to large construction companies and joint ventures – all of which presents an opportunity for us to collaborate to deliver a more sustainable supply chain.

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.

In becoming a **signatory** to these principles we expect our suppliers to adhere to their content and assure United Utilities that they are working towards the same shared expectations.

Leaders will not only sign up to the principles but will be expected to collaborate with us in developing and realising our goals.



USC Responsible Sourcing Principles



Environmental

Water consumption



Reduce water consumption and find innovative ways to use water more efficiently, whilst encouraging others within their supply chain to do the same.

We expect our suppliers to measure, manage and reduce their use of water and water-intensive products, including reduction in water usage through manufacturing processes, seeking appropriate accreditation where relevant, including ISO14040 and ISO14044.

[Read more about water efficiency at United Utilities here.](#)

Climate change adaptation and mitigation



United Utilities, with its supply chain, must work within a fixed GHG (Greenhouse Gas) budget and set science-based targets in order to play its part in curbing climate change and securing the stable climate on which essential water services fundamentally rely.

United Utilities and its supply chain will collaborate to:

- Measure and seek to minimise GHG emissions in all our decisions and activities – including offering best value, considering embodied emissions, construction and ongoing operations. For example, to reduce the need for travel and use low or zero emission transport options, and to offer low energy products such as EU energy label and Energy Star rated products. Maintain and seek to improve resilience to climate change of operations and infrastructure, and including understanding how the suppliers own business needs to adapt to a changing climate.
- Maintain and seek to improve climate resilience of operations and infrastructure, including understanding how the suppliers' own business needs to adapt to a changing climate. Seek appropriate accreditation where relevant, e.g. Achilles Information Limited's CEMARS (Certified Emissions Measurement and Reduction Scheme).
- Set and work towards Science Based Targets (SBTs).
- Seek appropriate accreditation, where relevant e.g. Achilles Information Limited's CEMARS (Certified Emissions Measurement and Reduction Scheme)
- Manufacturers or purchasers of energy-intensive products are expected to demonstrate an increasingly accurate understanding of their embodied carbon footprint and how they plan to continuously reduce this impact, aligned to their own Science Based Targets.

[Read more about our approach to climate change here.](#)

USC Responsible Sourcing Principles



Environmental

Environment and pollution



Protect and enhance the natural environment and reduce pollution to air, land and water.

We rely on the environment as one of our key resources, so it is important for the sustainability of our business that we protect and enhance its value.

We expect our supply chain to adopt measures to prevent pollution to air, land and water. The measures must comply with associated pollution prevention licences or permits, and be able to demonstrate continuous improvement when required.

We encourage suppliers to understand their dependency on the natural environment and to invest in enhancement schemes. Where activities significantly impact natural habitats, such as construction projects, suppliers must understand their impact and demonstrate best practice in the management of the natural environment, preventing loss and moving towards net gain of biodiversity.

[Read more about our Environmental impacts here.](#)

Circular economy



Circular economy should be embedded through the three principles to – Reduce waste, keep products and materials in use and design out waste;

Reduce waste - Any supplier producing waste on our sites must be able to demonstrate their compliance with all applicable legal and contractual obligations including the measurement and reporting of waste produced. Suppliers are expected to actively improve waste management and reduce packaging (including plastics and micro-plastics, with focus on single use plastics and the impact of plastic packaging tax). Our target is to divert 98% of our construction waste to beneficial use.

Keep materials in use - Resources should be managed to be used at their highest value, following the waste hierarchy, maximising re-use of materials. If re-use is not possible, then recycling, then recovery, and as a last resort disposal.

Design out waste - Systems, processes and assets should be designed, built and used in a way that minimises waste.

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Environmental

Materials



Source responsibly-certified products and materials with lower environmental footprints.

We continue to support the sourcing of products that have responsible production certification such as Forest Stewardship Council (FSC®) for timber products and the BRE BES 6001 framework standard for Responsible Sourcing of Construction Products, and we encourage our suppliers to follow suit. We expect the use of appropriate recycled materials, such as aggregate, through our supply chain as well as additional due diligence to ensure maintained compliance.

Social

Health, safety and wellbeing



Protect the health, safety and wellbeing of people working within our supply chains.

All suppliers must have in place effective health, safety and wellbeing management systems, appropriate for the nature and scale of their business and the goods, works or services they provide, ensuring compliance with Health and Safety Law generally, as well as standards and codes of practice specific to their industry. We encourage suppliers to engage with us and work in a collaborative manner, sharing best practice. Suppliers working on our sites must comply with our health, safety and wellbeing standards and engage with our Home Safe and Well strategy.

We continue to prioritise the purchase of materials that are not harmful to health in manufacture, use or disposal. We expect our suppliers to comply with relevant legislation such as CoSHH, REACH and RoHS where appropriate. All our suppliers must avoid the use of any prohibited materials or substances in the provision of any goods, works or services, and should actively seek to improve the health, safety and wellbeing of employees, through targeted improvements, benchmarking against industry and peers.

[Find out more about United Utilities Health & Safety and Wellbeing policy here.](#)

USC Responsible Sourcing Principles



Social

Human rights
and fair
treatment



Treat people with dignity and respect, whilst working to eradicate modern slavery in all its forms.

We expect all businesses in our supply chain to respect their people and to offer a safe workplace and working conditions that are free from harm, intimidation, discrimination, harassment or fear, including formal policies such as health and safety policies that cover these topics, and acknowledging the right of all employees to freedom of association and collective bargaining.

Irrespective of the applicable legal obligations, we expect all suppliers to adhere to the overriding principles and ethos of the Modern Slavery Act 2015 and to mitigate any modern slavery risk throughout their supply chain, including child and forced labour.

[You can find our latest statement here.](#)

We are committed to promoting equal opportunities to all our employees, customers and suppliers. We expect our supply chain to treat all people fairly, with respect and dignity. We do not discriminate nor do we tolerate discrimination on the grounds of age, colour, disability, ethnicity, gender identity and expression, marital status, sexual orientation, religion, faith or on any other unjustifiable or illegal grounds. It is best practice for our suppliers to engage in equity, diversity and inclusion disclosure where reporting is available to share.

Community



Make a positive contribution to local communities on issues that matter to them.

We expect suppliers to have an understanding of their local and wider communities, in order to understand how their activities may impact them. We encourage them to make positive contributions and investments including local employment opportunities (and apprenticeships), workforce volunteering, and charitable activities as well as minimising disruption to communities, to deliver social value in the areas they are working. Standards such as the Considerate Constructors Scheme are encouraged where appropriate, as well as the calculation of social value impacts.

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Social

Best practice



Operate a culture and process of collective learning with mutually beneficial outcomes.

We will actively work towards adopting best practice standards and techniques in sustainable procurement, and expect our supply chain to adopt a similar outlook. For example, digital economy, systems thinking, energy solutions and any other innovative solutions that will add value.

Suppliers are expected to work towards best practice for their sector, in managing environmental and social impacts and seizing opportunities for continuous improvement. Innovation is a core value at United Utilities. It's about connecting problems and opportunities to create solutions in line with our objectives. All our work to innovate is strongly linked to our company strategy and objective to grow by looking at cutting-edge technologies and enhancing our processes. We do this to provide a great service to our customers and ensure they're at the heart of everything we do. It's important that we celebrate our successes but also reflect on how we can make things better for future ways of working, initiatives and collaborations.

[Read more about Innovation at United Utilities.](#)

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Governance

Business ethics and governance



Operate in an ethical and responsible manner and uphold high levels of corporate governance and behaviours.

We will not tolerate corruption, bribery and unfair anti-competitive actions, and expect our suppliers to:

- Comply with applicable legal, regulatory and accounting requirements, including but not limited to competition, procurement and finance laws, and have programmes in place to prevent any corruption, bribery or unfair anti-competitive practices.
- Comply with the Bribery Act 2010, including never offering or accepting financial gain or another advantage to reward or induce improper performance of a role.
- Act in a responsible manner in relation to their tax affairs, which includes having satisfactory processes in place to prevent the facilitation of tax evasion as set out in the Criminal Finances Act 2017.
- Have controls in place to ensure adequate levels of data protection for clients, employees and the wider supply chain. It is expected that suppliers comply with Data Protection and privacy laws (UK GDPR), have robust cybersecurity systems in place and adopt cybersecurity standards such as Cyber Essentials or ISO 27001.
- Support and participate in assurance of supply chains to ensure standards and principles are maintained.
- Have safeguarding processes in place to protect employees who provide information on any illicit activities (whistleblowing) – where suppliers are working on our premises or don't have their own whistleblowing policy, we still expect suppliers to ensure that any employees and subcontractors making such a complaint shall not be discriminated against. Complaints can be made confidentially via our safeguarding process (with access to our whistleblowing escalation channels) such as [Airline](#).

As a signatory to the Prompt Payment Code, we're committed to paying our suppliers on time. We expect our suppliers to follow this example and commit to the principles of the code, and encourage them to publish their performance.

Getting in touch

We want to hear from any individual or organisation who may have a concern regarding any of the principles set out within this document. These concerns may relate to our business, our supply chain and their premises or operations.

We expect suppliers to ensure that any employees and subcontractors making such a complaint shall not be discriminated against.

Complaints can be made confidentially at:

- safecall.co.uk/report
- or by calling **0800 915 1571**

All legitimate complaints are investigated with appropriate remedial action put in place where required.

