

# 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 encourage others to do the same

- We expect our suppliers to measure, manage and reduce their use of water and water-intensive products, and encourage their supply chain to do the same, seeking appropriate accreditation where relevant

### Climate change adaptation and mitigation



#### Reduce greenhouse gas emissions, encourage the supply chain to do the same and take steps to make operations resilient to a changing climate

- We encourage our suppliers to offer solutions that improve the resilience of our operations, whilst also understanding how their own business needs to adapt to a changing climate in future, e.g., how flooding due to Climate Change could affect supply chains
- We expect our suppliers to measure, manage and reduce their carbon footprint and encourage their supply chain to do the same, seeking appropriate accreditation where relevant e.g. Achilles Information Limited's CEMARS (Certified Emissions Measurement and Reduction Scheme)
- Suppliers are encouraged to use low or zero emission transport modes, to optimise transport efficiency and minimise transport distances
- We expect our suppliers to provide low energy products such as EU energy label and Energy Star rated products
- Suppliers (including designers and engineers) whose work impacts our energy consumption are expected to offer solutions that reduce energy consumption and offer best whole life cost. We continue to develop, and look to incentivise and drive whole life cost performance and benefits through our suppliers
- 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

# USC Responsible Sourcing Principles

## Environmental

### Environment and pollution



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

- We expect our supply chain to adopt measures to prevent pollution to air, land and water. They must comply with associated pollution prevention licences, or permits, and be able to demonstrate continuous improvement in this area 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 impacts and demonstrate best practice in the management of the natural environment, preventing loss and moving towards net gain of biodiversity

### Circular economy



#### Reduce waste and keep products and materials in use

- 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 encouraged to actively improve waste management and reduce packaging (including plastics and micro-plastics), taking the waste hierarchy, circular economy and producer responsibility into account. Unavoidable packaging must follow the waste hierarchy. The aim is to manage waste at the higher end of the waste hierarchy, which ranks waste management options according to what is best for the environment. Priority goes to preventing the creation of waste in the first place. When waste is created, it gives priority to preparing it for re-use, then recycling, then recovery, and last of all disposal e.g. landfill. This is in line with moving towards the aims of a circular economy. Our target to 2025 is to divert 98% of our total waste to beneficial use. In line with the waste hierarchy beneficial use is any materials that are reused, recycled or recovered i.e. any materials not disposed of to landfill

### 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 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

# USC Responsible Sourcing Principles

## 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 and safety 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 specific to their industry. Suppliers working on our sites must comply with our health and safety standards
- 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
- Suppliers should actively seek to improve the health, safety and wellbeing of employees, through targeted improvements, benchmarking against industry and peers

### 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 that is free from harm, intimidation, harassment or fear
- 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 modern slavery risk throughout their supply chain
- We are committed to promoting equal opportunities to all our employees, customers and suppliers. We expect our supply chain to treat all people equally, 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

# USC Responsible Sourcing Principles



## Social

### Community



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

- We expect suppliers to have an understanding of who their local and wider communities are, in order to understand how their activities may impact them. We encourage them to make positive contributions and investments including local employment opportunities, workforce volunteering, and charitable activities as well as minimising disruption to communities. Standards such as the Considerate Constructors Scheme are encouraged where appropriate

### 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 and 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

# USC Responsible Sourcing Principles



## 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 these activities
- Never offer or accept any undue payment or other consideration, directly or indirectly, for the purpose of inducing any person or entity to act contrary to their prescribed duties
- 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
- 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)

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](https://safecall.co.uk/report)
- or by calling **0800 915 1571**

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

