

# Driving better company performance through clear and effective whistleblowing practices

## United Utilities response – October 2023

UUW is pleased to respond to Ofwat’s consultation on good practice expectations in relation to whistleblowing policies. We have set out our comments in the tabular format below. We would be pleased to discuss any aspect of this response further if desired.

Good Practice Expectation	Details	United Utilities comments
<p><b>1. A clear understanding of whistleblowing law</b></p>	<p>We expect companies to be able to demonstrate a clear understanding of the law governing whistleblowing. This includes the Public Interest Disclosure Act (PIDA) which requires employers not to dismiss workers or subject them to any other detriment because they have made a protected disclosure.</p>	<p>We are in agreement with this expectation and our whistleblowing policy and practices are consistent with the requirements of the Public Interest Disclosure Act.</p>
<p><b>2. An open and honest culture</b></p>	<p>We expect companies to have an open and honest culture that promotes integrity and includes:</p> <ul style="list-style-type: none"> <li>• The right tone from the top of the organisation with Board and Executive teams making it clear that any concerns will be welcomed and providing assurance that they will take concerns seriously and not punish any workers if such concerns turn out not to be true.</li> <li>• Clear, consistent, and regular, communications to workers (including contractors) on the importance of whistleblowing.</li> <li>• Making it clear to workers that it is safe and acceptable for them to raise a concern about malpractice and that disciplinary action will be taken against anyone found to have victimised a whistleblower for raising concerns.</li> </ul>	<p>We support this approach and this is reflected in our policies and communications. The Board and Executive teams lead the whistleblowing culture and enable disclosures in line with the UK Corporate Governance Code.</p>
<p><b>3. Multiple and alternative channels for staff to speak up</b></p>	<p>Staff may not want to discuss concerns with their immediate management (such as with their line manager) so we expect alternatives to this to be available such as nominated officers or a whistleblowing hotline. This may include establishing a secure, and confidential, whistleblowing system to allow staff to whistleblow and submit a disclosure. This will increase the sense of security in an organisation.</p> <p>We also expect companies to communicate to staff the option of submitting a disclosure to external bodies such as prescribed persons such as Ofwat. It should also be made clear to staff that they are not required to submit a disclosure internally first before contacting an external organisation with their concerns.</p>	<p>We agree with these examples of good practice, which are covered in our policies, practices and communications.</p>

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<p><b>4. A comprehensive, accessible, written policy</b></p>	<p>We expect companies to have in place a comprehensive, accessible, and written whistleblowing policy. This should clearly explain to staff how to blow the whistle and include details on:</p> <ul style="list-style-type: none"> <li>• Who can make a disclosure.</li> <li>• What can be reported (including a clear difference between whistleblowing and grievance or HR processes).</li> <li>• Details on anonymity and confidentiality (including how confidentiality will be treated and outlining some of the drawbacks to anonymous disclosures).</li> <li>• Details on how and when action will be taken to consider a disclosure.</li> <li>• Details on what whistleblowers can expect in terms of feedback on the outcome of their disclosure.</li> <li>• Details on how to access independent advice.</li> </ul>	<p>We support the examples of good practice. We consider that the provision of third party confidential routes for reporting, in addition to the explanations and signposting available in the whistleblowing policy, provides staff with access to independent advice about the nature of disclosures and how to make them.</p>
<p><b>5. Regular reviews of whistleblowing policies</b></p>	<p>We expect companies to put in place regular reviews of their whistleblowing policy. This is to ensure the policy is fit for purpose and is regularly updated with the right contact details.</p>	<p>We agree with this approach.</p>
<p><b>6. A clear process for managing disclosures</b></p>	<p>We expect companies to have a clear, simple, process in place to ensure that any disclosures are considered for investigation in an appropriate, sensitive, and effective way; any accompanying concerns are addressed; and feedback is provided. An effective process:</p> <ul style="list-style-type: none"> <li>• ensures all disclosures are treated in a sensitive manner, with confidentiality clearly considered.</li> <li>• is clearly independent from any staff who are the subject of a disclosure.</li> <li>• ensures any investigators assigned to investigate disclosures are appropriately qualified, and trained, to review the specific concerns that have been raised.</li> <li>• where possible, provides clear feedback to the whistleblower on actions/outcomes in a reasonable timeframe.</li> </ul>	<p>We consider that the proposed examples of good practice in managing disclosures are appropriate and reasonable. We note that there is a wide range of experience and/or training that may be taken into account when considering who the best person might be to lead an investigation and that appointment of the appropriate investigator will very much depend upon the particular circumstances surrounding or pertaining to an individual case.</p>
<p><b>7. Clear outcomes and insight</b></p>	<p>We expect companies processes to ensure that all whistleblower complaints reach a clear conclusion. This may be through steps to directly address a particular concern raised, and / or to take the insight and learning gained from the complaint to inform future business practices. These outcomes should be followed up.</p>	<p>We support the examples of good practice set out in respect of outcomes and follow up.</p>

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<p><b>8. An Executive team and Board that have oversight and a clear line of sight of what is happening with whistleblowing</b></p>	<p>We expect companies to have an Executive team and Board that have oversight and a clear line of sight of what is happening with whistleblowing including:</p> <ul style="list-style-type: none"> <li>• A company's whistleblowing policy.</li> <li>• The volumes of whistleblowing and any complaints about victimisation for making a disclosure (including complaints about breaches in confidentiality) and what this says about the company's culture and behaviours.</li> <li>• The types of issues being raised by whistleblowers and the insight this may provide on the company's day-to-day operations.</li> <li>• The outcomes of resulting investigations and how these are taken forward.</li> </ul>	<p>We agree with the expected level of Executive and Board oversight of the whistleblowing process and matters raised.</p>
<p><b>9. A Board that regularly considers the effectiveness of its whistleblowing policies and procedures</b></p>	<p>We expect companies to have a Board that regularly considers the effectiveness of its whistleblowing policies and procedures as part of its oversight of internal controls.</p> <p>A company's internal audit function may support a Board in considering this. A Board may choose to seek independent assurance that its organisation's policy and procedure is effective.</p>	<p>We are in agreement with the good practice examples of how a Board might review the effectiveness of the whistleblowing policies and procedures.</p>
<p><b>10. Regular communications and training for workers on whistleblowing</b></p>	<p>We expect companies to reinforce a culture of "doing the right thing" within the organisations, including by putting in place regular training, communications, and awareness raising for all workers (including contractors) on the importance of whistleblowing, how to make disclosures, and how their whistleblowing process works.</p> <p>Managers – who may be recipients of disclosures – and investigators should also receive appropriate training on handling and investigating disclosures respectively.</p>	<p>We support the need for companies to nurture and reinforce an appropriate culture that gives confidence that all workers and contractors are aware of how to make whistleblowing reports and are suitably supported to be able to make them. We believe that communications on the topic are key and that monitoring of the frequency of reports and employee survey results also provide good evidence about the health of the corporate culture. Training may be an additional consideration to address any identified gaps or weaknesses in the company's culture or capability.</p>