



**Affinity Water**

Your local supply, on tap

# Modern Slavery & Human Trafficking Statement

Affinity Water

1 October 2018



## Affinity Water Limited

### Modern Slavery and Human Trafficking Statement

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This statement sets out the steps that Affinity Water Limited (“Affinity Water” or “we”) has taken during the financial year ended 31 March 2018 to ensure that slavery and human trafficking is not taking place in any part of our business or supply chain.

#### 1. About

Affinity Water Limited is the largest water only supply company in the United Kingdom, owning and managing the water assets and network in an area of approximately 4,515km<sup>2</sup> split over three supply regions in the South East of England. Our vision is to be the UK’s leading community focused water company. It reflects the importance we place on our people working within and for the communities of customers we serve.

We employ 1,357 people directly and supply on average 900 million litres of water each day to a population of more than 3.6 million people and businesses. Our primary regulators are the Water Services Regulation Authority (Ofwat), the Drinking Water Inspectorate and the Environment Agency.

We expect our employees to operate to the highest standards of ethics and conduct. We support them to do so through the policies we have developed setting out our expectations and through ongoing training. In particular, we have established the following codes and policies as part of our commitment to corporate responsibility and combatting modern slavery and human trafficking.

- Code of Conduct
- Modern Slavery and Human Trafficking Policy
- Anti-bribery and Corruption Policy
- Health and Safety Policy
- Procurement Policy
- Whistleblowing Policy

Affinity Water is the principal trading subsidiary of Daiwater Investment Limited and is ultimately controlled by a consortium of long-term investors comprising the Allianz Group, HICL (managed by InfraRed Capital Partners) and DIF.

#### 2. Organisational Structure

Our business is focused on water supply to our customers and is organised into two distinct activities:

- Wholesale water – abstraction, treatment and distribution of drinking water and sale of drinking water to non-household retailers
- Retail household – sale of drinking water to household customers

Our supply chain includes around 1,200 suppliers of varying size and location. This includes suppliers who provide support for major capital programme delivery, operational support as well as services and supplies.

### 3. Our Supply Chain

We expect our suppliers to understand their obligations with respect to modern slavery and human trafficking and to ensure that they, and their own supply chains, meet those obligations.

We operate within a highly regulated industry. We follow stringent procurement processes and set high standards by which we pre-qualify and select our suppliers. In 2017/18, we improved our screening processes, adopting an independent qualification system for all medium and high-risk suppliers. Prospective suppliers are required to complete a comprehensive qualification document, which includes questions on the risk of human trafficking and slavery. Certain suppliers are also subject to additional screening questions and audited annually by third party assessment.

### 4. Our Performance in 2017/18

In 2017/18, we assessed the risk of Modern Slavery and Human Trafficking throughout our supply chain to ensure processes and procedures are in place to minimise that risk with all suppliers with whom we spend over £50k per annum (97.5% of expenditure of our supply chain).

Steps Identified for 2017/18	Steps Taken during 2017/18
Create a Sustainable Procurement Policy to be published on our homepage. This will reinforce to our supply chain our standards and expectations regarding all areas of corporate and social responsibility	<i>In progress:</i> a Sustainable Procurement Policy. The following policies are available on our web site to reinforce our expectations:  Modern Slavery & Human Trafficking, Anti Bribery and Corruption and Health & Safety
Re-assess our current risk classifications and create a supplier risk matrix that considers human trafficking and slavery implications.	<i>Completed and being actioned:</i> we have identified categories of expenditure that are most at risk and developed a risk matrix to assess the risk of modern slavery and human trafficking
Implement a supplier relationship management tool with an online portal that will facilitate targeted communication campaigns with our suppliers, including our requirements regarding human trafficking and slavery	<i>Completed:</i> an online portal to facilitate targeted communication campaigns of this type has been implemented
Provide the Procurement team and wider business with training regarding the detection and prevention of human trafficking and slavery	<i>Completed:</i> the Procurement team category managers have received training on detection and prevention of modern slavery and human trafficking risks in the supply chain. The senior managers in the business received training on modern slavery and human trafficking risks
Enhance our qualification questions and contract terms to reflect best practice in the industry	<i>Completed:</i> our standard contract terms have been updated to include modern slavery and human trafficking
Keep under review our corporate policies to ensure they continue to support our commitment to combatting human trafficking and modern slavery	<i>Ongoing</i>

## 5. Our Plans for 2018/19

We continue to strengthen our internal process and policies to ensure we remain vigilant against the threat of human trafficking and slavery and are committed to raising awareness within our supply chain. In 2018/19 we plan to:

- continue to increase the level of coverage of this assessment by carrying out an annual assessment of existing suppliers, and carrying out a modern slavery risk assessment for new tender processes;
- update the training in the Procurement team regarding the detection and prevention of human trafficking and slavery; and
- keep under review our corporate policies to ensure they continue to support our commitment to combatting human trafficking and modern slavery.

## 6. Compliance Statement

This statement is made in accordance with Section 54(1) of the Modern Slavery Act 2015 and constitutes Affinity Water's modern slavery and human trafficking statement for the financial year ending 31 March 2018. It has been approved on behalf of the Board by the Chief Executive Officer.

A handwritten signature in black ink, appearing to read 'Pauline Walsh'.

Chief Executive Officer, Pauline Walsh

Date: 30 September 2018

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