



**Modern Slavery and Human
Trafficking Statement**

September 2019

Affinity Water Limited

Modern Slavery and Human Trafficking Statement

This statement sets out the steps that Affinity Water Limited (“Affinity Water” or “we”) has taken during the financial year ended 31 March 2019 to ensure that slavery and human trafficking is not taking place in any part of our business or supply chain.

1. About us

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 4,515km² 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 1,364 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
- Recruitment 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 2018/19, we improved our screening processes, introducing a standard assessment process 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 2018/19

We assess 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 2018/19	Steps Taken during 2018/19
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;	We have introduced a standard assessment Modern Slavery assessment for new tender processes and assessed some of our high and medium risk suppliers.
Update the training in the Procurement team regarding the detection and prevention of human trafficking and slavery; and	Annual training regarding the detection and prevention of human trafficking and slavery has been carried out for the Procurement team.
Keep under review our corporate policies to ensure they continue to support our commitment to combatting human trafficking and modern slavery.	A new risk assessment procedure has been rolled out, which includes the risk assessment and mitigation of Modern Slavery and human trafficking.

5. Our Plans for 2019/20

Steps Identified for 2019/20
Review and carry out the annual assessment of existing high-risk suppliers;
Update the training in the Procurement team regarding the detection and prevention of human trafficking and slavery; and
Continue raising awareness of modern slavery and human trafficking within Affinity Water.

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 2019. It has been approved on behalf of the Board by the Chief Executive Officer.



Pauline Walsh, CEO

25 September 2019

