



**Affinity Water**

Your local supply, on tap

## Modern Slavery & Human Trafficking Statement

Affinity Water

30 September 2016



## Affinity Water: Modern Slavery and Human Trafficking Statement

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This statement sets out the steps that Affinity Water Limited (Affinity Water) has taken to ensure that slavery and human trafficking is not taking place in any part of its business or supply chain. Affinity Water has a zero tolerance approach to slavery and human trafficking within our business and supply chain.

### About us

Affinity Water is the largest water-only supplier in the UK and we are committed to delivering a high quality water service to all our customers. We employ 1,138 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 across three discrete regions in the southeast of England. Our primary regulators are the Water Services Regulation Authority (Ofwat), the Drinking Water Inspectorate and the Environment Agency.

Affinity Water is the principal trading subsidiary of Affinity Water Acquisitions (Investments) Limited and is owned by a consortium of long-term investors comprising the Allianz-Group, HICL (advised by Infra Red Capital Partners) and DIF.

For further information about our investors please go to <https://stakeholder.affinitywater.co.uk/organisational-structure.aspx>

### Organisational Structure

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

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

Our supply chain includes around 1,000 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. In 2015-16, we paid approximately £170 million to our supply chain.

### Due Diligence

We expect our suppliers to understand their obligations and ensure that they, and their supply chains, are compliant. We consult and inform our employees on all aspects of our business and employment practices both directly and with the Trade Unions to which a number of employees belong.

We operate in a highly regulated industry. As such we follow stringent procurement processes and set high standards by which we pre-qualify and select our suppliers. In 2015/16 we improved our screening processes by adopting an independent qualification system for all medium and high risk suppliers.

This system, Achilles, requires registering suppliers to complete a comprehensive qualification document which includes questions on human trafficking and slavery. Suppliers who have 'Verify' status on this system are subject to additional screening questions and are audited by Achilles at the supplier's site on an annual basis.

In 2015/16 74% of our suppliers were registered through the independent Achilles system. This accounted for 85% of our spend with suppliers.

## Policies

Aiding Affinity Water's commitment and corporate responsibility to combatting modern slavery, the following policies exist, and embed respect for human rights:

- Code of Conduct
- Anti Corruption Policy
- Procurement Policy
- Recruitment Policy
- Whistleblowing Policy

## Next Steps

In the next twelve months we will be taking steps to strengthen our internal process and policies to ensure that we remain vigilant against the threat of human trafficking and slavery.

Throughout the financial year 2016/17 we will:

- Create a Sustainable Procurement Policy to be published on our homepage. This will reinforce our standards and expectations to our supply chain regarding all areas of corporate and social responsibility;
- Re-assess our current risk classifications and create a supplier risk matrix that considers human trafficking and slavery implications. This may lead to the registration with Achilles of additional suppliers;
- 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;
- Provide the Procurement team and wider business with training regarding the detection and prevention of human trafficking and slavery;
- Enhance our qualification questions and contract terms to reflect best practice in the industry; and
- Keep under review our corporate policies to ensure they continue to support our commitment to combatting human trafficking and modern slavery.

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 2016. It has been approved on behalf of the Board by the Chief Executive Officer.

Chief Executive Officer:

Chief Executive: Simon Cocks

Date: 30 September 2016