

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 2021 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 1,400 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, Fraud 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. Prospective suppliers are required to complete a comprehensive qualification document which includes questions on the risk of human trafficking and slavery and previous exposure to modern slavery risk.

Industries identified by the Gangmasters and Labour Abuse Authority which are considered high risk, and with which AWL has regular engagement include:

- Construction
- Cleaning services
- Car Washing
- Recycling and Waste Disposal

4. Our existing controls for detection of Modern Slavery

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 with our supply chain). Where Affinity Water uses a pre-qualification database upon registration on the database suppliers are required to complete questionnaires demonstrating their compliance with regards to Modern Slavery Act 2015. We reviewed our Modern Slavery and Human Trafficking Policy to include guidance on spotting signs of modern slavery and trafficking.

We work with the Chartered Institute of Purchasing and Supply for annual training on Ethical Procurement and Supply. Our standard contractual clauses outline our expectations of companies and their efforts to eradicate modern slavery from their supply chains.

5. Our Planned Improvement

Enhancement of our existing modern slavery and human trafficking controls has been hampered by the ongoing Covid-19 pandemic crisis. Next year we will roll out Company-wide e-learning for Modern Slavery and Human Trafficking and improve our modern slavery risk categorisation of suppliers to allow a more targeted approach in assuring compliance in our supply chain. This will be undertaken as part of a review and enhancement of our supply chain due diligence. This review will draw together the various strands of Sustainability, ESG, Ethics and Compliance and include auditing of high risk of modern slavery vendors.

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 2021. It has been approved on behalf of the Board by the Chief Executive Officer.



Chief Executive Officer, Stuart Ledger

Date: 3 March 2022