

ANTI-SLAVERY STATEMENT 2020

The Modern Slavery Act 2015 (the “Act”) came into force in 2015. The Act requires commercial organisations with an annual turnover of more than £36 million to publish a slavery and human trafficking statement for each financial year. This statement is made pursuant to Section 54(1) of the Act and constitutes our slavery and human trafficking statement for the financial year ended 31 March 2020. The Board of Directors of Dŵr Cymru Cyfyngedig¹ approved this statement on 30 April 2020.

Our Structure and Business

Dŵr Cymru Cyfyngedig, a wholly owned subsidiary of Glas Cymru, is the Group’s principal trading company with an annual turnover of more than £36 million and is referred to as Welsh Water throughout this statement. Its principal activity is the supply of water and treatment and disposal of wastewater under the Instrument of Appointment made by the Secretary of State for Wales under the Water Act 1989. Unique in the water and sewerage sector, Glas Cymru is a company limited by guarantee and as such has no shareholders.

Welsh Water is the sixth largest of the ten regulated water and sewerage companies in England and Wales. It is responsible for providing over three million people with a continuous, high quality supply of drinking water and for taking away, treating and properly disposing of the wastewater that is produced, we are fully committed to delivering best quality service at least possible cost.

Welsh Water’s vision is to Earn the Trust of our Customers Every Day. We understand that ensuring the highest standards of governance is crucial to earning the trust of our customers. Our relationships with our suppliers and decision-making in connection with our supply chain are crucial elements of our culture and important to earning and maintaining that trust.

Covid-19

During the Covid-19 pandemic we have taken steps to ensure the safety of our capital and operations contractors and avoid undue pressure on supply chains where possible. We have adopted Covid-19 safe working construction practices, as set out by the Construction Leadership Council, and have re-planned work to enable social distancing, wherever possible, and the use of appropriate PPE. We have amended our payment cycle and all invoices are now paid within 10 days of approval. We have sought to support suppliers and measures include regular communications with key suppliers, the sharing of work plans and frequent discussions on resource availability. We have brought forward work to provide suppliers with continuity of work thereby reducing the need for furloughing. We have engaged with our offshore suppliers to test how workers, now based at home, are being supported and paid. We have invested in additional transport to enable socially distant travel for relevant suppliers.

Our Policies

Welsh Water is committed to meeting the aims of the Act. We strongly oppose slavery, human trafficking and child labour and we work to raise awareness across the business and in our supply chains. We have made clear to colleagues and suppliers that we will not tolerate slavery and human trafficking in our supply chains or any part of our business. To be trusted to do the right thing is one of our core values. We would never knowingly engage with suppliers or contractors involved in slavery or human trafficking and reserve the right to terminate our agreements with any third party found to have engaged in unfair employment practices.

Our Anti-Slavery Policy sets out Welsh Water’s commitment to acting ethically and with integrity in our supply chain arrangements, and the safeguards we have implemented to require that our suppliers and contractors comply with the Act. We regularly review the effectiveness of our policies and procedures, to ensure they remain fit-for-purpose.

¹ Dŵr Cymru Cyfyngedig is the only company in our Group which meets the turnover threshold to report under the Act.

Our Supply Chain and due diligence process

Our supply chain includes approximately 4000 suppliers of which circa 2000 were active suppliers with invoices paid in the financial year to 31 March 2020. During 2019-2020 payments to the supply chain were circa £629 million. These suppliers are of varying size and expertise ranging from major capital works and operational services contractors, to material and goods suppliers.

Our electronic tendering system requires potential suppliers and contractors to confirm whether they have committed any offence under Section 1, 2 or 4 of the Modern Slavery Act. An unsatisfactory response constitutes mandatory grounds for exclusion from our tender processes. Our terms and conditions include contractual provisions relating to compliance with the Act. We implement these provisions in all new agreements, upon renewal of existing agreements and upon issue of purchase orders.

We have not been made aware of any instances of unfair employment practices or unethical activity in our supply chain in the reporting period 2019-20.

Risk Assessment

Last year we implemented a Contract and Supplier Management process. Modern Slavery is detailed as a key criterion which shall be considered when assessing the risk and consequential contract and supplier management actions that may be required for key contracts. Contracts are allocated into a Gold, Silver or Bronze contract management level with associated levels and frequency of monitoring specified.

Recruitment and Training

Our People and Change Team maintains recruitment policies to protect against slavery and human trafficking in our own operations and we are working towards meeting the Welsh Government's 12 commitments in its Code of Practice on Ethical Employment in supply chains.

In the first quarter of 2020 the Procurement Department has commenced an exercise to undertake supply chain mapping of commodity supplies and services that may be at greater risk of modern-day slavery with an initial focus on Catering and Cleaning services.

During 2020-21 the Procurement Team will work to attain Ethical Procurement Supply certification through the Chartered Institute of Purchasing and Supply.

Measuring Effectiveness

During 2020-21 we will review the effectiveness of the processes we have implemented to date to identify any additional assessment or monitoring activities that may support continuous improvement in this area.

Signed by:



Peter Perry, Chief Executive

30 April 2020