

## **ANTI-SLAVERY STATEMENT 2024**

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 2023. The Board of Directors of Dŵr Cymru Cyfyngedig (The Board) approved this statement on 15th May 2024.

### **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 £800 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. Uniquely 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 eleven 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.

### **Our Policies**

Welsh Water is strongly opposed to all forms of slavery, human trafficking, child labour and other forms of exploitation, collectively known as “Modern Slavery Practice” under the Act. 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 any act or thing that amounts to modern slavery.

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.

All colleagues are expected to work to our guiding principles for ethical behaviour and our business values are communicated through a variety of channels. We have supporting policies in place to guide our colleagues to work in an honest and ethical manner, as well as giving them the confidence and tools to report any suspected unethical conduct in the organisation. Our Employee Code of Conduct is issued to all new starters as part of our induction programme.

Our Employee Code of Conduct highlights key policies and values, especially the importance of “doing the right thing” and refers colleagues to our separate policies including those covering Safeguarding, Bribery and Corruption and Whistleblowing. Colleagues are reminded that they should raise any concerns with their line manager, the Head of Internal Audit, any Director, or the Chief Executive, and that we also provide an independent third-party service for reporting concerns or issues by email or phone.

Our Sustainable Procurement Policy reinforces our approach to modern slavery in our supply chain. As one of the key areas of sustainable focus the policy confirms that we will work to increase awareness of the risk of Modern Slavery through our supply chain, require adherence with our Anti-Slavery Policy,

increasing transparency in our supply chains in areas of perceived risk. Compliance with our policies is required in our standard Terms and Conditions of contract.

Our Supplier Code of Conduct reinforces our requirement for our supply chain to comply with our legislative requirements relating to Modern Slavery. Our Supplier Code of Conduct is published on our web site and is referenced in our suite of Terms and Conditions.

Our partnership with the Supply Chain Sustainability School allows us to engage with other client organisations and the wider supply chain. We are members of several leadership groups within the Supply Chain Sustainability School, enabling us to share best practice and lessons learnt, standardise documentation and develop a common approach to supply chain risk mapping.

### **Our Supply Chain and due diligence process**

Our supply chain includes circa 2,000 active suppliers varying in size from micro small and medium sized enterprises to global organisations. with associated 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 Act (“Modern Slavery Practice”). 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 and our Supplier Code of Conduct. We implement these provisions in all new agreements, upon renewal of existing agreements and upon the issue of purchase orders to suppliers.

We also adhere to the principles of the Welsh Government’s Code of Practice for Ethical Employment in Supply Chains and its associated 12 commitments which are designed to eliminate modern slavery and support ethical employment practices.

Our suite of standard form Terms and Conditions expressly requires suppliers to comply with the Act. We reserve the right to audit compliance by our suppliers, and ultimately reserve the right to terminate an agreement if the supplier in question is found to have breached the law. Where contracts are not based on our standard form, we require a contractual provision requiring compliance with the Act as part of our contractual governance.

Our Supplier Code of Conduct expressly requires compliance with the Act and all invitation to tender pre-qualification questionnaires require prospective suppliers to confirm their compliance with all applicable legislation as a prerequisite to selection as a prospective supplier.

### **Risk Assessment**

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

We have conducted risk and opportunity heatmapping for key spending categories in our future programme of procurement activity, assessing the likelihood of modern slavery. Areas with higher risks of modern slavery have been targeted with additional contract controls. Additionally, our continued partnership with the Supply Chain Sustainability School demonstrates our commitment to ensuring that our supply chain partners have access to educational materials and training. This initiative aims to enhance our supply chain partners ability to identify signs of Modern Slavery within their supply chain.

### **Recruitment and Training**

Our Talent Development-Team maintains recruitment policies to protect against slavery and human trafficking in our own operations and, in particular, adhere to the ethical employment practices embodied within the Welsh Government’s Code of Practice on Ethical Employment in Supply Chains.

Welsh Water is an accredited Living Wage employer and has gone beyond the minimum requirements of the Living Wage Foundation by paying a starting salary above the national apprentice minimum wage for all our apprenticeships and trainees.

All members of the Procurement team have completed the Chartered Institute of Procurement and Supply's (CIPS) Ethical Procurement and Supply e-Learning and test certification and Welsh Water successfully attained the CIPS Corporate Ethics Mark accreditation. This signals to Welsh Water's suppliers, customers, potential employees, and other stakeholders that they are dealing with an organisation that is committed to ensuring its staff are trained in ethical sourcing and supplier management, and that we have adopted ethical values in the way in which we source and manage suppliers.

### **Measuring Effectiveness**

As part of Welsh Water's partnership with the Supply Chain Sustainability School, awareness training was provided to the Procurement team, in addition to the roll out of wider training material during Anti-Slavery week, for the wider business. This provided access to a wide range of learning resources, including dedicated Modern Slavery awareness training materials.

During 2024-25 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**

On behalf of the Board on 15<sup>th</sup> May 2024