

## MODERN SLAVERY ACT 2015

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Scottish Water's slavery and human trafficking statement for the 2016/17 financial year which ended on 31 March 2017.

### About us

Scottish Water is a public sector body, classified as a public corporation of a trading nature and is answerable to the Scottish Parliament through Scottish Ministers.

Scottish Water provides water and waste water services to 2.5 million households and 156,000 business premises across Scotland. We have an annual turnover in excess of £1bn, around 4,000 employees and invest around £600m per annum in improvements to water and waste water infrastructure.

We have an extensive framework supply chain of up to 400 suppliers regularly providing goods and services to our operations and infrastructure across the whole of Scotland. Our water and wastewater infrastructure can be technically complex. There can be up to 5 levels of suppliers between Scottish Water and the source of raw materials used in the supply chain which can span many countries.

Details of our business structure can be found on this website and on our financial position, in respect of our 2016/17 financial year, in our Annual Report here:

[www.scottishwater.co.uk/annualreport](http://www.scottishwater.co.uk/annualreport).

The 4 main trading businesses of the Scottish Water group are:

- Scottish Water, which supplies households and wholesale licensed providers with regulated water and waste water services;
- Scottish Water Horizons Limited which provides non-regulated services to customers; and
- Scottish Water International Limited which provides non-regulated services to clients outside Scotland.
- Scottish Water Business Stream Limited, our licensed retail subsidiary which supplies water and waste water services to business customers.

Scottish Water Business Stream Limited has a turnover in excess of £36m and is required to prepare its own statement. The position in relation to other trading subsidiaries is included in this statement.

### Our policy and values

In line with our vision, Trusted to serve Scotland, it is Scottish Water's policy to work in a responsible and sustainable way that serves the long-term interests of our customers, employees, suppliers, the communities we serve and society more widely. We undertake to engage with our people and procure goods and services in a sustainable and ethical manner in compliance with our values, public sector policy and procurement law.

Scottish Water adopts a zero tolerance approach to modern slavery and human trafficking. We are committed to respecting human rights, including the rights of children. We expect all those who work for and with us to adhere to our zero tolerance approach to slavery and human trafficking. These principles are embedded in our People Policies and our Procurement and Supply Chain Policies and explicit reference has been included to the Anti-Slavery Policy where relevant.

### Our People

In relation to direct employees, we undertake appropriate pre-employment checks to ensure a right to work in the UK, and further identity checks where required. Contracts of employment, and pay,

are directly with the individual – we pay a minimum of the living wage in accordance with our accreditation from the Living Wage Foundation. Those with recruitment responsibilities receive relevant training for their role, and our people policies include “Whistleblowing”, an “Employee Code of Conduct” and an “Anti- Slavery Policy”.

## **Our supply chain**

The breadth, depth and interconnectedness of our supply chain make it challenging to manage business and sustainability issues. Whilst respecting human rights in the supply chain is ultimately our suppliers’ responsibility, as the customer, we expect those in our supply chain to respect our values and to adopt suitable anti-slavery and human trafficking policies and practices.

In 2016/17 approximately 99% of our supply chain were UK based and over 70% of our spend was with UK companies that have an annual turnover of over £36m and are therefore required to publish an annual statement under the Modern Slavery Act. As such, we have assessed the risk of slavery and human trafficking in our direct suppliers as low.

Our policy is set out in Procurement Policy Manual Version 29. We make our values clear and, to ensure that suppliers are similarly committed, our policy includes the following:-

- Businesses invited to supply goods and services to Scottish Water are required to demonstrate how they ensure that slavery and human trafficking is not taking place in their own business and how they are addressing their obligations under the Modern Slavery Act 2015. The response is evaluated as part of the procurement process.
- Scottish Water is entitled to terminate contracts where an offence has been committed under the Modern Slavery Act.
- Framework suppliers with a turnover of less than £36m and who do not publish their own statements have been asked to sign statements supporting the aims of the Act and will be asked to reconfirm their commitment annually. The response of framework suppliers is being measured and will form part of our supplier performance measurement discussions.

## **Reporting**

We encourage the reporting of concerns by employees to their line managers. If they do not feel comfortable doing this, they can contact our whistleblowing line, which is managed for us by Safecall to ensure independence. They can call the whistleblowing line 24 hours a day.

Signed on behalf of the Board of Directors of Scottish Water

Director

Date: