

Introduction

Slavery and human trafficking are a shocking reality of the world in which we live and at Kelda Holdings we are committed to doing all we can to assist in the eradication of such activities.

We have a zero tolerance approach to any slavery or human trafficking activity within our business or in our supply chain.

In this statement we set out the steps we are taking to ensure that slavery and human trafficking is not taking place in any part of our business or in any of our supply chains.

About the Kelda Group

Yorkshire Water is the main subsidiary of the Kelda Group, providing water and sewerage services to around five million people and 140,000 businesses in the Yorkshire region. We employ more than 3,800 people across the Group.

Our supply chain

Yorkshire Water operates solely within the United Kingdom and whilst we purchase a large proportion of our goods and services locally, many of our supply chains extend throughout the world.

In total we use over 1,300 suppliers to provide goods and services across the organisation, the majority of which are sourced via UK or European registered offices.

We also know that a number of our suppliers use subcontractors and therefore we need to work closely with them to ensure we have a good understanding of these relationships.

In all our supplier contracts we request compliance with 'applicable laws'; in addition, we specifically reference compliance to the Modern Slavery Act 2015 and include an associated right to audit.

During the 2018/19 financial year we have continued meeting our supply chain commitments on slavery and human trafficking by continuing with the following steps:

- We have continued with our supplier contract amendment exercise informed by the risk assessment carried out by the Wilberforce Institute of Slavery and Emancipation in 2017 at the University of Hull.
- We have continued to maintain awareness across the Sourcing & Contract Management team through individual procurement risk assessments and enhanced contractual obligations.
- We have continued to include specific pass or fail criteria linked to obligations under the Modern Slavery Act 2015 for all procurement-led tender processes and new vendor requests.

We have an ongoing commitment to continuing to improve both the visibility of and collaboration with our supply chains in the future. This has been further enhanced by a

significant investment in our procure-to-pay systems with the implementation of a new SAP system during the 2018/19 financial year. This investment will allow us to manage the expectations of our supply chain more efficiently whilst also ensuring all suppliers are fairly treated.

Our people

The way in which we employ and treat our colleagues is managed consistently across the business through policies and procedures set out by our HR team, which have been reviewed and updated as appropriate in the light of the Modern Slavery Act 2015.

All of our people are expected to be familiar with, and to comply with, our Code of Ethics at all times. This covers the standards and behaviours that we expect from our people and the way in which we want to do business. This has been updated to reflect the anti-slavery stance of Yorkshire Water and covers a number of areas, including how to speak up if any of our people become aware of an ethical or moral issue in any part of our business.

We have a Human Rights Policy that recognises international human rights as set out in the Bill of Human Rights and the principles described in the UN Global Compact.

We have developed an employee guidance document on human trafficking, modern slavery and forced marriage, to ensure our colleagues have access to the information and support they need. This is available to all colleagues on our internal intranet site.

The Kelda Group has a Living Wage accreditation, which means that we ensure all direct employees are paid a wage that is over and above the statutory wage levels set by the UK government.

We also include a Living Wage clause in all of our supplier contracts, to ensure that qualifying contractors also receive at least the Living Wage, including where working for a subcontractor. Any breach of these clauses can lead to termination of the contract.



Ensuring compliance

We have a number of mechanisms in place to ensure that our policies are being followed and that the controls in place are effective. These include audits by our Integrated Management System team and our internal auditors. Our accreditation as a Living Wage employer is externally assured by the Living Wage Foundation.

Speaking up

We have a Whistleblowing Policy in place which encourages colleagues to speak up if they become aware of any practices that breach our policies or are inconsistent with the way in which we want to work.

People can raise concerns completely anonymously if they wish to do so and can speak to people either inside or outside of Yorkshire Water. Any concerns raised are independently investigated and the concerns and investigations are reported to our Audit Committee to ensure that they are satisfied that the concern has been appropriately addressed.

This statement covers the period from 1 April 2018 to 31 March 2019 and has been approved by the Board of Kelda Holdings Limited. Our next statement, covering the period from 1 April 2019 to 31 March 2020, will be published by the end of September 2020.

A rectangular box containing a handwritten signature in black ink. The signature appears to read "Liz Barber" in a cursive script.

Liz Barber, Chief Executive