

Scottish Water Business Stream Limited Slavery and Human Trafficking Statement

1. Introduction

Business Stream has always been committed to working 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 aim to procure goods and services in a sustainable and ethical way in compliance with our values, public procurement law and policy and the Modern Slavery Act 2015.

We are committed to communicating our values to our suppliers and potential suppliers, and to monitoring their performance against them. This statement is designed to inform our customers, employees, business partners, suppliers and the general public about the steps Business Stream has taken, and is taking to ensure that slavery and human trafficking are not present either in our business or in our supply chain.

Business Stream adopts a zero tolerance approach to modern slavery and human trafficking. We are committed to respecting human rights, including the rights of children. Our zero tolerance principles are built into contracts, tenders and the dialogue and capacity-building opportunities we promote with our suppliers, contractors and sub-contractors. We review our procurement processes regularly to ensure responsible and sustainable sourcing. We expect all those who work for and with us, to adhere to our zero-tolerance approach to slavery and human trafficking.

Business Stream is committed to transparency in its supply chain and to protecting against the risk that internal procedures, processes and contracts make demands of suppliers, contractors and subcontractors that may lead them to violate human rights.

Since the Modern Slavery Act 2015 came into force we have:

- Sought external legal advice to ensure that we are taking the necessary steps to support compliance.
- Held discussions with our Procurement and People and Development teams to support compliance.
- Created an Anti-Slavery Policy, which has been approved by our Board of Directors.
- Allocated compliance roles and responsibilities within the business.
- Reviewed our existing supplier due diligence processes to support compliance with our AntiSlavery Policy.
- Identified Key Performance Indicators to assess our progress against.
- Introduced a continuous improvement approach to enhance our understanding of our wider supply chain so we are better placed to identify any risks.
- In December 2017 Business Stream became an accredited Real Living Wage employer.

2. Our business

Business Stream is one of the largest B2B retailers in the UK, providing both licensed services (water and waste water retailing) and unlicensed services (value-added services) to non-household customers.

Further information about our business, organisational structure and supply chain can be found at:

<http://www.business-stream.co.uk>

3. Organisational policies

Business Stream has a number of policies in place to guard against the risks of slavery, human trafficking, forced and bonded labour and labour rights violations. These policies include:

- a. Anti-Slavery Policy
- b. Procurement Policy

- c. Recruitment Policy
- d. Induction Policy

Our Anti-Slavery Policy sets out our zero-tolerance approach to slavery and human trafficking and reinforces our commitment to acting in a transparent and ethical manner. It applies to all employees and external contractors working for or on our behalf.

The policy sets out particular roles and responsibilities within our business, identifies key risks and explains our risk management processes.

4. Supply chain due diligence

Business Stream's supply chain is designated by category. The principle categories are:

- ICT Equipment & Services
- Marketing Services
- Facilities
- Corporate Services
- Business Solutions

Current supply chain

In the financial year 2015/16, all Business Stream suppliers were issued with a letter requiring completion of a statement confirming that they comply with the principles of the Modern Slavery Act 2015. The statement specifically requires confirmation that the supplier does not, or will not in the future, support or do business knowingly with any other party involved in any act of slavery or human trafficking as defined in the Modern Slavery Act 2015.

Each new supplier is required to confirm that they comply with the principles of the Modern Slavery Act 2015 and that they do not, or will not, support or do business knowingly with any other party involved in any act of slavery or human trafficking as defined in the Modern Slavery Act 2015, before Business Stream will undertake any business with them.

This process was implemented in 2016/17. In 2017/18 we created a supplier database to start recording suppliers' compliance to the policy. All new contracts have specific obligations with regards to the Modern Slavery Act and our own compliance policies.

In 2018/19 all suppliers were requested to re-confirm their compliance with the principles of the Modern Slavery Act 2015. In addition, we have risk profiled each supplier. Due to the nature of the goods and services there is a low risk of Modern Slavery, however we identified the suppliers that were deemed a medium risk and these suppliers were contacted and asked more probing questions about the measures in place. We have also conducted site audits on key suppliers allowing us to observe the measures in place.

Future supply chain

Our procurement process form for re-tendering now has a dedicated section that includes additional questions in relation to slavery, human trafficking and transparency in our supply chain. Suppliers will now be required to demonstrate their on-going commitment to guard against slavery and human trafficking in their extended supply chain for the duration of any signed Agreement.

5. Key Performance Indicators (KPIs)

Our procurement team ensures that the fundamental principles of Business Stream's Anti-Slavery policy and the Modern Slavery Act 2015 are part of current and future on-going formal supplier reviews.

The procurement team continues to build transparent and open relationships with current and future suppliers to ensure that slavery and human trafficking is not occurring within their extended supply chain.

We use the following KPIs to measure how effective we have been in combatting slavery and human trafficking:

- Risk measurement across the supply chain
- The number of suppliers confirmed compliant to Business Stream's policy versus annual spend
- Staff confirmation that they have read and understood our Anti-Slavery Policy
- Policy breaches are reported internally within 3 business days of occurring
- Policy breaches are assessed within a week of being reported and further investigations concluded as soon as possible thereafter

6. Training

Business Stream's Anti-Slavery Policy is published on our CRM system and Inflo, our company's intranet. It is a requirement that all employees read and confirm their understanding of the content of the Anti-Slavery Policy annually. We provide further tailored training where it is necessary to do so (for example, where a policy breach has occurred).

7. Further steps

- Further enhance the dedicated section of our website containing details of, and links to, all our policies. We have also added a link to our Anti-slavery Statement on our home page.
- Continue to ensure that our Employee Assistance Programme and Whistle Blowing Policy and confidential phone line are highlighted and easily accessible to all of our employees
- Continue to enhance the procurement process with the following:
 - Further expand the quantity of supplier site visits where the risk is deemed medium to high. These visits will initially happen prior to contract award, but also periodically during the engagement.
 - Continue to request annual re-confirmation of a supplier's on-going commitment to guard against slavery and human trafficking in their organisation and across their supply chain and, on a risk based approach, undertake further investigation if required. Issue action plans for suppliers where improvement is required.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Business Stream's slavery and human trafficking statement for the financial year ending 31/03/2019.



Johanna Dow
Chief Executive
Scottish Water Business Stream Limited

Date: 25 September 2019