



# Modern Slavery Statement

## 2021

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Date: June 2021

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# 1 - Introduction



Veolia UK is part of Veolia Environnement S.A., a transnational company with activities in three main service and utility areas – water management, waste management and energy services.

Modern slavery affects millions of victims worldwide. Veolia recognises modern slavery as a growing global and local issue, and the important role we can play in helping to eradicate it. Our approach to both uncovering modern slavery, and minimising the risks it poses, are a core part of our responsible business strategy, which we continue to build upon.

**This statement sets out the measures that Veolia has in place in the UK, and the actions we have taken during 2020.**

For the purposes of this statement **Veolia** refers to **Veolia ES Holdings (UK) Limited, Veolia Water UK Limited and Veolia Energy UK plc** together with their respective subsidiaries in the UK. This includes, but is not limited to, those subsidiaries with a turnover in excess of £36,000,000 in 2020, as identified below:-

- Veolia Energy and Utility Services UK Plc
- Veolia Water Outsourcing Ltd
- Veolia ES (UK) Limited
- Veolia Environmental Services (UK) Plc
- Veolia ES Staffordshire Limited
- Veolia ES South Downs Limited
- Veolia ES Shropshire Limited
- Veolia ES Sheffield Ltd
- Veolia ES Landfill Limited
- Veolia ES Hampshire Limited
- Veolia ES Birmingham Limited

All of these companies have approved and adopted this statement and authorised all or any one of their directors (or equivalent) to sign it.

Common standards, policies and procedures are adopted and implemented across Veolia and all key corporate services, including the Supply Chain and Human Resource functions, are shared by all Veolia entities.

## 2. Our Structure, Business & Supply Chains



### 2.1 Structure and Business

Veolia UK, as part of Veolia Environnement S.A., designs and provides water, waste and energy management solutions that contribute to the sustainable development of communities and industries. Through our three complementary business activities Veolia UK replenishes and provides access to resources, thereby helping to build a circular economy and preserve scarce raw materials.

We provide work for approximately 15,000 people (directly and indirectly) in the United Kingdom, across more than 400 operational and corporate shared services sites.

### 2.2 Governance

A dedicated **Modern Slavery Working Group** operates to assess risk, implement improvements and to monitor progress. Our Working Group comprises a cross section of employees from HR, Supply Chain, Business Operations, Legal, Compliance and Corporate Social Responsibility.

During 2020, the Working Group launched the Veolia UK Modern Slavery & Human Trafficking Strategy Paper which was shared internally via the intranet and the digital newsletter. The strategy paper remains permanently accessible to all Veolia staff.

The Working Group reports to the **Board** at regular scheduled intervals via the **Modern Slavery Subcommittee, Audit Committee and Compliance Review Meetings**

### 2.3 Supply Chains

Veolia operates primarily in the waste recycling, green power generation, industrial cleaning, water and wastewater treatment sectors. We spend around **£900 million** annually in the UK across all **suppliers**, the majority of which are based in the UK (2020 spend with suppliers based in the UK is 97%).

We believe that our highest risk of modern slavery lies within our supply chains, due to their complexity. For this reason, we actively work to rationalise our sustainable supplier base, with a reduction of 1,500 in 2020, and a target reduction of a further 750 in 2021. Targets are set each year for further reductions, and form part of our KPI monitoring. We expect all our suppliers to adopt our standards, and we work collaboratively with them, clearly setting out our zero tolerance approach.

The expenditure with suppliers is grouped into categories. Our National Category Managers in the Supply Chain function are responsible for each area. These categories are shown in **table 1**.



**Table 1 - Purchasing Categories**

Category	Category name	Typical products/services in the Category
1	Operating supplies, material & equipment	Valves, tools, pipes and fittings, pumps, engines, electrical, safety, laboratory, building materials
2	Industrial, technical & service subcontracting	Waste and treatment subcontracting, transport and logistics providers, civil engineering, facilities management, lab services
3	Mobile equipment & motorised equipment	New vehicles and spare parts, on-board equipment, bins & containers
4	Fuel, energy & chemicals	Electricity, gas, acids, alkalis, polymers, diesel, fuel additives
5	Intellectual services	Insurance, technical and general management consultants, legal providers, recruitment consultants, marketing agencies
6	General purchasing	Temporary labour, travel, office supplies and furniture, postage and archiving
7	IT & telecommunications	IT hardware and software, mobile phone and airtime



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## 3. Supplier due diligence processes in relation to modern slavery and human trafficking

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Veolia is committed to zero tolerance of slavery and human trafficking in its supply chains. The following practices are in place to address this:

### 3.1 Supplier Assessment

Prior to onboarding new vendors our Supply Chain function follows a consistent due diligence process. The assessment process reviews and validates compliance standards including health and safety, environmental and modern slavery prior to trading accounts being opened. Suppliers are required to answer a series of questions specifically about their corporate responsibility credentials. Where areas are deemed to fall short of expected compliance standards, supplier applications are subject to further review and questions, in consultation with the appropriate Veolia subject matter expert. Any suppliers who do not meet the requirements of the UK Modern Slavery Act or the Veolia's Supplier Relationship Principles in relation to forced /compulsory labour will not be allowed to trade with Veolia.

### 3.2 Terms & Conditions

Veolia uses several sets of standard terms and conditions to trade with suppliers. Our conditions oblige the supplier to comply with the Modern Slavery Act, and give Veolia the power to require evidence as to how they take steps to mitigate the risk of modern slavery. While our aim is always to support and work with suppliers to address any modern slavery issues, we retain the ultimate sanction of contract termination where necessary.

### 3.3 Temporary labour & agency workers

Veolia partners with a Contingent Labour Service Provider to provide its agency and temporary worker requirements. Our service provider is contractually required to ensure both itself and its suppliers comply with the Modern Slavery Act. We work with our service provider to enhance processes to increase our ability to detect potential cases of modern slavery. Despite the trend during the 2020 pandemic for companies to increase their use of contingent labour, Veolia's demand actually reduced by 11.6%. During this time we prioritised the redeployment of our permanent workforce. Whilst contingent labour plays an important role in ensuring flexibility and agility to meet resource needs, we endeavour to continually seek to reduce our utilisation of contingent labour, supported by improved workforce planning to forecast demand and supply of labour.

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## 4. Policy & Process

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Common standards, policies and practices are adopted and implemented throughout Veolia.

Veolia's commitment to prevent Modern Slavery is outlined in our **Modern Slavery and Human Trafficking Policy** and our **Sustainable Procurement Policy**.

Our **Whistleblowing Policy & Procedure** is available to all employees. We offer a confidential whistleblowing telephone line to all employees, along with a confidential online whistleblowing solution which is available to all employees and to third parties, for reporting concerns or suspicions of wrongdoing.

Our **Employee Assistance Programme** provides a confidential telephone support service where advice and information can be sought by employees across a wide range of topics.



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## 5. Parts of the business and supply chains where there is a risk of slavery and human trafficking, and the steps taken to assess and manage this risk

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### 5.1 Supply Chains specific risk

During 2020 Veolia purchased goods from 23 different countries. Veolia commissioned a third party audit to be carried out on a key containers supplier who sources key components from an affiliate based in China. The audit confirmed no evidence of harassment or abuse, nor concealment of any accommodation or sleeping quarters. The auditor found the employees to be positive and there was no evidence of child or forced labour.

Veolia uses fully outsourced contractors to manage the recycling activities at many of its Household Waste Recycling Centres (HWRCs) in the UK. These contractors employ staff originating from various countries, including eastern Europe. Veolia commissioned a third party audit to be carried out on 12 sites. The audit confirmed no evidence of harassment or abuse. The auditor found the employees to be positive and there was no evidence of forced labour or worker exploitation.

A large operational workforce and high usage of temporary labour and agency workers presents inherent risk to our business. We continue to work with our Contingent Labour Service Provider to enhance processes to increase our ability to detect potential cases of modern slavery, and to understand the due diligence steps taken by our service provider in their own onboarding processes. Our partner supplies all temporary and agency labour.

Acquisitions may present risk where the mass onboarding of new suppliers is necessary to maintain the continued performance and contractual obligations of the acquired business. During 2020 Veolia made one acquisition within the UK, which included a supplier database. When the supplier database of the newly acquired company is integrated, the higher risk suppliers are automatically added to the annual review program.

All new suppliers are in scope for rationalisation, as referenced in 2.3. Direct employee checks in respect of TUPE staff, follow the steps outlined in 6.1. Temporary and agency labour requirements move under the Contingent Labour Service Provider.

## 5.2 Supply Chains - General risk

Veolia's Supply Chain function follows a risk screening process which includes questions related to each supplier's approach to modern slavery compliance.

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# 6. Employees and other individuals with whom we deal

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## 6.1 Direct labour & TUPE employees

In terms of direct use of labour within the UK, Veolia employs approximately 13,000 individuals on direct contracts of employment, all of which are compliant with UK legislation.

Wages are paid electronically directly to the employee's bank account. Veolia will not pay any new employee through its payroll system unless the individual has provided the correct Right to Work evidence, in line with Home Office guidance. This evidence is collected as part of the 'new hire' process through an electronic form on the HR & Payroll system. Where employees transfer into Veolia under TUPE arrangements, the employee relations team requests the Right to Work evidence within 21 days, again in line with Home Office guidance.

Veolia works in partnership with 5 Trade Unions to ensure agreed and reasonable pay deals for its staff. Veolia is fully compliant with the legislative requirements of both the National Minimum Wage and the National Living Wage.

Each quarter we complete a payroll check which identifies where duplicate bank details exist across more than one employee record, as a way to identify non-legitimate arrangements where payroll funds may be being diverted. Legitimate cases, such as cohabiting partners who both work for Veolia, will be checked and validated. System reporting to identify additional risk indicators is under development for 2021.

## 6.2 Indirect labour (temporary and agency workers)

As referenced in 3.3, Veolia uses a Contingent Labour Service Provider for its temporary labour requirements which engages staff through agreements held with recruitment agencies nationally. The service provider provides personnel for predominantly blue collar roles, and in 2020 they supplied over 5,600 workers to Veolia. The service provider has a Service Level Agreement with the agencies it uses which obliges them to comply with all regulations and laws applicable to the terms of the agreement, including the Modern Slavery Act. In addition, the compliance safeguards within the supplier's payroll system mean that a worker cannot be supplied to Veolia unless they are correctly documented within the UK (either being UK nationals or foreign nationals with the correct paperwork).





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## 7. Measuring our effectiveness in ensuring that modern slavery and human trafficking is not taking place in our business or supply chains

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Veolia's Modern Slavery and Human Trafficking working group, led by Veolia's Chief Compliance Officer (for the UK and Ireland), is comprised of representatives of the Operational, Corporate Responsibility, Supply Chain, HR and Legal functions. The working group met on three occasions during 2020 with individual members meeting more frequently. Members of the group are jointly responsible for assessing, enhancing and monitoring steps taken by both Veolia and its Suppliers to meet compliance standards and manage risk.

The group is focusing on significantly increasing training and awareness of the issues as well as looking for external independent review and best in class peer comparison to further reduce the risk of modern slavery in its own structure and supply chain. Meetings have taken place, and continue, with anti slavery organisations.



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## 8. Training & Awareness

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### 8.1 Management

All Board Directors have completed the eLearning module which has been launched to all staff. Modern slavery is discussed as a recurring agenda item during the Audit Committee and Compliance Reviews, attended by Board Directors. There is also a dedicated Executive subcommittee which meets twice yearly with working group representatives to review priorities and action plans.

### 8.2 Office based staff

Modern Slavery eLearning was launched to all staff in 2019. The eLearning module provides an overview of modern slavery risks, modern slavery presence and statistics, and guidance on how to spot the signs and report concerns safely. The training module contains questions and answers in order to test the level of understanding following completion. The training module is part of the induction process for all new staff joining Veolia, and is scheduled to be relaunched to all staff on a two year cycle

Modern Slavery awareness articles continue to be published to the Veolia intranet and via the internal digital newsletter issued to all Veolia staff.

### 8.3 Operational staff

A toolkit was cascaded to operational sites, via our General Managers in 2019. The kit contained; 1) a poster for communal areas on spotting the signs, 2) a poster for private areas on how to seek support, 3) a Veolia-TV scrolling slide, for sites that have this facility, and 4) a scripted briefing with video support,

explaining the posters and offering guidance on how to spot the signs and how to report concerns. An article was also published within our internal newspaper (YourNews) to help raise awareness among operatives.

The roll out of the toolkit for operations was stalled during 2020 due to the impact of Covid. This will now be replaced with a new operational toolkit to be launched at a later date.

#### 8.4 Specific teams

In addition to eLearning for Veolia staff, face to face training sessions are delivered to the Supply Chain team. Face to face awareness sessions for Trade Union representatives, and HR resourcing and onboarding teams, will be reviewed and scheduled in 2021.

Sessions are specifically tailored to these employee groups with the aim of providing an overview of the Modern Slavery Act, Veolia's obligations under the Act, the actions that the business has taken to support prevention, detection and awareness of modern slavery, and to highlight how they can provide support in their roles.

#### 8.5 Third parties

Supply chain webinar training sessions are provided to Tier 1 suppliers.



This statement is made pursuant to section 54(1) Modern Slavery Act 2015 and constitutes Veolia's Modern Slavery and Human Trafficking statement for the financial year ended 31 December 2020.

A handwritten signature in black ink, appearing to read "Gavin Graveson".

Gavin Graveson  
Executive Vice-President – UK & Ireland  
11th June 2021