



## Veolia UK Modern Slavery and Human Trafficking Statement 2018

### Introduction

Veolia is issuing this statement to set out the actions we have taken during 2017 and continue to take to ensure that our business and supply chains are slavery free.

Veolia recognises that such an approach is an important part of our corporate responsibility and we will continue to review the steps we take.

For the purposes of this statement “Veolia” refers to Veolia ES Holdings (UK) Limited, Veolia Water UK Limited and Veolia Energy UK plc and their respective subsidiaries in the UK, each of which has separately recognised and adopted this statement.

### Our Structure, Business and Supply Chains

#### Structure and Business

As a leader in the UK in environmental solutions, Veolia provides a comprehensive range of waste, water and energy management services designed to build the circular economy and preserve scarce raw materials. Veolia is part of the Veolia Environnement group of companies.

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

#### Supply Chains

Veolia operates primarily in the waste recycling, green power generation, industrial cleaning, water and wastewater treatment sectors. We spend around **£1 billion** annually in the UK across around **10,000 suppliers**, the majority of which are based in the UK (2017 spend with suppliers based in the UK: 95%). The expenditure with suppliers is grouped into categories. The Supply Chain Managers and the National Category Managers in the Supply Chain function are responsible for each area. These categories are as follows:

Category	Category name	Typical products/services in the Category
1	Operating supplies, material & equipment	Valves, pipes and fittings, pumps, motors
2	Industrial, technical & service subcontracting	Waste and treatment subcontracting, transport and logistics providers, civil engineering, facilities management, laboratory services
3	Mobile equipment & motorised equipment	New vehicles and spare parts, on-board equipment, bins & containers
4	Energy, chemicals & products	Electricity, gas, acids, alkalis, polymers, fuel additives



Category	Category name	Typical products/services in the Category
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
8	Real Estate	Real estate purchase and rental
9	Royalties, Taxes and Patents	Taxes, custom duties, infrastructure usage fees and patents

## Policies

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

## Due diligence processes in relation to modern slavery and human trafficking

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

1. **SUPPLIER ASSESSMENT:** The Supply Chain function carries out thorough due diligence on suppliers before they start to trade with Veolia. The assessment process reviews the supplier's safety, health, environment and quality performance before they are granted permission to trade with Veolia. As of the 1<sup>st</sup> October 2015 all vendors wishing to do business with Veolia are required to comply with the obligations contained in The Modern Slavery Act 2015.

Veolia uses an additional system to that described above to assess its preferred suppliers where they are business critical or there is a high spend. The supplier is required to answer a series of questions specifically about its corporate responsibility credentials and, where required, will be subject to further review if there are areas which need addressing.

In 2017, Veolia took steps to increase its due diligence. All material suppliers without a Modern Slavery Policy are now flagged and undergo assessment by the Corporate Responsibility team who assess the risk and offer advice and guidance where necessary.

2. **TERMS AND CONDITIONS:** Veolia uses a set of standard terms and conditions to trade with suppliers. The conditions have a statement which obliges the supplier to comply with the Modern Slavery Act and to submit evidence about how they take steps to mitigate this issue if Veolia requires it. This allows Veolia to work on improving and remedying the supplier's behaviour as well as retaining the ultimate sanction of termination in extreme cases.
3. **TEMPORARY LABOUR and AGENCY WORKERS:** Veolia uses one provider as a single point of contact to manage the vast majority of its agency and temporary worker requirements. The contract requires the provider



to ensure compliance by itself and its suppliers with the requirements of the Modern Slavery Act. For further details see below.

### **Identification of the risk of modern slavery and human trafficking taking place in our business and supply chains, and the steps taken to assess and manage that risk**

In 2017, Veolia purchased goods and services from 24 different countries. Although none of these countries fall into the high risk areas (as defined by the Global Slavery Index), during 2017 we developed a further risk screening tool which is based on self-assessment by suppliers. We have also delivered web-based training to our important suppliers and discussed the topic of modern slavery.

In terms of identifying indirect suppliers (for example suppliers of components which form part of equipment purchased by Veolia) each direct supplier is required under Veolia's compliance requirements to confirm that their supply sources for any components or labour for their equipment are compliant with the Modern Slavery Act.

### **Our employees and other individuals with whom we deal**

In terms of direct use of labour within the UK, Veolia employs approximately 14,000 individuals on direct contracts of employment all of which are compliant with UK and EU 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 template and guidance document requests the Right to Work evidence within 21 days, again in line with Home Office guidance. Veolia works in partnership with 5 trade unions and a workers' council 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.

In terms of indirect labour, Veolia uses a single provider for its temporary labour requirement which engages staff through agreements it holds with recruitment agencies around the country. The supplier provides around 2,000 personnel per annum for predominantly blue collar roles. The supplier 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, we understand that 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).

Veolia also has franchise arrangements in respect of some of the Household Waste Recycling Centres under its control. These take the form of sub-contracts with a Site Agent who provides and manages the labour for the relevant site. The sub-contracts contain obligations to comply with the Modern Slavery Act and other relevant employment legislation.

Veolia has updated its Whistleblowing Policy to ensure that it covers any unlawful activity under the Modern Slavery and Human Trafficking Policy.



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

Veolia has established a Modern Slavery and Human Trafficking committee comprising representatives of the Corporate Responsibility, Supply Chain, HR and Legal functions. Members of the committee are jointly responsible for investigating and monitoring both Veolia's and our suppliers' approach to compliance. The committee meets regularly and any issues identified by them are raised at Board level.

Additionally, the Executive Committee member leading the Corporate Social Responsibility portfolio has been appointed as Veolia's champion for modern slavery and human trafficking compliance.

### **Training**

In order to raise awareness of the risks of modern slavery, members of the Supply Chain function have received training including:

- Introduction to Modern Slavery
- Relevance to Veolia
- Definitions of Modern Slavery
- What to do if they spot signs of Modern Slavery in UK and Abroad
- Where to go for more information

Awareness sessions have also been delivered to members of the HR team and to the various trade unions recognised within Veolia. The sessions have specifically been tailored to these employee groups with the aim of giving them an overview of the Modern Slavery Act 2015 and Veolia's obligations under the Act, to make them aware of Veolia's commitment to the prevention of modern slavery, to communicate the actions that the company has taken and to identify the support that they can provide to the company with the prevention of modern slavery. The trade unions have been very receptive in working with Veolia to carry out this programme.

In addition, Veolia is rolling out modern slavery awareness training as part of new staff inductions.

Externally, Veolia is offering supply chain webinar training sessions to Tier 1 suppliers. Where suppliers seek more information, Veolia is offering advice and guidance on best practice.

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 2017.

A handwritten signature in black ink, consisting of several loops and a long tail that extends upwards and to the right.

**Estelle Brachlianoff**  
Senior Executive Vice-President – UK & Ireland