



Modern Slavery Statement

2020

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1 - Introduction



Veolia Environnement S.A., branded as Veolia, is a French transnational company with activities in three main service and utility areas traditionally managed by public authorities – 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 risk it poses, are a core part of our responsible business strategy, which we continue to build upon.

This statement sets out the measures Veolia UK has in place, and the actions we have taken during 2019.

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 is including, but not limited to, those subsidiaries with a turnover in excess of £36,000,000, 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 Merseyside and Halton Limited
- Veolia ES Staffordshire Limited; Veolia ES South Downs Limited
- Veolia ES Shropshire Limited
- Veolia ES Sheffield Ltd
- Veolia ES Nottinghamshire Limited
- Veolia ES Landfill Limited
- Veolia ES Hampshire Limited

Each of our entities has recognised and adopted this statement.

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

Our organisation provides a comprehensive range of waste, water and energy management services designed to build the circular economy and to preserve scarce raw materials.

We employ 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 Responsibility.

The Working Group reports to the **Board** at regular scheduled intervals via the **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 **£1 billion** annually in the UK across around **9,000 suppliers**, the majority of which are based in the UK (2019 spend with suppliers based in the UK: 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 target reduction of a further 1000 in 2020. 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, pipes and fittings, pumps, motors, electrical, safety, building
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	Energy, chemicals & products	Electricity, gas, acids, alkalis, polymers, 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

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

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

Our Supply Chain function follows a consistent due diligence process, prior to onboarding new vendors. 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. Applications are subject to further review and questions, where areas are deemed to fall short of compliance standards. Any suppliers who do not meet the requirement of the Modern Slavery Act or Veolia Modern Slavery policy 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 uses a Managed Service Provider (MSP) to provide its agency and temporary worker requirements. Our MSP is contractually required to ensure both itself and its suppliers comply with the Modern Slavery Act. We are working with our MSP to enhance processes to increase our ability to detect potential cases of modern slavery at an individual level.



4. Policy & Process

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. In addition we have a Group Alert Whistleblowing tool, 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.



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

5.1 Supply Chains specific risk

During 2019 Veolia purchased goods and services from 24 different countries. Veolia commissioned a third party audit to be carried out on a key workwear supplier based in both Sri Lanka and Pakistan (identified as being at high risk to Modern Slavery according to the Global Slavery Index). 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.

A large operational workforce and high usage of temporary labour and agency workers presents inherent risk to our business. We are working with our Managed Service Provider (MSP) to enhance processes to increase our ability to detect potential cases of modern slavery, and to understand the due diligence steps taken by our MSP in their own onboarding processes. Our MSP 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 2019 Veolia made 4 acquisitions within the UK, some of 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 will be in scope for rationalisation, as referenced in 2.3. Direct employee checks in respect of TUPE staff, follow the steps outlined in 6.1. Any temporary and agency labour will move under the MSP.

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.

6. Employees and other individuals with whom we deal

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 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.

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.

6.2 Indirect labour (temporary and agency workers)

As referenced in 3.3, Veolia uses an MSP for its temporary labour requirement which engages staff through agreements held with recruitment agencies around the country. The MSP provides around 2,000 personnel per annum for predominantly blue collar roles. The MSP 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).

During 2019 Veolia started to focus on ways to identify, and tackle attempts to avoid the safeguards referred to above. We are reviewing, for example, the risk of a potential victim or victim controller, stealing another's (compliant) identity and/or fraudulently altering it. We are working with site managers across Veolia to improve awareness of this risk as well as practical steps to help minimise this risk.

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

Veolia's Slavery and Human Trafficking working group, led by Veolia's Chief Compliance Officer (for the UK and Ireland) and is comprised of representatives of the Operational, Corporate Responsibility, Supply Chain, HR and Legal functions met on four occasions in 2019 with individual members meeting more frequently. Members of the group are jointly responsible for assessing, enhancing and monitoring steps taken by both Veolia and our Suppliers' to meet compliance standards and manage risk.

Following the groundwork undertaken in the first four years since its creation, the group is focusing on significantly increasing training (see below) 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.



8. Training & Awareness

8.1 Management

All Board Directors have completed the eLearning module which has been launched to all staff, and modern slavery is discussed as a recurring agenda item during the Audit Committee and Compliance Reviews, attended by Board Directors.

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 now part of the induction process for all new staff joining Veolia.

Modern Slavery awareness articles have been published to the Veolia intranet and via internal eCommunications for Managers.

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.

8.4 Specific teams

In addition to eLearning for all Veolia staff, face to face training sessions are delivered annually to all members of the Supply Chain team. The delivery of face to face awareness sessions commenced with Trade Union representatives in 2019, and will continue through 2020, while face to face training for HR resourcing and onboarding teams is planned for 2020.

Sessions have specifically been 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 2019.

Gavin Graveson
Executive Vice-President – UK & Ireland
3rd July 2020