



Veolia UK and Ireland Modern Slavery and Human Trafficking Statement

Introduction

Veolia is issuing this statement to set out the actions we have taken during 2016 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, Veolia Energy UK plc and their respective subsidiaries in the UK and Ireland each of which has separately recognised and adopted this statement.

Our Structure, Business and Supply Chains

Structure and Business

A leader in the UK and Ireland 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

The Veolia UK Group operates primarily in the waste recycling, green power generation, water and waste water treatment sectors. Procurement activities carried out by Veolia mainly relate to plant, industrial equipment, vehicles, fuel and UK and Ireland sourced labour. We spend around **£1 billion** annually in the UK and Ireland across around **10,000 suppliers**, the majority of which are based in the UK and Ireland. 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 |
| 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 |

Veolia UK Limited

8th Floor, 210 Pentonville Road,
London, N1 9JY
Tel: +44 (0)20 3567 6600

www.veolia.co.uk

Registered Office:

210 Pentonville Road, London N1 9JY
Registered in England & Wales: 2264833

A group company of
Veolia UK Limited



Policies

Veolia's commitment to prevent Modern Slavery is outlined in our Slavery and Human Trafficking Policy and our Sustainable Procurement policy:
<http://www.veolia.co.uk/supplier-information>

Due diligence processes in relation to 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:

1. **SUPPLIER ASSESSMENT:** The Supply Chain function uses a supplier management system to assess 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 1st 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 undergoes 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.

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 and/or persistent cases.
3. **TEMPORARY LABOUR and AGENCY WORKERS:** Veolia uses a single 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 slavery and human trafficking taking place in our business and supply chains, and the steps taken to assess and manage that risk

In 2016, Veolia has reviewed what supplies come from high risk countries according to the Global Slavery Index. We identified one supplier where the headquarters is located in India, which is one of the high risk countries. The supplier provided construction services for Veolia's energy business once in 2015. By the end of 2017, we will develop the further risk screening tools including Scorecard and supplier self-assessment questionnaires in order to escalate and mitigate the risks in our supply chain.

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.

In terms of direct use of labour within the UK and Ireland, Veolia employ approximately 14,500 individuals on direct contracts of employment all of which are compliant with UK and EU legislation. Wages are paid electronically directly to employee's bank accounts. 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 trades 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 or Ireland, as appropriate (either being UK/Irish 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.

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

Veolia has established a 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 on a quarterly basis 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

This statement is made pursuant to section 54(1) Modern Slavery Act 2015 and constitutes Veolia's Slavery and Human Trafficking statement for the financial year ended 31 December 2016.

[Director Veolia ES Holdings Limited, Veolia Water UK Limited and Veolia Energy UK plc]