

Veolia UK Modern Slavery and Human Trafficking Statement 2019

Introduction

Veolia is issuing this statement to set out the actions we have taken during 2018 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 together with their respective subsidiaries in the UK, including, but not limited to, those subsidiaries with a turnover in excess of £36,000,000 namely 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 and Veolia ES Hampshire Limited each of which has separately recognised and adopted this statement through their respective boards of directors.

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 (2018 spend with suppliers based in the UK: 93%). 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
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, customs 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:

<https://www.veolia.co.uk/>

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:

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 health and safety, environment and compliance before they are granted permission to trade with Veolia. At the same time, all vendors wishing to work with Veolia are required to comply with the obligations contained in the Modern Slavery Act 2015. Suppliers are required to answer a series of questions specifically about their corporate responsibility credentials and, where required, will be subject to further review if there are areas which need addressing. Any suppliers who do not meet the requirement of the Modern Slavery Act or Veolia Modern Slavery policy cannot become our supplier.
2. **TERMS AND CONDITIONS:** Veolia uses several sets 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. The provider's supplier agreement also incorporates detailed requirements that its suppliers have to meet in order to be compliant to the Modern Slavery Act.

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

During 2018 Veolia purchased goods and services from 21 different countries. We have identified that our main work-wear supplier manufactures its products in Pakistan and Sri-Lanka, where the countries have significant vulnerability to Modern Slavery. In particular Pakistan is ranked very high in terms of the percentage of its population that is estimated to be in modern slavery, according to the Global Slavery Index published by Walk Free Foundation. In order to address this risk, Veolia has commissioned a third party to conduct a location audit of the supplier in 2019, using a third party specialist. They will highlight issues to be addressed (if any) as well as suggesting relevant improvement plans should any Modern Slavery risks be identified during the audit

Veolia Supply Chain has also used an established risk screening tool which is designed to identify potential risks before the supplier is on-boarded. In order to identify indirect upstream suppliers (for example suppliers of components which form part of equipment purchased by Veolia) each direct supplier is required 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). During 2018 the provider was required to give evidence of its compliance and in particular how it ensured its suppliers' compliance with Modern Slavery legislation. This resulted in a clear confirmation from the provider's head of service setting out all the steps taken by it.

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's Whistleblowing Policy ensures 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 Slavery and Human Trafficking working group comprising representatives of the Corporate Responsibility, Supply Chain, HR and Legal functions. Members of the group are jointly responsible for investigating and monitoring both Veolia's and our suppliers' approach to compliance. The group meets regularly and any issues identified by them are raised at Board level. The working group met in

March and November 2018 to monitor steps previously identified in terms of ensuring the business's commitment to combatting modern slavery and to identify further actions which might be taken.

Additionally, the Management Board 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. In 2018 this resulted in the identification of an appropriate training video which is planned to become part of the mandatory induction process for all employees.

Externally, Veolia has provided supply chain webinar training sessions to Tier 1 suppliers which was well received. Further training services are to be offered in 2019. 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 2018.



Gavin Graveson
Executive Vice-President – UK & Ireland