

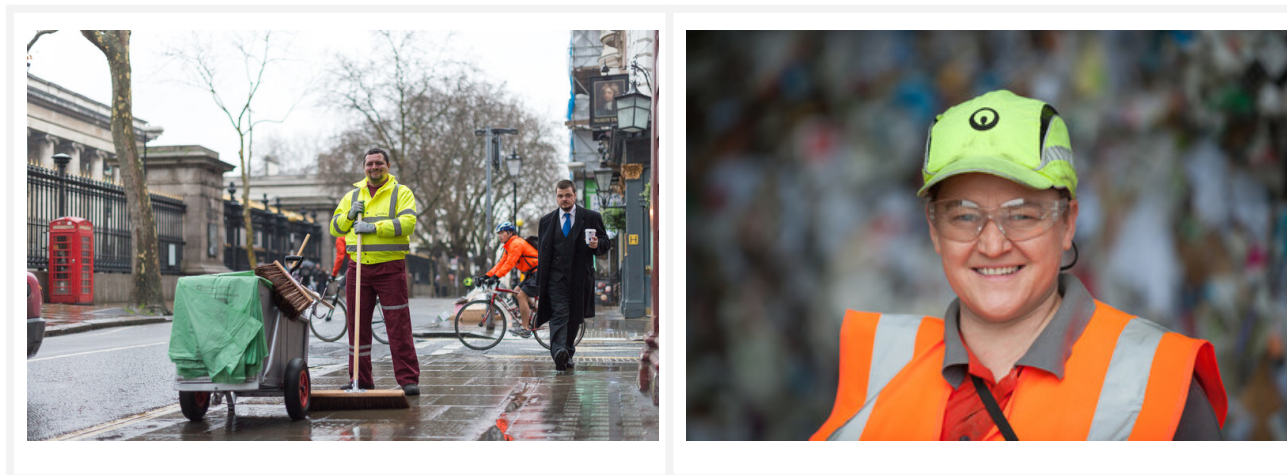


Modern Slavery Statement 2022

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1 - Introduction



Veolia UK is part of the Veolia Environnement S.A. group of companies, an international group headquartered in France. Veolia works to deliver environmental solutions and realise its purpose of ecological transformation – which will ensure a better, more sustainable future for all. This is supported by a firm commitment to the United Nations' Sustainable Development Goals, as well as a robust multifaceted performance framework to guide decision-making.

Veolia recognises modern slavery as a growing global and local issue, and the important role we can play in helping to eradicate it. The identification and prevention of modern slavery 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 2021.

For the purposes of this statement **Veolia** and **Veolia UK** refer 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 2021, as identified below:-

- Veolia Energy and Utility Services UK Plc
- Veolia Water Outsourcing Limited
- 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 Limited
- Veolia ES Landfill Limited
- Veolia ES Hampshire Limited
- Veolia ES Birmingham Limited
- Veolia ES Nottinghamshire Limited
- Veolia ES Southwark Limited
- Veolia ES Merseyside and Halton Limited

Common standards, policies and procedures are adopted and implemented across Veolia, and all key support functions, including Supply Chain and Human Resources, are shared by all Veolia entities.

2. Our Structure, Business and Supply Chains



2.1 Structure and Business

Veolia UK, as part of the Veolia Environnement S.A. group, designs and delivers environmental solutions that contribute to its purpose of ecological transformation. Veolia works to radically change patterns of production and consumption by placing ecology at the heart of every process and every assessment. Our aim is to provide meaningful solutions to major problems, with and for its stakeholders..

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 monitor progress. Our Working Group comprises a cross section of representatives from HR, Supply Chain, Business Operations, Legal, Compliance and Corporate Social Responsibility. It is led jointly by the Chief Compliance Officer and our Modern Slavery Lead. The working group met on six occasions during 2021 with individual members meeting more frequently to drive specific projects and initiatives.

During 2020, the Working Group launched the Veolia UK Modern Slavery and Human Trafficking Strategy Paper which was shared internally via the Veolia UK intranet and the Veolia UK digital newsletter. The strategy paper remains permanently accessible to all Veolia staff and serves as a reference document for the Working Group. It will be updated in 2023.

The Working Group reports to selected members of the Executive Committee (the **Modern Slavery Subcommittee**) every six months. The committee includes the Chief HR Officer, Chief Legal Officer, and the Chief Operating Officer, Treatment Operations. Regular updates are also provided by the Chief Compliance Officer to the **Audit Committee** which is attended by the Senior Executive Vice President for Veolia Northern Europe.

2.3 Supply Chains

Veolia operates primarily in the waste recycling, green power generation, industrial cleaning, water and wastewater treatment sectors. We spend around **£994 million** annually in the UK across all **suppliers**, the majority of which are based in the UK (2021 spend with suppliers based in the UK is 97.5%).

We recognise that our volume and complexity of suppliers can present a higher risk of undetected modern slavery. For this reason, we actively work to rationalise our sustainable supplier base, with a reduction of 750 in 2021, and a target reduction of a further 750 in 2022. Supplier reduction targets are set annually, and form part of our KPI monitoring.

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

Table 1 - Purchasing Categories

Category	Category name	Typical products/services in the Category
1	Operating supplies, material and equipment	Valves, tools, pipes and fittings, pumps, engines, electrical, safety, laboratory, building materials
2	Industrial, technical and service subcontracting	Waste and treatment subcontracting, transport and logistics providers, civil engineering, facilities management, lab services
3	Mobile equipment and motorised equipment	New vehicles and spare parts, on-board equipment, bins and containers
4	Fuel, energy and 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 and telecommunications	IT hardware and software, mobile phone and airtime



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

Veolia has a robust zero tolerance stance to slavery and human trafficking in its supply chains. The following practices are in place to drive our commitment:

3.1 Supplier Assessment

Prior to onboarding, all new goods and service providers (including subcontracted works providers) are required to answer a series of questions in order to evaluate their compliance standards across health and safety, environmental impact, human rights (including modern slavery), and business ethics. Where standards are deemed to be insufficient, supplier applications are subject to further review, in consultation with the appropriate Veolia subject matter experts. Suppliers are also required to sign Veolia's Supplier Charter in order to demonstrate their commitment to operating according to Veolia's vision and values. 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.

Veolia uses EcoVadis to assess labour and human rights practices of key suppliers, determined on a risk based approach. Veolia works with those who do not meet Veolia's minimum requirements, to collaboratively agree actions and implement improvement plans.

3.2 Terms and 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 and agency workers

Veolia partners with a Contingent Labour Service Provider (CLSP) to provide its agency and temporary worker requirements. Our CLSP is contractually required to ensure both itself and its suppliers comply with the Modern Slavery Act. We work with our CLSP to enhance processes to increase our ability to detect potential cases of modern slavery. Whilst contingent labour plays an important role in ensuring flexibility and agility to meet resource needs, our medium to long-term goal is to reduce our utilisation of contingent labour, supported by improved workforce planning to forecast demand and supply of labour.

4. Policy and 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 **Supplier Charter**.

Our **Whistleblowing Policy and Procedure** is available to all employees. We offer a confidential whistleblowing telephone line to all employees, along with a confidential online whistleblowing solution (Whispli) which is available to all employees and third parties for reporting concerns or suspicions of wrongdoing. The confidential reporting mechanisms are both independently operated by a third party with a clearly defined process, and Veolia designated officers.

A dedicated Modern Slavery Escalation Process Policy has been developed during the latter part of 2021

outlining the process that our employees should follow if Modern Slavery is suspected. This is being launched in 2022 with the support of Toolbox Talks for our operational employees, and dedicated face to face training for staff who will be part of the process.

Our **Employee Assistance Programme** also 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 2021 Veolia purchased goods from 25 different countries. The modern slavery and human trafficking risk, for each of these countries, was assessed using reputable sources, prior to entering into trading relationships.

Our business employs a large and diverse operational workforce, and also employs temporary labour and agency labour which carries inherent risk. We continue to work with our Contingent Labour Service Provider (CLSP) to enhance processes to increase our ability to detect potential cases of modern slavery as outlined at 3.3.

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. Veolia made no additions to the supplier database during 2021 through acquisition, and all supplier databases from prior year acquisitions are fully migrated.

For acquired business, all new suppliers are in scope for rationalisation, as referenced in 3.1. Direct employee checks in respect of TUPE staff, follow the steps outlined in 6.1. Temporary and agency labour requirements are transferred to our CLSP.

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 and TUPE employees

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 legislation.

Wages are paid electronically directly to the employee's bank account. Veolia will not onboard a new employee until 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 and Payroll system. Where employees transfer to Veolia under TUPE arrangements, the Employee Relations team requests the Right to Work evidence within 21 days in accordance with Home Office guidance.

Veolia works in partnership with five Trade Unions to determine specific terms of employment for our employees covered by collective bargaining agreements. This may include pay, hours, leave, and health and safety policies. Veolia is fully compliant with the legislative requirements of both the National Minimum Wage and the National Living Wage.

Scheduled checks are made to identify duplicate bank details, address, next of kin and contact telephone numbers across employee records, as a way to identify a risk of non-legitimate arrangements where payroll funds may be being diverted to a third-party. Legitimate cases, such as cohabiting partners working for Veolia, will be checked and validated.

6.2 Indirect labour (temporary and agency workers)

As referenced in 3.3, Veolia uses a Contingent Labour Service Provider (CLSP) for its temporary labour requirements, which engages staff through national agreements held with recruitment agencies. The CLSP provides personnel for predominantly frontline operational roles. In 2021 they supplied over 5,557 workers to Veolia. The CLSP 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. The compliance safeguards within the supplier's payroll system mean that a worker cannot be supplied to Veolia unless they have the correct right to work paperwork. Furthermore, ad-hoc documentation audits are performed by Veolia for indirect workers.



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

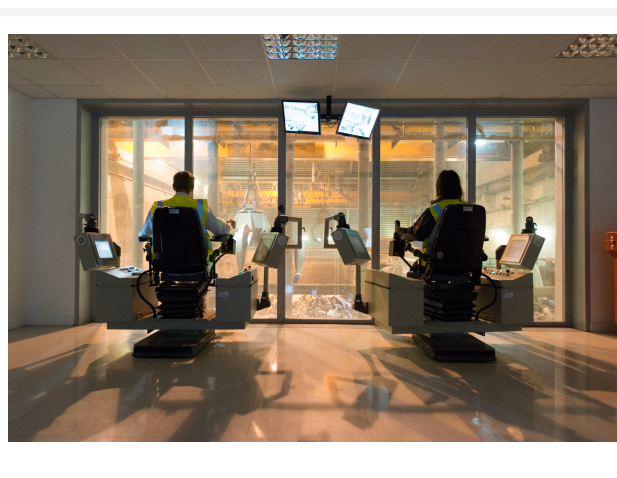
Veolia's globally applied multi-faceted performance framework focuses on 18 regularly audited indicators that are associated with Veolia's progress targets for 2023. These indicators include measuring the impact of our contribution to society and ethics standards. All indicators are directly linked to Veolia's purpose, mission and values.

Veolia's Modern Slavery and Human Trafficking working group is responsible for assessing, enhancing and monitoring steps taken by Veolia, and its suppliers, to meet compliance standards, and to identify and manage risk.

During 2021, the working group implemented key performance indicators (KPIs) to drive and track training, awareness campaigns, and supplier audits. These are shared with the Executive Subcommittee, and will be published to the wider business during 2022.

Representatives of the group engage externally by actively participating in the **Waste and Recycling Modern Slavery Working Group**, hosted by **Slave Free Alliance**.

8. Training and Awareness



8.1 Management

The dedicated Modern Slavery Executive Subcommittee meets twice yearly with the working group representatives to review priorities and action plans. Modern slavery is discussed as a recurring agenda item during the UK and Ireland Audit Committee which is held every four months, and attended by members of the Executive Committee, including the Senior Executive Vice-President for Northern Europe.

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, 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 actively promoted to all staff annually as part of the annual anti slavery awareness campaign in October.

8.3 Operational staff

Two types of posters are displayed across our operational sites. The first poster (spot the signs) is displayed in communal areas at sites. The second poster (how to seek support for victims) is displayed in private areas. Both posters signpost our employees on how to raise concerns and to seek help.

During 2021, a new Toolbox Talk has been developed to further raise awareness and understanding for operational colleagues. It reiterates the information provided on the posters, while also sharing a victim's story, and providing clear signposts to the new Escalation Policy which is to be launched during 2022.

8.4 Specific teams

Face to Face training for our Human Resources and Risk and Assurance teams has been developed during 2021, and will be delivered during 2022. The aim of this training is to support the new Toolbox Talks for operational employees, and to facilitate the launch of the new Escalation Policy. We are working with Hope for Justice to deliver this face to face training.



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 2021.

Gavin Graveson
Senior Executive Vice-President
Northern Europe Zone
29 July 2022