

## SELCHP Modern Slavery and Human Trafficking Statement

At South East London Combined Heat and Power Limited (SELCHP), we recognise the importance of ensuring that our business is conducted responsibly. We welcome the Modern Slavery Act and the transparency it encourages.

### Introduction

Modern slavery affects millions of victims worldwide. SELCHP 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 risks it poses, are a core part of our responsible business strategy, which we continue to build upon.

This statement sets out the measures that SELCHP has in place in the UK, and the actions we have taken during 2020.

### Our Structure, Business and Supply Chains

SELCHP owns an Energy Recovery Facility (the Facility) in South East London. SELCHP has engaged Veolia ES Selchp Limited to operate the Facility on its behalf. Veolia ES Selchp Limited is itself part of the Veolia Environnement group of companies (Veolia). As such, Veolia manages a large number of the relevant supply chains.

In order to ensure that SELCHP's business and supply chains are slavery free, we have therefore carried out due diligence on the steps taken by Veolia in order to ensure that slavery and human trafficking are not taking place in its own business or supply chains. Further details are set out below. Veolia's commitment to prevent Modern Slavery is outlined in its Modern Slavery and Human Trafficking Policy and its Sustainable Procurement policy, both of which are available at:

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

SELCHP itself has no employees. Its only indirect labour is provided by a consultancy firm, which was required to complete the Veolia supplier assessment process (outlined below) before the engagement was put in place. SELCHP similarly follows the Veolia supplier assessment process as regards modern slavery compliance for other suppliers and contractors which are not otherwise managed by Veolia.

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

Veolia operates primarily in the waste recycling, green power generation, industrial cleaning, water and wastewater treatment sectors. They spend around **£900 million** annually in the UK across around **9,000 suppliers**, the majority of which are based in the UK (2020 spend with suppliers based in the UK: 97%). 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.

Veolia believe that their highest risk of modern slavery lies within their supply chains, due to their complexity. For this reason, they actively work to rationalise their sustainable supplier base, with a reduction of 1,500 in 2020, and a target reduction of a further 750 in 2021. Targets are set each year for further reductions, and form part of their KPI monitoring. They expect all their suppliers to adopt their standards, and they work collaboratively with them, clearly setting out their zero tolerance approach.

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

#### - **Supplier Assessment**

Prior to onboarding new vendors their Supply Chain function follows a consistent due diligence process. 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. Where areas are deemed to fall short of expected compliance standards, supplier applications are subject to further review and questions, in consultation with the appropriate Veolia subject matter expert. 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.

- **Terms & Conditions**

Veolia uses several sets of standard terms and conditions to trade with suppliers. Their 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 their aim is always to support and work with suppliers to address any modern slavery issues, they retain the ultimate sanction of contract termination where necessary.

- **Temporary labour & agency workers**

Veolia partners with a Contingent Labour Service Provider to provide its agency and temporary worker requirements. Their service provider is contractually required to ensure both itself and its suppliers comply with the Modern Slavery Act. Veolia work with their service provider to enhance processes to increase their ability to detect potential cases of modern slavery.

**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**

- **Supply Chains specific risk**

During 2020 Veolia purchased goods from 23 different countries. Veolia commissioned a third party audit to be carried out on a key containers supplier who sources key components from an affiliate based in China. 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.

- **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.

**Measuring Veolia's effectiveness in ensuring that modern slavery and human trafficking is not taking place in their business or supply chains**

Veolia's Modern Slavery and Human Trafficking working group, led by Veolia's Chief Compliance Officer (for the UK and Ireland), is comprised of representatives of the Operational, Corporate Responsibility, Supply Chain, HR and Legal functions. The working group met on three occasions during 2020 with individual members meeting more frequently. Members of the group are jointly responsible for assessing, enhancing and monitoring steps taken by both Veolia and its Suppliers to meet compliance standards and manage risk. The group is focusing on significantly increasing training 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.

**Training & Awareness within Veolia**

All Veolia Board Directors have completed the eLearning module which has been launched to all staff. Modern

slavery is discussed as a recurring agenda item during the Audit Committee and Compliance Reviews, attended by the Veolia Board Directors. There is also a dedicated Executive sub-committee which meets twice yearly with working group representatives to review priorities and action plans.

Modern Slavery eLearning was launched to all Veolia staff in 2019. The training module is part of the induction process for all new staff joining Veolia, and is scheduled to be relaunched to all staff on a two year cycle.

For operational staff, a toolkit was cascaded to sites, via their General Managers in 2019. The roll out of the toolkit for operations was stalled during 2020 due to the impact of Covid. This will now be replaced with a new operational toolkit to be launched at a later date.

Face to face training sessions are delivered to the Supply Chain team. Face to face awareness sessions for Trade Union representatives, and HR resourcing and onboarding teams, will be reviewed and scheduled in 2021.

Supply chain webinar training sessions are provided to Tier 1 third party suppliers.

### **Board Approval**

This statement was approved on 15 October 2021 by the sub-committee appointed on behalf of the SELCHP Board, who will review and update it on a regular basis to ensure it remains compliant with the Modern Slavery Act 2015 and current SELCHP strategy.

This statement is made pursuant to section 54(1) Modern Slavery Act 2015 and constitutes SELCHP's Modern Slavery and Human Trafficking statement for the financial year ended 31 December 2020.

Andy Pike  
Director – SELCHP