

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

SELCHP is issuing this statement to set out the actions we are taking to ensure that our business and supply chains are slavery free.

SELCHP recognises that such an approach is an important part of our corporate responsibility and we will continue to review the steps we take.

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 Environment 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 **£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%). 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 is committed to zero tolerance of slavery and human trafficking in its supply chains, including those relevant to SELCHP. We have reviewed the practices that they have in place to address this, which are:

- **SUPPLIER ASSESSMENT:** The Veolia Supply Chain function carries out thorough due diligence on suppliers before they start to trade with Veolia. The assessment process reviews and validates 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 a Veolia supplier.
- **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 where necessary.
- **TEMPORARY LABOUR and AGENCY WORKERS:** Veolia uses one provider to provide 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. Veolia are working with the provider to enhance processes to increase Veolia's ability to detect potential cases of modern slavery at an individual level.

Identification of the risk of modern slavery and human trafficking taking place in Veolia's business and supply chains, and the steps taken to assess and manage that 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.

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 its business or supply chains

Veolia has established a Slavery and Human Trafficking working group which meets regularly. It is led by Veolia's Chief Compliance Officer (for the UK and Ireland). 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 put in place by Veolia

All Veolia Board Directors have completed the eLearning module and modern slavery is discussed as a recurring item during the Audit Committee and Compliance Reviews, attended by Board Directors.

Modern Slavery eLearning was launched to all Veolia office staff in 2019.

A toolkit was cascaded to operational sites in 2019.

An article was also published within Veolia's internal newspaper to help raise awareness.

Face to face training sessions are delivered annually to all members of the Supply Chain team. The aim is to provide an overview of the Modern Slavery Act, 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.

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

Board Approval

This statement was approved on 19 November 2020 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 2019.



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