

## 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 Environnement group of companies (Veolia). As such, Veolia manages the substantial majority of 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 any other suppliers 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 **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.

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 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 in extreme cases.

- **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 Veolia's 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. They have identified that their 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.

### **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. Any issues identified by the group are raised at Veolia Board level.

Additionally, the Veolia Executive Committee member leading the Corporate Social Responsibility portfolio has been appointed as Veolia's champion for modern slavery and human trafficking compliance.

### **Training put in place by Veolia**

In order to raise awareness of the risks of modern slavery, members of the Veolia 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 Veolia 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. This resulted in the identification of an appropriate training video which is planned to become part of the mandatory induction process for all Veolia employees.

Externally, Veolia has provided supply chain webinar training sessions to Tier 1 suppliers which was well received. Further training services are being offered in 2019. Where suppliers seek more information, Veolia is offering advice and guidance on best practice.

**Board Approval**

This statement was approved by the sub-committee appointed on behalf of the SELCHP Board on 13 February 2020, 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 2018.



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