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. 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 SELCHP has in place in the UK, and the actions we have taken during 2021.

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 which is 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. Veolia has introduced a Supplier Charter to promote ethical and sustainable practices throughout its supply chain. SELCHP generally follows the Veolia supplier assessment process and Supplier Charter 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 **£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: 97.5%).

Supplier expenditure is grouped into categories. The National Category Managers in the Supply Chain function are responsible for each category.

Veolia recognise that their volume and complexity of suppliers can present a higher risk of undetected modern slavery. For this reason, they actively work to rationalise their 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 each year, and form part of their KPI monitoring.

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

- **Supplier Assessment**

Prior to onboarding, 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 busines 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.

- **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 (CLSP) to provide its agency and temporary worker requirements. Their CLSP is contractually required to ensure both itself and its suppliers comply with the Modern Slavery Act. Veolia work with their CLSP to enhance processes to increase their ability to detect potential cases of modern slavery.

Policy and Process

Veolia's commitment to prevent Modern Slavery is outlined in their Modern Slavery and Human Trafficking Policy and their Supplier Charter.
A dedicated Modern Slavery Escalation Process Policy has been developed by Veolia during the latter part of 2021 outlining the process that their employees should follow if Modern Slavery is suspected. This is being launched in 2022.

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 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.

- **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 has a globally applied multi-faceted performance framework that focuses on 18 regularly audited indicators that are associated with Veolia's progress targets for 2023. These indicators include measuring the impact of their 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 will be published to the wider business during 2022.

Training & Awareness within Veolia

The dedicated Veolia 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.

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

For operational staff, two types of posters are displayed across their operational sites, one relating to “spot the signs” and the second regarding “how to seek support for victims”. Both posters signpost their employees on how to raise concerns and to seek help.

During 2021, a new Toolbox Talk was developed to further raise awareness and understanding for operational colleagues. It provides clear signposts to the new Escalation Policy which is to be launched during 2022.

Face to Face training for their Human Resources and Risk and Assurance teams was developed during 2021, and will be delivered during 2022.

Board Approval

This statement was approved on 12 October 2022 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 2021.



Andy Pike
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