



Valeo UK Ltd

Modern Slavery Statement

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Introduction

At Valeo, as a Global OEM automotive supplier, we are committed to our responsibilities to respect and uphold human rights across our business and sphere of influence. We oppose all forms of unethical business behaviour. We recognise the harmful impact that modern slavery has on not only individuals, but society as a whole and we are actively engaging in actions to help prevent these illegal practices. We firmly support transparency and collaboration to eliminate the risks of modern slavery. Valeo also continues to be a signatory of the **UN Global Compact** and supports the principles with respect to human rights, labour, environment and anti-corruption.

We have taken steps and adopted procedures that contribute to ensuring modern slavery does not knowingly occur in our businesses or supply chains and we expect organisations whom we work with to adopt and enforce policies to comply with the relevant and applicable legislation. This working collaboration is fully integrated through our Corporate Operational Excellence methodology - the **5 Axes**, along with our core business values - **ethics, transparency, empowerment, professionalism and teamwork**. This shared language forms the foundations and maintains the commitment and high levels of excellence which are expected when partnering with Valeo.

Our Business, Organisational Structure and Supply Chains

The driving force behind Valeo is our wholly embedded corporate methodology - the 5 Axes. We want to be a responsible business and create better outcomes for:

- ❖ **Our employees** – by striving to create a workplace based on ethics, transparency, empowerment, professionalism and teamwork;
- ❖ **Our clients and customers** – by being focused on innovation, ‘zero defects’ and ‘right first time’;
- ❖ **Our suppliers and partners** – by treating them fairly, providing experience and reinforced integration;
- ❖ **Our investors** – by delivering against targeted returns and
- ❖ **Society** – by acting as a responsible business within the communities we serve.

As a technology company, we create innovative products and systems to contribute to produce more sustainable automotive technologies that help protect the environment, reduce CO2 and other greenhouse gas emissions and promote the development of intuitive, connected and more autonomous driving. We are committed to growing in a sustainable way that is beneficial for our employees, the environment and society as a whole.



Image courtesy of Google Map data ©2020

Valeo employs **110,300 people** across **33 countries** in 187 production sites, 63 R & D centres and 15 Distribution platforms¹.

¹ Key figures 2020

Our Business Groups

Our Core Business Groups and the Aftermarket, are responsible for global growth and operating performance for their Product Groups and Product Lines. Each of the Business Groups is structured to reinforce cooperation and stimulate growth for all of our product groups world wide.

- ❖ **Driving Assistance Systems**
- ❖ **Powertrain Systems**
- ❖ **Thermal Systems**
- ❖ **Visibility Systems**
- ❖ **Valeo Service Aftermarket**

Valeo Group has a number of group companies operating in the UK, including Valeo UK Ltd, Valeo Management Services UK Ltd, Valeo Service UK Ltd and Valeo Engine Cooling UK Ltd. ("Valeo UK").

Related Procedures & Policies

- ❖ A committed member of the sustainable development values of the [United Nations Global Compact](#), we uphold the universal principles of Human Rights, labour, environment and anti-corruption.
- ❖ Our policies forbid the use of forced / compulsory and child labour through **strict application of the International Labour Organization Convention - ILO** and the **Ethical Trading Initiative - ETI** base code.
- ❖ Valeo is committed to ensuring that working conditions are fair and reasonable for all employees. This includes income, security, social integration, development prospects, freedom of expression and equality. Our [Corporate Social Responsibility \(CSR\) policy](#) highlights these commitments.
- ❖ Ensuring a 'voice of the employees' through a formal process, Valeo continues to uphold and develop a dialogue & negotiation with employee representatives and Senior Executives of the company through the formation of a **Special Negotiating Body (SNB)**, formerly the EWC (European Works Council).
- ❖ Our values and commitment to the highest business standards are reflected in the [Valeo Code of Ethics](#), which outlines the policies, ethical principles and laws to which Valeo adheres to. Our employees are expected to conduct themselves in-line with the Valeo Code of Ethics along with their terms and conditions of employment.
- ❖ Valeo's [Purchasing Strategy](#) sets out to ensure that the highest level of ethics, integrity, business conduct and sustainable development standards are maintained. Suppliers of Valeo must meet the criteria and adhere to the requirements detailed in the [Valeo Business Partner Code of Conduct \(BPCC\)](#). There are specific requirements related to the responsible sourcing of 'conflict minerals' therefore suppliers *must comply* with the **Dodd-Frank Wall Street Reform and Protection Act of 2010**.
- ❖ Dedicated, readily accessible and anonymous communication methods for concerns and [whistleblowing](#) in regards to Corporate Compliance.
- ❖ Local policies include ensuring that the relevant '**Right to work**' checks have been carried out on all direct employees prior to work. In addition, we monitor our external temporary staffing agencies for compliance with the above UK worker eligibility.

Our approach to Due Diligence, Risk & Governance

We recognise the challenges global organisations face in effectively managing modern slavery and servitude risks within a complex and multi-tiered supply chain.

The Company undertakes due diligence when considering taking on new suppliers, and regularly reviews its existing suppliers. The Company’s due diligence process includes building long-standing relationships with suppliers and making clear our expectations of business partners and evaluating the modern slavery and human trafficking risks of each new supplier. In addition, where the Group has identified additional risks and new acquisitions, focus audits are carried out regularly.

To support the continued implementation of the aforementioned policies and procedures, there is a clearly defined structure in which responsibilities for; strategy, reporting, KPIs and training. This includes the nomination of ‘Compliance Champions’ throughout our organisations and business units. Accountability for the steps Valeo is taking and its approach to tackling modern slavery lies with our Executive Board of Directors.

The preparation, progress and assessment of the Group’s consolidated actions are monitored by our Executive Audit & Risk Committee. The work, direction and effectiveness of our organisation with respect to modern slavery is led by our Executive Governance & Corporate Social Responsibility Committee. This committee is further supported by the Chief Ethics & Compliance Officer, the Executive Strategy Committee and other relevant parties related to CSR.

The responsibility of publishing this statement lies with the Country Executive Management.

In addition to the Valeo identification and escalation procedure(s), including ‘whistleblowing’, there are several national organisations that are contactable in regards to slavery. This will also include the necessary support for victims of modern slavery and servitude. The following list is not exhaustive;

❖ Report/Advice/Support	Police	999
❖ Report/Advice/Support	Modern Slavery Helpline	08000 121 700
❖ Advice/Support	The Salvation Army	0300 303 8151

Also, please find the latest information from the UK Gov. website on - [Help for adult victims of ModernSlavery](#)

Training, Communication & Progress

All employees of Valeo *must* review and validate acceptance of the Code of Ethics.

In addition, all employees directly involved in Supply Chain Management or Procurement and Sourcing for Valeo, are required to complete training that has been specifically designed to provide relevant information to sourcing professionals. This is refined periodically and updated to reflect the ever changing markets, dynamics and social structures.

To continue to make employees aware of the Act and the drivers of modern slavery, as well as the possible indicators, the currently published statement is shared with all employees through our internal communication channels. It is also available on our website - <https://www.ValeoService.co.uk/en-uk>.

Recent Corporate Social Responsibility Progress

- ❖ Valeo ranked **34th** in Corporate Knights' list of the [world's 100 most sustainable companies](#) in 2020
- ❖ Ranked joint top² in S&P Global's [SAM Corporate Sustainability Assessment 2020](#) in the 'Auto Components' category, with a 'SAM Bronze Class' distinction being awarded.
- ❖ Won the 2020 Grand Prix for 'Universal Registration Documents' at the 2020 Regulatory Information Transparency Awards (Grands Prix de la Transparence).
- ❖ Valeo was also ranked third among the most transparent companies in the SBF 120 stock market index.
- ❖ Ranked as a 'Leader' with a 'AAA' rating in the [MSCI ESG Ratings](#).
- ❖ Ranked as #1³ of 202 'Auto Components' companies in the [Sustainalytics ESG Ratings](#).
- ❖ Valeo has signed on to the 'Business Ambition for 1.5°C' and has pledged its commitment to achieving carbon neutrality by 2050.

² Not including organisations whose predominant business is the manufacture of tyres.

³ In the 'Auto Components' industry.

Outlook

Over the course of the next financial year we aim to enhance our existing procedures to help us identify, prevent and mitigate any risks of modern slavery or servitude in relation to new and existing suppliers. This includes the creation of a single procedure covering all aspects of Corporate Social Responsibility along with financial health and ethical trading requirements.

We will continue to strengthen our approach to managing the risk of modern day slavery within our business and supply chains. This process is embedded in our 'Employee' section of the Valeo Corporate Sustainable Development Goals Matix.

We will maintain effective and continued focus on employee awareness of how we expect employees to conduct business responsibly, focusing on treating people fairly and equally, acting lawfully and the process involved to raise ethical concerns.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Valeo UK's slavery and human trafficking statement for the financial year ending December 2020. This statement has been approved and authorised by:

Name:	Position:	Date:	Signature:
Andrew Swann	Managing Director (Valeo Service UK Ltd)	25 th February 2021	

