



# Valeo



**Valeo UK Ltd**

**Modern Slavery Statement**

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# Valeo UK Modern Slavery Statement

## Introduction

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Valeo is an automotive supplier and partner to automakers worldwide. As a technology company, we design innovative solutions for smart mobility, with a particular focus on intuitive driving and reducing CO2 emissions. The Group also provides and distributes spare parts for automakers and independent aftermarket operators.

Valeo's ambition, as a tech company, is to play a major role in tomorrow's mobility. At the heart of today's environmental and social issues, future mobility must be greener, safer and more diverse. It must also contribute to the well-being and safety of citizens and consumers.

At Valeo, as a Global OEM automotive supplier, we are committed to our responsibilities and 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 concerning human rights, labour, the environment and bribery & 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

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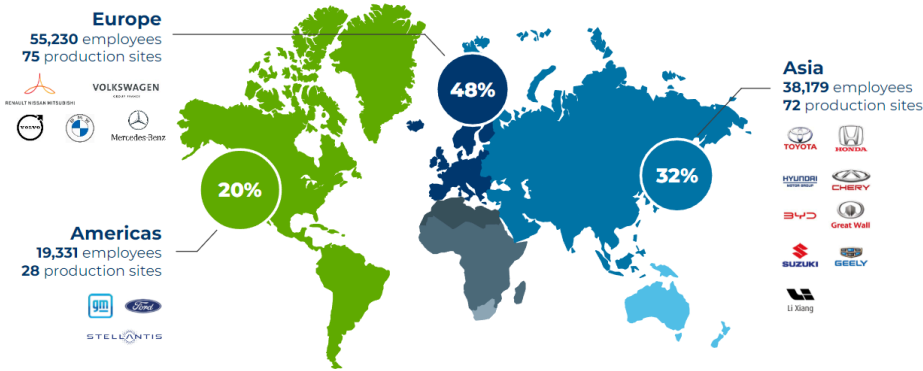
The driving force behind Valeo is our wholly embedded corporate methodology - the 5 Axes. We want to be a responsible business and create better outcomes for:

- ❖ **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 responsibly within the communities we serve.

We will achieve our ambition thanks to our unique positioning and technological leadership in areas that are at the heart of the transformation of the automotive industry and sustainable mobility, across the globe. This positioning and leadership are rooted in our expertise, innovations and operational excellence. They are driven by our values and business culture, oriented towards serving our customers, employees, shareholders and the regions in which we operate.

## A BALANCED WORLDWIDE PRESENCE

An emblem of French innovation, a leading player on the global stage



Valeo employs **112,700 people** across **29 countries** in **175 production sites**, **66 R & D centres** and **several Aftermarket Distribution platforms**<sup>1</sup>.

<sup>1</sup> Key figures at the end of 2023

### Our Group Activity

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.
- ❖ [Corporate citizenship and Social Commitments](#) are demonstrated through Valeo's commitment to its value chain, local ecosystems and populations where the Group is present. There is a firm commitment in terms of diversity, equity and inclusion, health & safety, quality of life at work and employee engagement. Our [Corporate Social Responsibility \(CSR\)](#) video 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](#) that lays out the fundamental principles and values that drive Valeo's activities and operations. It reflects the Valeo way of doing business.
- ❖ 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.
- ❖ [Export compliance control \(ECC\)](#) - Defined workflow and assessment criteria for controlled movement of goods
- ❖ [Third Party Intermediary \(TPI\)](#) code of conduct embedded within contractual obligations; further supporting Anti-Bribery & Compliance.

### 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, 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 Group’s consolidated improvement actions and sustainable growth are undertaken with governance from specialised committees such as;

Specialised Committees	Responsibilities
1. <b>Executive</b>	<ul style="list-style-type: none"> <li>• Review Operational Management</li> <li>• Implement Group Strategy</li> <li>• Coordinate Project Management</li> </ul>
2. <b>Audit &amp; Risk</b>	<ul style="list-style-type: none"> <li>• Overseeing accounting policies</li> <li>• Overseeing Internal Control(s)</li> <li>• Reappointment of Statutory Auditors</li> </ul>
3. <b>Strategy</b>	<ul style="list-style-type: none"> <li>• Issue recommendations and opinions on key Group Strategies</li> <li>• Issue recommendations and opinions on the Group’s Development Projects</li> </ul>
4. <b>Governance, CSR &amp; Appointments</b>	<ul style="list-style-type: none"> <li>• Analyse and update Corporate Governance rules</li> <li>• Develop succession planning for Executive Corporate Officers</li> <li>• Review CSR &amp; Safety policies</li> </ul>

## Due Diligence

In response to the need for identification and escalation, Valeo has developed dedicated [‘whistleblowing’ procedures](#) and has implemented a dedicated 3rd party ‘Whistleblowing’ Platform.

UK Government mechanisms are in place for the identification and referral of information related to potential victims of modern slavery;

- ❖ [Online report from the charity Unseen](#)
- ❖ [Government Online referral](#) and the accompanying [Paper-based report template](#)

In addition, there are several national organisations that are contactable in regards to slavery. This also includes 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	0800 808 3733

Also, please find the latest information from the UK Gov. website on - [Modern Slavery: Statutory Guidance](#)

## Training, Communication & Progress

*The Valeo Code of Ethics is the cornerstone of employee guidelines and best practices for demonstrating honesty, integrity and professionalism. All Valeo employees are required to review and validate acceptance of the Code of Ethics.*

In addition, all employees directly involved in Supply Chain Management or Procurement and Sourcing, 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 ESG & CSR Metrics

- ❖ [Sustainalytics ESG](#) Risk Rating; Low - **#1 in the Industry Group ‘Auto Components’**
- ❖ **A Decile Rank of #1** and a **‘Transparency Rating’** of **“Very High”** from [ISS ESG](#)
- ❖ An **ESG rating of 69/100** from [S&P Global](#)
- ❖ Ranked as a ‘Leader’ with a **‘AAA’** rating in the [MSCI 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**.
- ❖ Moody’s **ESG rating of 63/100**

## Outlook

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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.

Our aim is to conduct a full review of our suppliers with the aim of ensuring that our documentation in relation to 'Business Partners Codes of Conduct - BPCC' is present and up to date.

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 an 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 in raising ethical concerns.

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

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 April 2024. This statement has been approved and authorised by:

Name:	Position:	Date:	Signature:
Andrew Swann	Managing Director (Valeo Service UK Ltd)	16 <sup>th</sup> May 2024	





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