

**GENERAL PRINCIPLES REGARDING OUR
RELATIONSHIPS WITH
SUPPLIERS:**

March 2019

PREAMBLE

In its operations over five continents, Veolia works with many international product suppliers, service providers, and subcontractors. As a responsible company, we expect that **our supply chains and suppliers¹ will both share and measure up to the general principles laid out in this document.**

You are a supplier and/or subcontractor to the Veolia Group, or you would like to become one:

In evaluating the situation, one of our considerations in selecting supplier relationships is conformity with the applicable general principles. Here's what that means:

- You shall conform to these principles throughout the entire supply chain, and you shall ensure that the activities of your own company and those of your suppliers also conform.
- You shall comply with all applicable laws.
- You shall take into account the recommendations made in our evaluations, and, where necessary, you shall take corrective actions, which may also involve your own suppliers.

To this end, we include the present document as well as other special contractual provisions into our calls for proposals, bidding procedures, and purchasing and subcontracting agreements.

Veolia **regularly evaluates and investigates its suppliers, and, where supplier relationships are non-compliant, we take necessary action (including, if necessary, exclusion from bids for future contracts and termination of agreements).**

¹ Suppliers and subcontractors

Veolia requires that its suppliers comply with the following basic principles² in their business practices:

- Follow the Group purchasing procedures and management procedures.
- Communicate in a clear and direct manner, and follow the communication procedures established for designated contact persons. (A supplier is required to notify Veolia's purchasing department of any relationships it has with a user of products and services within the Group, and it must ensure that such notice is given in all instances where there may be a risk of non-compliance with contractual requirements or any other potential problem that may arise with the Group or its employees.)
- Suppliers must ensure that they do not end up in a dependent situation with respect to the Veolia Group;
- Maintain the security of information exchanges with the Group, with particular attention to contractual requirements of confidentiality;
- Deal honestly and openly with Veolia.
- Ensure strict compliance with standards of conduct.

The Veolia Group expects that its suppliers will reject any business partner's gift, invitation, or offering that:—

- comes by way of an unknown or not clearly identified person;
- is received in cash, or in cash-exchange value (e.g., gift certificates, or products that may be resold);
- violates any applicable local regulations (especially in relation to the amount or nature of the gift or offering, or with regard to the person who receives it);
- is inappropriate or unseemly.

Gifts and offerings may only be accepted if the situation is fitting with regard to the circumstances, the gift's value and nature, and those who give and receive.

² The *Team Ethics Codex* and *Anti-Corruption Code of Conduct* apply to employees.

Health and Safety Guidelines

Veolia has group-wide internal health and safety requirements, and we actively strive to prevent workplace hazards and to incrementally improve safety. **In the interests of achieving these goals, the commitment of our suppliers is indispensable to our continual advancement.**

The supplier commits itself to institute equivalent internal requirements, with particular attention to the following:

- safety requirements applicable at work production sites;
- delivery of all goods or services in conditions that minimise the workplace health and safety risks, both to its own employees and to Veolia's;
- implementation of continuous development measures to improve working conditions and to protect employees' health and safety.

CORRUPTION AND CONFLICT OF INTEREST: PREVENTION

Veolia has developed a code of conduct for the prevention of corruption, and we expect our suppliers to make similar commitments, namely:

- Procedures must be developed that are reasonable and lawful (compliant with regulations), and enquiries shall be undertaken to prohibit and prevent corruption.
- Business practices shall be established which are legal and fair (methods and tools that are generally-held “best practices” in professional circles, and which comply with regulatory requirements).
- Suppliers and subcontractors shall be selected after appropriate screening.
- Strict standards of conduct must be introduced to prevent and avoid conflicts of interest.

COMPETITION LAW: COMPLIANCE

Veolia has developed a competition law compliance program,³ and we expect our suppliers and subcontractors to make equivalent commitments, namely:—

You must comply with competition law, which specifically prohibits the following:

- agreements or activities with other businesses which may damage competitiveness;
- abusive conduct by businesses with a dominant position in the marketplace.

All suppliers must be free to determine their business and production policies—as well as their prices—without sharing business-sensitive information with competitors (with particular attention to professional/technical negotiations, association meetings, and benchmark evaluations).

³ *Competition Law Guidelines*

HUMAN RIGHTS AND FUNDAMENTAL EMPLOYEE RIGHTS

As a French company operating in numerous countries, Veolia has committed itself to applying and maintaining human rights policies regarding its employees; furthermore, we encourage our shareholders, customers, subcontractors, and suppliers to maintain these policies. Veolia expects that its suppliers will respect human rights in all their business activities and that they will comply with the principles set out below.

Prohibition of Discrimination

- Veolia prohibits all practices that can be considered discrimination or harassment.
- Suppliers to the Group are required to guarantee equal opportunity, maintain diversity, and recognize all special abilities in the creation of an environment in which harassment, abuse, and any offense to human dignity are prohibited.

Child Labour

In keeping with the applicable principles of the ILO Convention and the UN Global Compact, Veolia strictly forbids labour by children who have not reached the legal age of employment. This applies to the entire production chain, irrespective of what country the services are rendered in.

If there is no defined legal age of employment in a given country, then employment shall be forbidden below the age of 16 years.

In its *Ethics Codex*, Veolia reinforces this position and extends it as a sustainable-development clause among the criteria applicable to selection of suppliers.

Slavery or Forced Labour

- Veolia forbids all types of slave labour or forced labour: servitude, human trafficking, slavery, and forced labour which makes use of migrants or illegal workers.
- Employees must work voluntarily, in exchange for a legal wage, without being exposed to, or threatened with, or suffering from actual criminal punishment, criminal proceedings, violence, detention, confiscation of personal documents, or suppression of human rights or privileges.
- Employees shall work only of their own free will, and may resign at will, in accordance with the applicable laws, requirements, and collective agreements.

Working Conditions

- Veolia expects its suppliers to comply with the provisions of the employment regulations and laws in all countries where the Group is present, as well as with all rules applicable to health, social, and workplace safety benefits, so that their employees can work in a secure and healthy environment.
- Veolia expects all employees to be treated fairly and equitably.

"An essential requirement of sustainable development in business activities is to maintain respect for human rights."

*—Antoine Frérot
Chairman and Chief Executive Officer*

Wages and Employment Benefits

- Suppliers shall ensure that wages paid to employees comply with laws governing wages (minimal wage, overtime, etc.).
- Where laws or other requirements do not define a minimum wage, suppliers shall ensure that employees receive at least the current market minimum wage level commensurate with their respective job activities.

It is important to point out that in countries where there are no statutory requirements, Veolia requires its suppliers to monitor the effects and consequences of their own activities. For this reason, suppliers shall **generally introduce inspection and control systems that place special emphasis on peculiar risks to health, safety, and environmental protection.**

ENVIRONMENTAL PROTECTION

Veolia aims to build a responsible relationship with its suppliers and to involve them in environmental protection practices.

Environmental protection and social concerns play a meaningful role in purchasing policies at Veolia, starting with the early stages in the selection of suppliers. For this reason, Veolia expects that its suppliers will carry out analyses that take into account the concept of *global cost* and which bring about a system of environmental management. These make it possible to define long-term economic, environmental, and/or social approaches to purchasing. Products should find their way back into the environment in accordance with their function and life cycle. This approach makes it possible to integrate the innovations of suppliers and to optimise the realisation of their potential.

TAXES: POINT OF TAXATION

Veolia submits tax declarations and pays tax in the place of operation of all suppliers.

Commitments to Corporate Social Responsibility

Veolia practices a sustainable purchasing policy.

To this end, the Group expects that its suppliers will comply with ethical requirements and social security laws, will be mindful of environmental protection, and will inform Veolia of its activities in connection with sustainable development, and also that they commit themselves to update these on an annual basis.

Where necessary, purchasers may request that suppliers and subcontractors initiate investigations, carry out evaluations (in the form of surveys and/or evaluations conducted by Veolia or by a third party), or that they participate in internal, external, or third party audits.