

Sustainable Procurement Policy

Overview

Veolia is committed to the active improvement of the local environment, economy and communities, now and in the future. Our procurement activities play a large part of our corporate sustainability strategy, both in how we operate and how we expect our suppliers to operate.

This policy demonstrates how our commitment to Corporate Responsibility (CR) and Sustainability can extend beyond our own operations, providing the guidance to ensure that organisations across our supply chain are aligned and compliant with our vision and values.

More information can be found in our Sustainability Report at <https://www.veolia.co.uk/about-us/sustainability>, and also in our Group CSR performance digest at <http://csr-performance-2017.veolia.com/>

This policy shall apply to agreements and suppliers selected by the Veolia UK and Ireland Procurement team for the purchase of goods and services.

The policy outlines Veolia UK and Ireland's Procurement team's commitments and our expectations of companies who supply Veolia.

Veolia's commitments

Veolia is committing to the following responsibilities:

1. Measure our performance in meeting supplier payment terms to ensure prompt payment.
2. Engage with suppliers to promote Veolia's CR and Sustainability values in its supply chain through:
 - Service review meetings
 - Veolia's corporate website
 - Rewards, such as extended business, for suppliers who demonstrate CR and Sustainability credentials
 - Obliging suppliers under the terms and conditions of contract to comply with relevant legislation and Veolia's requirements in this area.

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3. Take suppliers' attitude, approach, systems and processes for Social, Environmental and Ethical issues into account when making procurement decisions. See more information on what is expected from suppliers in the 'Supplier Requirements' section.
4. Monitor and measure suppliers' CR and Sustainability performance via:
 - **Systems assessment.** All suppliers will undergo assessment using the Veolia supplier portal. Suppliers in higher risk sectors may also be requested to complete an assessment of sustainability and produce an improvement plan for ongoing review.
 - **Risk mitigation.** Suppliers will undergo financial assessment at periodic intervals using a recognised financial analysis provider or by review of the suppliers' financial accounts. Suppliers will be required to assure Veolia of their long term financial viability or produce a plan which shows how the supplier will move into financial stability.
5. Where suppliers have breached relevant legislation or created negative feedback which potentially threatens Veolia's brand or operation, the supplier may be excluded from doing business with the company.

Supplier requirements

In addition to complying with all relevant legislation, our suppliers are expected to adhere to the following requirements:

1. Social

Health and Safety is central to all activities that Veolia undertakes; its supply chain is expected to adopt the same culture and attitudes to this area. Suppliers are expected to follow legislative requirements and those of the relevant industry bodies. It shall take an active role in improving Health and Safety for its own employees and supply chain. The supplier shall have systems and processes in place which monitor, assess and report its Health and Safety performance to Veolia.

Suppliers are expected to be proactive in offering meaningful employment and skills development opportunities to young people and those marginalised or excluded from mainstream employment. This includes supporting apprenticeships or offering training to build local skills and increase

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employability. Suppliers are expected to ensure that its workforce, and the workforce of its own supply chain, is paid the minimum wage.

Suppliers are expected to prioritise local businesses and people in the locality of sites where we operate.

2. Environment

Suppliers are expected to have, or be developing, an appropriate environmental management system for the scale and type of business, including processes which measure its organisations' impact on the environment. This includes taking active steps in reducing its carbon footprint.

If a supplier affects our energy consumption in the course of its work, the supplier shall work with Veolia to reduce our energy consumption. The supplier shall make use of low carbon sources for its energy supply.

Where suppliers provide us with products that are energy intensive in their manufacture, the supplier shall understand the carbon footprint of these products and be able to demonstrate plans to reduce it.

Suppliers are expected to be willing to share best practice and jointly develop initiatives with Veolia which reduce its own and Veolia's impact on the environment.

3. Ethical practices

Suppliers are expected to procure goods and services in accordance with all relevant UK and international legislation.

Suppliers shall use fair and objective means of selecting companies for its own supply as stated above.

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Suppliers are expected to be able to demonstrate they have procedures in place to deal with (a) employment abuse in accordance with the Modern Slavery Act 2015; (b) the risks of bribery in their organisation in accordance with the Bribery Act 2010; and c) any international anti-trust laws if procuring goods and services from overseas.

Suppliers shall avoid conflicts of interest with this policy and Veolia's business generally and take active steps in reporting and resolving any conflicts it finds in its own organisation and those of its supply chain.

Suppliers are expected to have a prompt payment ethic in place and actively monitor their performance in meeting this.

Suppliers are expected to be able to demonstrate that there is no discrimination in its organisation and this ethos is shared with its interaction with the external environment such as the company's supply chain.

4. Continuous improvement

Suppliers are expected to have a long term plan in place to improve its sustainability performance, and be willing to work with Veolia to develop innovative solutions to address CSR issues, share best practice and implement new initiatives.

Every employee and supplier of Veolia is responsible for adhering to this Policy and its objectives. This Policy provides recognition that actively contributing to sustainable development is fundamental to the immediate and long term interests of Veolia, its suppliers and the wider community.

Jeff Pearson
Supply Chain Director