



Sector : Gas, Water & Multi-utilities

Employees: 202,800

Criteria 8: The COP describes effective monitoring and evaluation mechanisms of labour principles integration.

Description and implementation process:

The sustainable purchasing policy developed by Veolia is set around three following areas:

- Integration of sustainable development issues in the process of the call for tenders;
- Engagement of our suppliers and assessment of their CSR performance;
- Participation in the local development.

Sustainable development requirements are progressively integrated into the contracts signed with the suppliers through a specific clause within the frame of a guideline. The Group's purchasing department proposes to the purchasing officers, via the Purchasing Intranet, a standard clause, in place since 2004 and regularly updated. Through this clause, the suppliers commit to respecting the Universal Declaration of Human Rights and the United Nations convention, in other words to respecting ethical rules and social rights in particular, compliance with applicable regulations in the matter of labor laws, illegal labor, child labor, forced labor etc.

Thanks to the CSR risk mapping per purchasing category, purchasing officers can identify the suppliers of the most exposed categories and launch the necessary risk management actions, such as the CSR evaluation of suppliers either working or consulted.

The results of these CSR evaluations lead to targeted improvement approaches in collaboration with the suppliers through action plans or internal audits on site.



Challenges encountered and response(s) provided:

- Unequal state of maturity depending on the purchase categories (equipment, General services vs subcontracting);
- Processes and CSR policies adapted to purchasers from the so called A rank (small innovating businesses...);
- Regulation and CSR culture differ from one country to the next (i.e. importance and sensitivity in France for purchasing from the social sector (disabled workers) notion of SMB...).

Impact and results:

Introducing a sustainable development clause into the contracts, is a way for the Group to answer the question of compliance and to anticipate the future regulations attached to some specific market segments while formalizing its commitments and involving the suppliers in its sustainable approach.

Since 2010, the integration of sustainable development requirements into the contracts is monitored with a contract management tool measuring the evolution of the maturity on the topic. At the end of 2014 this commitment concerns almost half of the active contracts in the Group's contracts, since 46% of them (excluding the contracts managed by Veolia Transdev and Dalkia France) are said to include formalized sustainable development requirements.

Links to reference documents / Links for more information:

Link to the CSR Performance Digest (pages 104 to 108): [Click here](#).