

ethics in practical guide commercial relations



Ethics values have always been at the core of SUEZ's strategy and development.

With our single brand and the common mission of "Shaping a sustainable environment, now!", compliance with the ethics values of the Group by all its employees is critical.

This guide of ethics in commercial relations has been prepared for the purposes of reasserting our values and of guiding employees in their practical implementation. It forms part of the existing referential and details, for the whole range of commercial relations, the ethics principles of the Group.

It is crucial that all employees fully comply with these rules. Its ethics values are at the core of SUEZ's winning spirit, and compliance therewith is necessary in order to achieve our ambition to become the global leader in environmental services. These values are a condition for the pride that we each feel as part of the Group.

I expect each of you to refer to this document and to ensure that it is complied with, thereby affirming SUEZ's ethical commitment, in order to contribute together to the success of our Group.

Bertrand Camus

Chief executive officer

introduction

This practical guide “Ethics in Commercial Relations” details SUEZ’s ethical rules governing commercial relations, in accordance with the fundamental principles of the Group’s Ethics Charter. It complements the guide “Ethics in Practice” and the other documents of the Group and of the entities, providing additional guidance to employees of the Group across the whole range of commercial relations.

This practical guide forms part of SUEZ’s commitment to raise ethical standards in business relations and guide employees’ behavior in their day-to-day interactions with the various stakeholders in commercial relations.

This document sets out guidelines, to which the employees of the Group must refer.

As this guide cannot comprehensively address all situations employees of the Group may face, it is legitimate for employees to have doubts or questions in respect of the full understanding of these principles and their implications in specific practical situations.

You should consult your management, your entity's Ethics Officer and your legal department to discuss these questions and to report on the practical application of the rules.

The contact details of your entity's Ethics Officer are available on your entity's intranet or may be requested at **ethics@suez.com**

The Group's Ethics Officer may also be contacted directly at the following address:
ethics@suez.com

scope of implementation

This practical guide applies to all SUEZ entities.

The rules detailed herein are to be complied with by all employees in their commercial dealings with customers, consumer organizations, private and public authorities, partners, competitors, subcontractors and goods or services providers.

Principle of subsidiarity

Managers are primarily responsible for adapting these rules to their local regulations and context, and for ensuring that they are made known to, and understood by, all employees under their responsibility.

They must also provide guidance and encourage their employees to discuss their ethical concerns and their questions regarding the application of the rules. They should not hesitate to inform their line manager or the entity's Ethics Officer of any difficulties encountered in applying this policy. Finally, it is up to managers to verify that their employees correctly follow the rules they are required to apply.

However, it is primarily through the example of their own behaviour that managers communicate the message of ethical practice and the meaning of compliance to their employees.

Everyone, regardless of their position, is responsible for their own behavior and for the consequences of their decisions. If an employee commits an unethical act, depending on the circumstances, he or she may be liable for disciplinary, administrative, and perhaps, even legal civil or criminal sanctions. In the case of an unethical instruction, both the

All employees of the Group must act in accordance with the ethical values of the Group, and in particular with the rules set out in this guide.

They should also promote such rules externally and ensure that the Group works with third parties who undertake to comply therewith.

person carrying it out and the person giving it are at fault. Anyone pressurized to act against the principles of the Group should feel free to speak about it to someone who can give them guidance.

Seeking advice or reporting an ethical incident

Due to the complexity and diversity of situations, and the necessity to discourage unethical behaviors, employees are encouraged to discuss these issues with their management line, other managers with skills relevant to the question (human resources, safety, legal, etc.), a personnel representative, if legally permitted, and, of course, the Ethics Officer of his or her entity or the Group's Ethics Officer. Such discussions will remain strictly confidential. Moreover, anyone who in good faith expresses concerns relating to ethical matters or compliance will not be exposed to any sanction as a consequence of their initiative.

Employees should also report to managers or to their entity's Ethics Officer any situation which comes to their knowledge and could constitute a violation of the ethical rules set out in this guide.

For further details as to the role of Ethics Officers, please refer to the Group Ethics Charter and the guide "Ethics in Practice".

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Employees should, whenever the need arises, seek advice as to the practical application of the rules set out in this guide.

If you have any query as to the guidelines set out in this document or if you become aware of any situation which does not comply with these, contact the Ethics Officer of your entity.

All such requests and alerts will be treated confidentially.

anti-corruption rules

The Group has a «zero tolerance» policy on corruption.

Acts of corruption are illegal and unethical. They are contrary to the Group's ethical values and would seriously damage the reputation of the Group. They would jeopardize its businesses in both public and private sectors at the Group's global level.

The definition of corruption covers the whole spectrum of commercial relations: such acts are prohibited in relations with clients and their technical advisors, as well as competitors, partners, suppliers or sub-contractors.

Corruption can be defined as the conduct of a person who solicits or accepts a gift or, more generally, a favor, in order to obtain or retain business or any other undue advantage in national or international activities.

- Corruption can be **direct or indirect** (i.e. through intermediaries or to the benefit of a third party).
- Corruption can be **active** (to offer, promise or solicit an advantage) **or passive** (to receive an advantage).
- Corruption can materialize through gifts or any other advantages, **whether financial or not** (services or other benefits in kind, e.g. employment of a related person) and **irrespective of their value**.
- Corruption can be towards a **public official**, elected official or person holding political responsibilities, or a **private party**.
- Corruption can be sanctioned even if it is committed in a **foreign country**.

Any doubts or questions as to which acts may constitute corruption should be raised with your management, your legal department or the Ethics Officer of your entity.



In the context of a bidding process for a government entity, a public agent tells me that *it would be better* if we subcontracted part of the services to a designated specific company. After carrying out the relevant investigations, I discover that this company is managed by a friend of his.

Can I accept it?

A public agent cannot impose a designated subcontractor with which he or she has close ties, for being awarded a contract.

You have to refuse as this is a form of indirect corruption, and to inform your management and your legal department.



A bidding process is ongoing, and I know that the daughter of a director of the company having launched the bid is looking for an internship. It seems that if we hire her as a trainee, we will have a better chance to be awarded the contract.

Should I do it?

You cannot hire a potential client's employee or director's relative or friend, in order to increase the chance of being awarded a contract.

It is active corruption, even if it is not a financial, tangible and direct advantage.



I am making a deal in a foreign country. A public official recommends that I hire a local "consultant" whom he knows, who will help accelerate the process for getting all the permits which we need from the local authorities.

Can we accept to hire and pay this consultant?

Such a recommendation is suspicious; hiring a specific consultant designated by a public official would probably amount to a prohibited facilitation payment.

You must inform your management and your legal department.

In any event, the Commercial or Institutional Consultant Procedure must be complied with.

Facilitation payments, i.e. payments which are made to induce public officials to perform their functions, such as issuing licenses or permits, or processing the formalities of customs clearance, are generally prohibited.

Consult **your legal department** for further details as to local rules.

gifts policy

Gifts, hospitality, entertainment or other advantages may help strengthen commercial relations with clients or suppliers. However, these practices may in some cases be seen as an unfair advantage and amount to an ethical breach and/or corruption.

Definition of acceptable and non-acceptable gifts:

Giving and/or receiving gifts or advantages are permitted under certain conditions:

- These practices must **strictly comply with all laws applying to the Group** (including foreign laws which apply to acts committed outside their territory). They should comply with the Group's ethical principles. Special attention must be had to rules applying to public officials.
- A gift can be acceptable if the following conditions are met:
 - the timing of the gift:** giving or receiving gifts at certain times of the year, such as annual public holidays, can be a tradition; however gifts should never be given or received just before a decision is to be made (e.g. for the award of a contract);
 - the value of the gift and the frequency:** the frequency and the reasonable value of gifts and hospitality must be assessed in accordance with the local laws and the local cost of living in order to ensure that the decision-making process remains neutral for each party in the business relationship;
 - the intention of the different parties:** no one should ask for a gift, and no one should give a gift with a view to influencing the behavior of others. The gift must never affect impartial decision-making. It has to be given or received in good faith.

Governing principles in the Group:

- Gifts must remain strictly exceptional in their frequency and limited in their value.
- Gifts may not be given or received by third parties such as relatives or friends.
- Each entity must set rules for gifts to be offered or received by employees. These rules shall set out a maximum amount (or different limits for different geographic areas) for such gifts and an approval procedure involving top management for any exceptional gifts above such limit. These rules shall be subject to the Group Ethic Officer's prior approval.
- Any travel invitation given or received in a professional context must be subject to prior approval from management and from the Ethics Officer of your entity.
- A **process of traceability** needs to be put in place by the management of each Group entity. Either an annual report or a register of gifts exceeding the thresholds set out locally as described above shall be kept. Such gifts shall also be reported by Ethics Officers in their annual ethics report.

As is the case for the different situations described in this guide, management shall exercise special caution in this respect.

Employees must act with honesty, independence, good faith, prudence and transparency.

technical trips

Due to the nature of the activities of the Group, it may be useful, for commercial purposes, to organize technical trips with potential clients. Employees of the Group may also be invited to such trips by suppliers or sub-contractors.

However, such trips may only be undertaken if:

- they conform to the **principles** set out above;
- they are of a **purely professional nature** and only the relevant professionals participate in the trip;
- they are organized at the **nearest location** with the relevant technology (site, professional fair...);
- the expenses covered are **reasonable and justified**, and only relate to professional activities.

Remember

These rules apply to relations with public local or foreign authorities as well as with private parties.

Your management must be consulted. It might be advisable to keep written track of the decisions made, especially of those which required thorough discussions between several people.



We just closed an important deal.

Can I invite the client to the restaurant?

The deal is closed. You can invite the client, but do not forget, it cannot be too expensive, it must be within the limits set for your entity.



Around New Year time, I receive an expensive gift from a customer.

Can I accept it?

For certain annual public holidays, it is a tradition to offer and receive gifts. But those gifts cannot be too expensive (within the limits set for your entity).

If not, you have to decline the gift. If you think it would harm the business relationship, seek advice from your management to find a solution.

If you have any doubts, if you are facing an issue which seems unclear, do not hesitate to contact the Ethics Officer of your entity.

patronage and sponsorship

Corporate patronage and partnership initiatives are permitted under the applicable Group policy.

They reflect a civic-minded and socially responsible approach. They also show the will of the Group to promote and protect at its level, Human Rights.

The group acts as a corporate citizen and encourages initiatives related to the community, culture, the environment and biodiversity as well as solidarity and economic and social integration.

Governing principles in the Group

- The selected initiatives must be in strict compliance with local legislation and be consistent with the Group's purpose and Ethics Charter.
- The Group's policy is to refrain from any funding of political activities. In countries where this type of funding is allowed, the Group may, under certain conditions, consider contributions or forms of support. In any case, these should be reduced to a minimum and remain the exception, while avoiding any semblance of partisan or biased attitudes. In addition, attending any political event as a representative of the Group must be subject to prior approval by the management and comply with disclosure and reporting requirements. In any event, SUEZ entities must refrain from contributing to the funding of institutions, parties or candidates holding views which are non-democratic or non-compliant with human rights.
- The **Group's, or as applicable your BU's, Sponsorship, Patronage and Partnership Procedure** must be complied with prior to execution of the corresponding contracts.

Refer to the Group's or your BU's Sponsorship, Patronage and Partnership Procedure.

relations with clients

SUEZ entities must uphold and promote integrity in business relationships with clients.

They must act in accordance with the Group's ethical standards, comply with all applicable laws (notably competition regulation), and respect human rights.

They must respect principles of fair competition and act with transparency and integrity.

The Group must provide clients with the professional standards and the quality of services expected locally, keep commitments, and provide accurate and complete information, for long-lasting relationships.

Reminder

When an entity of the Group decides to engage commercial or institutional consultants, the corresponding Group procedure must be complied with.

undue advantages restraint of competition

A company is granted an undue advantage when it is illegally favored over competitors. More generally, employees must strictly refrain from any act aiming at obtaining any advantage or privilege constituting a restraint to fair competition.

Advantages can be considered as unfair irrespective of:

- the type of procurement (public or private);
- the moment when such advantage is granted: it can occur well ahead of the moment when its benefit materializes;
- the personal benefit (or absence thereof) for the person granting an advantage: such behavior is distinct from, and not necessarily related to, acts of corruption;
- the form the advantage takes.

No entity of the Group can benefit from illegal advantages, such as restrictions to free access to market and equality between competitors forbidden by applicable laws.

All employees must inform their managers of any situations where any entity of the Group has been made an offer of undue advantages.

If you have any doubts or if you are facing an issue which seems unclear, contact the your manager or the Ethics Officer of your entity.



A local elected official tells me that his city will issue a request for proposals for a project in which the Group is likely to be interested. He proposes to give me the instructions to bidders before they are officially made public, so that we can comment on them and the city can adapt them to our favor before they are publicly issued.

I have not solicited such a favor or promised any advantage in return to this official.

Can I accept his proposal?

Such a proposal is very likely illegal and could unduly favor the Group over competitors. In such case, it must not be accepted. In any event, you must report it to your management, your legal department and the Ethics Officer of your entity.

In addition, it would of course be contrary to the Group's ethics to suggest a client to:

- provide for, in a request for proposals, an unjustified technical requirement which would be so specific that it would automatically and illegally favor the Group over competitors;
- unduly relying on exceptions to the rules of public procurement (such as artificially splitting a scope into different small contracts, relying on emergency or specificity of technology, having recourse to an "amendment" to an existing contract for a very broad scope) for the sole purpose of excluding competition and favoring the Group.

conflict of interests

A conflict of interest is a situation in which the judgment of a person who is acting in a professional capacity may be influenced by a secondary interest, distinct from that of the company.

This is the case when an employee finds him or herself in a situation where he or she might make a decision not on the grounds of his/her company's interests, but, notably, on the grounds of personal interests, or interests of a relative or friend.

This is particularly sensitive if you, or someone close to you, have interests in a company or body that is a client, competitor or supplier of the company. It is also relevant if you are engaged in a professional or optional activity outside the company.

All employees of the Group are obliged to avoid all situations where their interests could conflict with those of the Group or of any of its entities and are expected to act with the highest level of professionalism. Even the appearance of a conflict of interests can be negative for the Group.

You should report to your management any potential conflict of interests you may

Employees of the SUEZ Group who hold elective public offices (in countries where this is allowed), and in particular local elective offices in areas or cities where the Group has signed contracts, should also pay special attention to conflicts of interests. They shall exercise their elective responsibilities in a strictly personal capacity and shall not, in this framework, represent or defend the interests of the Group or of any of its activities.

Therefore, employees of the Group holding elective public offices must not participate in any discussions or any votes as to the award of any contract pertaining to an activity of the Group or as to any decision relating to such a contract (and should ensure that their non-participation is explicitly set out in the corresponding minutes and decisions).

More generally, employees of the Group should refrain from accepting elective responsibilities having a connection with activities of the Group.

If you have any doubts as to which situations can create a conflict of interests, you should consult with your entity's Ethics Officer and your management.

Reminder

The Group's financial officers are required to report any potential or actual conflicts of interests to their line manager or their entity's Ethics Officer, in accordance with the Group's "Code of Conduct for Financial Officers".

In addition, all people having access to privileged information, notably those designated as insiders by the Group's legal department, must comply with the Code of Conduct related to the Prevention of the Use of Privileged Information and Securities Transaction.

In the event that any of your relatives or friends holds an elective office, or more generally has responsibilities, in a public entity which is a potential client for the Group, you should inform your management and your entity's Ethics Officer in order to take adequate precautions so that no conflict of interests may arise.



In addition to working for the Group in the waste business, I am a city council member in the town where I live. A call for tenders has been initiated for municipal water supply.

Can I be a member of the elaboration and/or decision committee?

If you are a local elected officer, you have to decline participation in any such committees when it relates to any tenders having a connection with any of the activities of the Group.



During my spare time, I am an active member of a consumer association.

Does this occupation create a potential conflict of interests?

In the event that you have any doubt in such respect, you should refer to your management and your entity's Ethics Officer.



My entity will enter into negotiations with an industrial client. A relative of mine holds a management position in this company, with decision-making power over the project.

What should I do?

Even if you are not directly involved in these negotiations, you should disclose it to your management and your entity's Ethics Officer so that relevant measures can be taken in the light of this situation.

relations with competitors

In the context of their activities, entities of the Group may be in contact with competitors.

The Group's employees must act in strict conformity with the ethical principles of the Group and with competition laws.

Although such contacts are not prohibited *per se*, special care must be had in this respect.

They must therefore liaise with the legal department for details as to applicable regulations, which cover a wide range of behaviors and practices.

Whether in the context of public procurement or private markets, entities of the Group cannot enter into any practices which, in any way, contravene the legal principles of fair, loyal, transparent and equal competition. The Group rejects all anti-competitive practices infringing applicable laws.

Employees of the Group must also protect the confidentiality of information, i.e. both of information pertaining to the Group and of information lawfully exchanged with competitors when specific circumstances allow it.

Remember

Competition regulation prohibits any agreements or practices between competitors, notably during bid preparation and submission, amounting to:

- joint price or margin fixing;
- market sharing;
- unfair exclusion of competitors;
- prohibited exchange of commercially sensitive information;
- submission of deceptive competing tenders.

All competition issues should be referred to your entity's legal department and to the Group competition law department.



A partnership with a competitor is contemplated for a number of specific projects, which size is too significant for the Group to have the necessary resources to carry them out without a partner.

Would such a partnership be contrary to competition rules?

Associating with a competitor is possible only in limited cases; attention must be paid to the context, to the characteristics of the agreement and to the contents of the discussion. You must immediately seek advice from the legal department of your entity and, if necessary, from the group competition law department.



A competitor calls me because he would like to know whether the Group intends to submit offers for certain projects and is ready to tell me which projects his company is interested in. He does not ask any details as to prices or technical solutions.

What should I do?

Exchanging sensitive information with competitors as to future tenders is illegal, when such information is likely to have an influence on competitors' offers. You must report this request to your management and legal department. In any event, employees of the Group must protect the confidentiality of sensitive information relating to the Group's activities.

cover bidding

Cover bidding is a form of bid rigging, which gives the appearance of genuine competition.

It occurs when a company agrees, in the context of a call for tenders and in order to favor a competitor, to submit a bid at conditions (notably in terms of price) which are knowingly not as good as the said competitor's offer or at conditions which will not be accepted by the client (excessive price, unacceptable qualifications or deviations...).

Such practice cannot be tolerated by the Group as it is a clear violation of its ethical principles.



A competitor is interested in a project and fears that they are going to be the only company submitting an offer for such project. The Group does not intend to submit a bid for said project. They ask us whether we can nonetheless submit an offer, for example at an excessive price, to make sure that the client may not consider the call for tenders unsuccessful.

What should we do?

Submitting such an offer would amount to cover bidding and is therefore strictly illegal. Such a practice could lead to convictions and sanctions for the Group even if the Group receives no financial or other compensation in this respect. You must report this request to your management and legal department.

relations with partners

Employees of the Group must act in accordance with the ethical principles of the Group when dealing with partners, and must ensure that current and contemplated partners also abide by these principles.

Accordingly, the choice of partners must be impartial and demanding, on the basis of their professionalism and competitiveness, and of their values, with a view to building a relationship of trust.

Relations with partners must be transparent and loyal, with due precaution as to confidentiality of information disclosed.

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consortia, joint ventures and other partnerships

The creation of a consortium or a joint venture (whether incorporated or not) or, more generally, the setting up of partnerships are a common feature of the activities of the Group.

The purpose of such an association, the selection of the relevant partners, the scope and terms of the partnerships and their actual functioning must be consistent with the ethical values of the Group and comply with all applicable laws. They must also be technically and economically justified.



My entity is operating a facility in consortium with another company. Although we apply the strict health and safety rules of the Group, I have become aware that our partner does not abide by the same standards for its employees and that there are safety issues on site.

Should I report such concerns?

You should immediately inform your management, the contract manager and your entity's Ethics Officer so that adequate measures and remedies to this unacceptable situation can be taken.

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My entity has performed a contract with a company which business is complementary to the activities of the Group. We are very satisfied with this partnership and contemplate entering into a longer term partnership through a framework agreement for a number of future similar projects.

Is this possible?

The acceptability and the legality of such a long term partnership depend on varied characteristics (notably exclusivity provisions, duration of the agreement, respective experience and qualifications of the Group and the partner) and on its compliance with applicable competition laws. Before initiating any such discussions, you should consult your management and your legal department.

technical consultancy firms

Relations with technical consultancy firms must be carefully addressed, especially when such consultancy firms also act as advisors to a contracting authority or to competitors. Indeed, technical consultancy firms thus have access to confidential and sensitive information.

The decision to have recourse to a technical consultancy firm must meet a real and justified need for external expertise, for a clearly defined scope.

This situation could be complex and requires special attention, as no confidential information should be exchanged with the contracting authority's consultant. You must seek advice from your management and your legal department as to adequate precautions to avoid situations which would be prejudicial to the Group under the laws applicable to corruption, competition and public tendering.

Remember

If you have any doubts, if you are facing an issue which seems unclear, do not hesitate to contact the Ethics Officer of your entity.

relations with suppliers and subcontractors

SUEZ intends to maintain respectful and balanced relationships with its suppliers and subcontractors, and to enhance a culture of integrity.

Employees of the Group dealing with subcontractors and suppliers must comply with the ethical values of the Group and ensure that these third parties share and respect these values. In particular:

- applicable laws and internal procedures must be complied with;
- relations must be based on equity, transparency and impartiality;
- mutual commitments must be kept;
- the confidentiality of information exchanged must be preserved;
- the Group's commitments with regards to ethical standards, sustainable development and corporate responsibility must be known and maintained;
- conflicts of interests must be avoided;
- competition rules must be complied with.

Ethical principles applying to relations with suppliers are described in details in the "Ethics in Supplier Relations" Guide.

The applicable purchasing governance and procedures must also be complied with.



My brother now owns a company which sells a type of equipment that my entity regularly buys. I know that the products are of very good quality and my brother would probably give us a discount.

Can I sign a contract with my brother's company?

You are clearly in a situation of conflict of interests. The principles set out on page 16 as to conflicts of interests also apply in this situation. You must refer the situation to your manager prior to any decision and the applicable purchasing procedures must be applied.



One of our usual suppliers is inviting me to a conference abroad.

Can I accept this invitation?

Such an invitation amounts to a gift. You must therefore act in accordance with the rules set out on page 8. You should consult with your manager and your entity's Ethics Officer. In any event, your entity should bear the costs of travel and accommodation.

If you have any doubts, if you are facing an issue which seems unclear, do not hesitate to contact the Ethics Officer of your entity.

Reminder

The applicable Embargo Procedure must be complied with.

documents and contacts

The ethics policy of the Group is detailed in the Group's Ethics Charter and in the guide "Ethics in Practice".

These documents are available on the Group's website at the following address:

www.suez.com/en/Who-we-are/A-committed-group/Ethics-and-transparency

They are also available, together with the other ethics documents of the Group and of your entity, on your entity's intranet.

The following procedures are also available on your entity's intranet:

- Commercial or Institutional Consultant Procedure;
- Sponsorship, Patronage and Partnership Procedure;
- Code of Conduct for Financial Officers;
- Code of Conduct related to the Prevention of the Use of Privileged Information and Securities Transaction;
- Embargo Procedure.

documents and contacts

All queries in this respect may be referred to the Group's Ethics Officer at **ethics@suez.com** or to your entity's Ethics Officer, which contact details can be found on your entity's intranet or requested at **ethics@suez.com**

The Group's competition law department contact details can be requested from your entity's legal department or at **ethics@suez.com**

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