

In all procurement projects of Eneco Group, our sustainable strategy plays an important role and we translate this, where possible, into CSR (Corporate Social Responsibility) selection criteria. In the offer a supplier makes we would like to see what the supplier can actually realize on the following topics in relation to our central request in the Request For Proposal (RFP):

## 1. Reduce CO<sub>2</sub> emissions

CO<sub>2</sub> emissions can be reduced by considering alternative applications in the areas of:

- Transport of equipment and goods
- Energy supply on location
- Mobility of staff

## 2. Circularity

The Netherlands aims for a complete circular economy in 2050. By signing 'The National Agreement on the Circular Economy' Eneco Group commits itself to this objective. By contributing to the realization of a circular economy we want to lower our environmental impact of our products, services and assets. In a circular economy waste doesn't exist and raw materials are completely reused in the economic system. In order to contribute to the circular economy, the following circular strategies should be considered:

- **Recycling**; when residual material is converted into usable materials for making new products, components, etc.
- **Modularity**; when designing a product easy disassembly of the product is considered, whereby the individual components are replaceable giving the product a longer lifespan. Also the replaced components could be reused in a different way.
- **Repair**; instead of throwing the product away when it stops working, the product is repaired and its life extended
- **Lifespan**; in the design of a product/component the ambition is to realize the longest possible operational lifespan
- **Deposit money**; products are to be returned to the producer instead of being dumped. When returning the consumer will receive his deposit money. The producer is responsible for applying a different circular strategy for the returned product.
- **Sharing**; instead of everyone having their own product at their disposal, products are shared. When the product is not used by one, it can be used by another.
- **Upgrading**; instead of replacing a product with the latest version, it is adjusted in order to fit the new standards of use.
- **Lease**; the consumer pays for use only while the product remains the property and responsibility of the producer. It is in the best interest of the producer that the product can be used as long as possible. So he probably will be invited to design the product in such a manner that it has the longest possible operational lifespan. The producer is responsible for applying a different circular strategy at the end-of-life of the product.
- **Commodity exchange**; material that is considered as waste by one company can be used as a raw material by the other company in order to create new products without having to mine new natural resources.
- **Reduce**; actively seeking opportunities to use less (raw) materials in products and/or to need less energy during the production, transport or use of the product.

## 3. Social

This sustainable element contains the following topics for Eneco Group:

- **Working conditions**; the circumstances the supplier's employees have to work in. In other words, what is the situation with regards to employees' safety, health and working hours during their work.
- **Employee development**; does the supplier have a policy and execution thereof in the field of: career opportunities, training/ education and a paying fair salary.
- **Social Return**; part of the turnover should be spent on actively offering employment to people with a distance from the labor market. Another form of social return is community engagement in the form of sponsoring and/or giving employees the opportunity to do 'volunteer work' during working hours.
- **Diversity**; scientific research states that diversity in the workplace leads to better decisions and therefore success of a company. It prevents one-sided consideration of the challenges that a company faces. Diversity means that both men and women, people from different cultures, old and young, etc. will have equal opportunity to be considered for employment within the company.

<sup>1</sup> see <https://www.cbs.nl/nl-nl/achtergrond/2016/06/risico-countries>

#### **4. Human Rights**

Depending on the country and/or sector in which the supplier is active in order to be able to supply Eneco Group, the subject of Human Rights requires active attention. For suppliers who are active in so-called high-risk countries<sup>1</sup> in their supply chain, it is mandatory to carry out due diligence on Human Rights. In other cases, Human Rights have largely been taken care of by existing laws and regulations. However, it is also important here that compliance with Human Rights should be given attention. To what extent, for example, is there an active policy on anti-discrimination, is (modern) slavery prevented, can employees unite in a trade union, is it possible for employees to express their religion, etc.

#### **5. Fair Business Practices**

Fair Business Practices concern the ethical conduct of the supplier. How, for example, does the supplier prevent people in his company from being sensitive to bribery (in the form of money but also in the form of gifts, outings, trips, expensive dinners, etc.), or that they use intimidation or manipulation. Another form of Fair Business Practices is the possibility for employees to report misdemeanor to an integrity or confidential advisor.

#### **6. Consumer Issues**

Consumer Issues are particularly applicable to those suppliers who supply products/components or services that are applied by Eneco Group in products or services to customers or by which local residents are affected. This applies for example for:

- the central heating boiler installed in people's homes
- business gifts that Eneco Group gives to people
- the heating pipe in the street
- maintenance activities on behalf of Eneco Group
- marketing & sales activities on behalf of Eneco Group.

Consumer Issues relate to: safe use, health-impairing application, guaranteeing privacy rights, honest and complete information provision, clear manual or explanation and customer service in the broadest sense of the word.