

# Suez Environment

*Integrating Transparency and Anti-corruption throughout the business*

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## **The Company**

Suez Environment is a subsidiary company of the global conglomerate GDF Suez. In 2008, Gaz de France and Suez merged to form GDF Suez. Suez Environment is one of the world's leading water companies, serving over 117 million people around the world. It has a wide scope and holds an important position within the water Industry, through supplying drinking water, water management services and developing the latest water technology.

Water is a key issue for economic growth, employment, social development, environmental sustainability and political stability. Suez Environment's activities and operations have a very large impact on the lives of a wide range of stakeholders and the environment. Suez Environment has reported that it considers sustainable development to be an integral part of its business strategy and is highly aware of the influence that its activities have on local communities and the environment. It aims to weave throughout its operations and activities, transparent and anti-corruption measures, policies, communication, and an informative management structure.

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*This case study focuses on Transparency and Anti-corruption aspects of Suez Environment's water operations and activities.*

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## **The key drivers for change**

It has been widely researched and reported that corruption drains water resources. It was identified in the Global Corruption Report 2008 (GCR 2008) that...“water industry-related corruption aggravates water scarcity which threatens billions of lives”. Corruption comes in a number of guises; distribution policies of water resources, procurement contracts, hiding industrial water waste, fabricating management reporting, corruption in carrying out irrigation projects and bribery in processing of water supply.

With Suez Environment's critical position in the water industry it has a large stake in the lives of many people. By not acting responsibly, ethically and corruptly there could be devastating consequences, e.g. significant loss of life, owing to undrinkable, inaccessible and unaffordable water resources.

## **Taking action**

### *Networks*

For nearly 10 years Suez Environment has been redefining its business strategies in line with major global policies and initiatives. In 2000, Suez Environment became one of the first companies to join the United Nations Global Compact (UNGC) (<http://www.unglobalcompact.org/>). Since the creation of principle 10 on anti-corruption, Suez Environment has built its sustainable development strategy on a strong Ethics Policy, based on rigorous codes of conduct. Suez Environment is a

member of the world's leading water coalition, Water Integrity Network (WIN) (<http://www.waterintegritynetwork.net/>). WIN is aimed at fighting corruption in water management through stimulating anti-corruption activities and promoting private and public participation. Suez Environment is also a member of the Global Water Research Coalition (GWRC) (<http://www.globalwaterresearchcoalition.net/>), which is an international water research alliance, focused on leveraging funding and expertise among the participating research organisations. These coalitions help Suez Environment develop research initiatives and strategies that bring about sustainable development for regional and national water supplies.

#### *Initiatives*

In 1999, Suez Environment introduced an initiative called the 'Water and Sanitation for all Program', aimed at benefiting local communities in developing countries. This programme received top recognition and international prizes for contributing to achieving objectives laid down by the United Nations and the Millennium Development Goals. Suez Environment introduced a major training programme, which emphasised the risks surrounding corruption.

#### *Compliance practices*

Suez Environment is regarded as an Industry leader for its compliance practices concerning anti-corruption within the water industry. The company has an ethics and compliance programme designed to promote a Group culture that encourages anti-corruption, transparency, ethical behaviour and ensure compliance with laws and rules. The main objectives of the programme are to detect and monitor ethical risks, prevent unethical behaviour, evaluate compliance with rules, values and regulations, and allocate necessary resources to carry out defined action plans.

#### *Transparency of activities and operations*

Suez Environment works closely with leading NGOs, such as Transparency International (TI) which specialises in anti-corruption, to improve the transparency of its activities, reporting and service management contracts. Transparency International (TI) is working with Suez Environment to identify risks and prevent corruption throughout the business. Additionally, the company is going above and beyond its legal and economic obligations, through supporting transparency research projects aimed at comparing practices and citizen participation amongst companies. The most recent project is being conducted with the UNESCO Centre for Water Law, Policy and Science, at Dundee University, United Kingdom. This supports and complements Suez Environments stance on preventing corruption.

### **Challenges to transparency and anti-corruption**

#### *Climate change*

As result of changing weather patterns and temperatures caused by climate change, the water life cycle is seriously being disrupted and resulting in the depletion of world water resources. The Intergovernmental Panel on Climate Change (IPCC) identified that "...water and its availability and quality will be the main pressures on, and issues for, societies and the environment under climate change..."

(<http://www.ceres.org/Document.Doc?id=406>).

#### *Water wars & international conflict*

It has been well researched, that with global water resources depleting, conflicts over water will intensify, and water companies may be the target for law suits and

increased violence. There will be increased pressure on Suez Environment to meet the needs and requirements of the millions whose lives depend on it.

### **Conclusion**

To conclude, Suez Environment's critical position in the water industry means it has a responsibility to understand the broader context of its operations and apply measures that are ethical, transparent and anti-corruption. The consequences of Suez Environment not embracing strong codes of ethics, policies of anti-corruption, and transparency would not only be damaging to its corporate image and profitability, but have widescale negative implications on the lives of many people and the environment. Suez Environment has finely tuned the areas of anti-corruption and transparency within its business, through engaging and participating in a number of world renown networks, (UNGC, WIN, and the GWRC), introducing initiatives (Water and Sanitation for all program, Millenium development goals), training programmes and designing ethics and compliance programmes.