



INTEGRATED REPORT

2019 · 2020



This is Veolia's third integrated report. This report provides a full and forward-looking overview of the Group's strategy, businesses and commitments. It marks a turning point, with the publication of the Group's purpose and the start of its Impact 2023 strategic plan. As such, it demonstrates how Veolia creates lasting value for all its stakeholders. The report was put together jointly by all the Group's various departments meeting in workshops that, in particular, provided an opportunity to think together about the document's basic sections: the changing business model, presentation of the new strategic program, and its multifaceted approach to performance.

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CHAPTER

(Vision and mission)

Interview with Antoine Frérot, Chairman and Chief Executive Officer of Veolia – The Group's contribution to the Sustainable Development Goals – Defining and tracking our purpose – Our business model – Report on the 2016-2019 plan – The Impact 2023 strategic program.

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CHAPTER

(Solutions and expertise)

Overview of flagship projects for conserving resources and improving our clients' environmental footprint
– Veolia's expertise in managing the most complex problems, from hazardous waste to decommissioning
– Focus on innovation: combating plastic pollution and improving indoor air quality, which is a major public health issue.

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CHAPTER

(The Resourcer Community)

Employees involved in major milestones in the Group's life
– Talented people supported throughout their career, with an emphasis on upward mobility and professional equality
– The fundamentals: prevention, health and safety, ethics and compliance.

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Multifaceted performance benefiting stakeholders' entire ecosystem – Value created by Veolia's businesses for its clients and the regions where the Group operates.

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Demanding and committed governance open to society to guide the Group through its strategic choices – Environment: how Veolia is responding to the issues of climate change with an optimistic and pragmatic roadmap.

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The world is in the grip of a serious and unprecedented health crisis. Given our mission, our Group is doing everything it can to ensure the continuation of the essential services we provide for individuals and health systems. Veolia is introducing changes to limit the virus' propagation and maintain drinking water, wastewater, and waste and energy management services while also protecting its employees, especially those working in the field.

We have a higher level of responsibility than some other companies because the services we provide are essential for everyday life. This epidemic has struck Asia, Europe, the Americas, the Middle East and Africa, indeed wherever we are present, and our employees are committed to shouldering their responsibility. Our clients are counting on us, hospitals are counting on us, end users and public authorities are counting on us.

Since 1853, we have shown that we are able to counter adversity. Almost 170 years since its foundation, our company has relied on its unique expertise and unfailing commitment to deal with extreme crises, provide solutions and take action where an emergency needs us most.

In this integrated report, you will see that our purpose is defined by our usefulness. More than just words, day after day, we must prove just how useful we are, whatever the situation. Our people work to this end each and every day, strengthened by what this global health crisis is revealing: new forms of solidarity, pragmatism and innovation, and effective solutions that are in place to assist each of us and protect the health of all.

ANTOINE FRÉROT
CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF VEOLIA



“Veolia’s **PURPOSE** ^{P.10} is to contribute to **HUMAN PROGRESS** ^{P.4} by firmly

committing to the **SUSTAINABLE DEVELOPMENT GOALS** ^{P.8} set by the UN to achieve a better and more sustainable future for all. It is with this aim in mind that Veolia sets itself the task of **“RESOURCING THE WORLD”** ^{P.12} through its environmental services business.

At Veolia, we are convinced that continuing human development is only possible if economic, social and environmental issues are addressed as an indivisible whole. This belief is embedded in the history of the company, which as soon as it was created in 1853, showed the way by making access to drinking water an essential element of public health and quality of life.”

(...)

...HUMAN PROGRESS...

purpose is to contribute to **HUMAN PROGRESS** by firmly committing to the Sustainable Development Goals set by the UN to achieve a better and more sustainable future for all. It is with this aim in mind that Veolia sets itself the task of resourcing the world.



INTERVIEW⁽¹⁾ WITH ANTOINE FRÉROT
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
OF VEOLIA

What are your takeaways from 2019?

A. F. Our aim was to end our 2016-2019 efficiency and growth plan on a high note, which we did. This is evident in our robust, profitable growth, results that outpaced our commitments, and a host of commercial successes. In 2019, our revenue was up 4.3% at constant exchange rates to €27.2 billion, EBITDA was over €4 billion, cost savings came to €248 million, and the €760 million current net income Group share was up 13.5% at constant exchange rates. A significant share of revenue was derived from new businesses, such as the circular economy, energy efficiency and treatment of difficult pollution. This confirms our ability to project ourselves forward into emerging markets, thereby renewing our businesses and forming vigorous new sources of growth. Take, for example, the contract signed with Toyota Tsusho in Japan to recycle lithium batteries from electric vehicles, the smart energy network management contract with the city of Braunschweig in Germany, and the extension of our hazardous waste treatment business in South Africa.

And what are your conclusions on the entire 2016-2019 efficiency and growth plan?

A. F. Over the plan's four years, our revenue progressed an average of 3.6% annually, EBITDA by 4.6% and current net income by 9.6%. Our cost savings exceeded €1 billion. This steady and sustained progress in our growth and profitability is testament to the strength of our operational performance, the sound use of our capital, and the quality of our strategy and its implementation. Throughout the plan, Veolia furthered its leadership and methodically gained positions in the most promising growth markets.

Veolia's new strategic program is called Impact 2023. Why is that and what is the aim?

A. F. In the final analysis, what remains of a company's projects and initiatives is the concrete impact on clients, shareholders, employees and other stakeholders such as the environment, society at large and future generations. For this reason, as the program's name indicates, we ultimately want to "have more impact". With this aim in mind, for each of our businesses our priority will be to seek maximum impact, whether environmental, social or economic. Through this program, our Group is aiming to become the benchmark company for ecological transformation. Few companies can lay claim to having this ambition and few companies are in a position to have such an impact on the world, but Veolia is one of them. This is an honor, a duty and a strength for our Group. Being the benchmark company means you are the yardstick against which all others compare and assess themselves, the company that develops future solutions and standards for environmental industries, the company that paves the way and "inspires" others. The success of a company is measured by its achievements but also by the way it inspires other economic players and society.

What part does innovation play in this new program?

A. F. By innovating, we prepare and intensify our future impact. This is one of the reasons why our new strategic program places so much emphasis on innovation, for which we have selected six priority areas: health and combating new pollutants, adaptation to climate change, new loops in the circular economy, the food chain, new energy services, and digital offers that transform data into a competitive advantage. Already, 2019 saw a wealth of innovations, such as the development of new seawater desalination technology – the "barrel" – that is more reliable, more compact and consumes less energy; the creation of a joint company with EDF called Graphitech for dismantling graphite reactors; and

(1) Interview held in February 2020.

improvements to waste sorting robots using artificial intelligence, to name but a few. These innovations complete our value chain and are a powerful source of differentiation, putting us one step ahead of our competitors and increasing our positive impact on the environment and society.

What are the guiding principles behind Impact 2023 and its underlying financial commitments?

A.F. This strategic program, which will act as a compass for our Group for the coming four years, comes at a particularly positive time for our businesses – never before have environmental expectations been greater and the environment such a high priority. In fact, our planet and society today are at a historic crossroads. That is why our Group has decided to focus its resources and activities on the main environmental issues facing the world, while seeking maximum impact. We will be guided by four main principles of action to derive the maximum potential from this era and our markets. First, accelerate our most promising growth and differentiating businesses by taking them into all our geographic regions. For example, the treatment and recovery of hazardous waste, the circular economy (especially plastics), energy efficiency and industrial ecology. Next, optimize and strengthen our traditional businesses, which continue to create value and some of which are a source of new opportunities, such as water and the management of heating networks transitioning to low-carbon operation. Third, slow or reduce our most mature businesses or those that have become commonplace and where we have difficulty standing out. Lastly, continue to think up new solutions through a targeted innovation policy, and progress our younger businesses. Of course, this ambitious strategic program will require rigorous implementation if it is to become reality: rigorous cost management, rigorous debt control, and rigorous investment decisions to gain a position in the most

promising businesses. In financial terms, we are committed to seeing this program generate EBITDA of between €4.7 billion and €4.9 billion, €1 billion-worth of cumulated cost savings and €1 billion in current net income Group share, while containing our debt to ensure it does not exceed three times EBITDA. For 2020, our main aims are to pursue sustained growth in revenue, achieve €250 million in cost savings and generate EBITDA of around €4.1 billion.

On what grounds does Veolia base its confidence in its ability to achieve these goals?

A.F. First and foremost, this confidence is based on our Group’s achievements. What has it accomplished in the past few years? First, it successfully completed its wide-ranging 2012-2015 transformation plan, then its demanding 2016-2019 profitable growth plan, exceeding the targets it had set itself in both instances. There is therefore no reason to think it should be any different for this new program. But more than that, the intensive preparatory work by Veolia’s employees enabled us to get a head start on Impact 2023’s rollout. For example, the sale of our district heating business in the United States was finalized at the end of 2019 for more than €1 billion and is part of €3 billion-worth of planned divestments to free up capital to invest in more profitable businesses.

Another positive is the very high level of employee engagement with regard to this new program. The internal survey we conducted last September of 80,000 Veolia employees revealed that 84% feel engaged. This figure is far higher than that for many other comparable companies and is a source of legitimate pride and even greater confidence for our Group.

How does this plan fit with Veolia’s purpose?

A.F. Our purpose describes what drives our company, the basis for its existence and its future, and the sense of where it is heading. It emphasizes the fact that its prosperity is based on its usefulness – and so its “impact” – for all stakeholders. It defines for which of the major issues facing the world we want to provide solutions. Our strategic program is totally consistent with our purpose because it focuses on impact rather than size and concentrates on the concrete response to the major environmental challenges facing

the planet, industries and cities. As it seeks to maximize our environmental, social, economic and financial impact, this program gives equal attention and the same degree of commitment to each of the stakeholders who have decided to work alongside us. Our industrial and economic decisions as a company and our choices as its employees have a varied level and depth of impact that far exceeds our immediate context. To take account of this, we are going to use a system of 18 key performance indicators to measure our multifaceted performance for our 5 main stakeholders: employees, clients, shareholders, the planet and society. These KPIs will also serve as the basis for the Group’s senior executives’ variable performance-based remuneration. That will be a powerful driver for attaining our goals, maximizing our positive impact on the environment and society – while improving our profitability – and for stepping up the world’s ecological transformation.

“WITH IMPACT 2023, FOR EACH OF OUR BUSINESSES OUR PRIORITY WILL BE TO SEEK MAXIMUM IMPACT, WHETHER ENVIRONMENTAL, SOCIAL OR ECONOMIC.”



“OUR PURPOSE DESCRIBES WHAT DRIVES OUR COMPANY, THE BASIS FOR ITS EXISTENCE AND ITS FUTURE, AND THE SENSE OF WHERE IT IS HEADING.”

Antoine Frérot

...SUSTAINABLE DEVELOPMENT GOALS...

SPEED UP THE TRANSFORMATIONS NEEDED TO DELIVER AGENDA 2030

Veolia's purpose is to contribute to human progress by firmly committing to the SUSTAINABLE DEVELOPMENT GOALS set by the UN to achieve

The Sustainable Development Goals (SDGs) aim to resolve the major global challenges we face, especially inequality, environment, prosperity and peace, in order to usher in a better and more sustainable future for us all. The SDGs set out in Agenda 2030 can only be achieved with everyone's commitment: states, public authorities, NGOs, companies, citizens, researchers and unions. Veolia's commitment to contributing to these goals is inscribed in the very first sentence of its purpose: "Veolia's purpose is to contribute to human progress by firmly committing to the Sustainable Development Goals set by the UN to achieve a better and more sustainable future for all." However, according to the 2019 SDGs Report⁽¹⁾, the current rate of implementation is not fast enough to achieve the 2030 targets. Experts are particularly concerned about four areas: inequality, climate change, loss of biodiversity, and the volume of waste generated by human activity. Given this situation, in 2019 the Sustainable Development Solutions Network (SDSN, a network of scientists and experts working on practical solutions to achieve the SDGs) recommended a change of approach for the 17 SDGs to facilitate and speed up their implementation⁽²⁾. This report emphasizes the importance of addressing the SDGs synergistically because of the proven interaction between many of the goals and targets – for example, a healthy environment and fighting climate change both contribute to improved health outcomes.

The SDSN also proposed organizing implementation of the SDGs around six broad transformations better aligned on the organizational structures of governments and companies.

"Leave No One Behind"



1. Education, gender and inequality;
2. Health, well-being and demography;
3. Energy decarbonization and sustainable industry;
4. Sustainable food, land, water, and oceans;
5. Sustainable cities and communities;
6. Digital revolution for sustainable development.

(1) Report of the Secretary-General on SDG progress 2019, United Nations.
 (2) Sustainable Development Report 2019, Bertelsmann Stiftung and Sustainable Development Solutions Network.

Veolia, engaged in the transformations needed to achieve the SDGs

Veolia is engaged, to a greater or lesser extent, in the implementation of all 17 SDGs. Through its water, waste and energy businesses, Veolia provides solutions aimed at ensuring access for all to essential services, reducing the company's and its clients' ecological footprint, and contributing to the world's transitions. Daily, Veolia contributes to the SDGs, with particular emphasis on the 13 that relate more specifically to its purpose:

9 goals related to its businesses



3 goals linked to its organizational priorities as a responsible company



1 key goal as a driver to achieve the SDGs



As part of its latest strategic program – Impact 2023 (see p. 16) – Veolia is developing new economic activities based on six themes: health and new pollutants, adaptation to climate change, new loops for materials, food chain, new energy services and new digital offers. This approach significantly reinforces the Group's contribution to the SDGs and to five of the SDSN's six broad transformations.

SDGS TAKEN INTO ACCOUNT AT TOP LEVEL

In 2019, Veolia included eight CSR indicators aligned on six SDGs for calculating the qualitative part of the variable remuneration⁽¹⁾ for the Chairman and CEO and Executive Committee members:

Efficiency rate of drinking water networks

SDG 6 – Clean water and sanitation

Production of renewable or alternative energy / Energy efficiency of heating networks / CO₂ emissions per quantity of energy produced (by incineration)

SDG 7 – Affordable and clean energy

Frequency of lost-time injuries

SDG 8 – Decent work and economic growth

Methane capture rate at landfills

SDG 9 – Industry, innovation and infrastructure

Overall rate of waste recovery

SDG 12 – Responsible consumption and production

Diagnostics conducted and biodiversity action plans

SDG 15 – Life on land

(1) From 2020, it will be included in the KPIs relating to Veolia's purpose.

...PURPOSE...

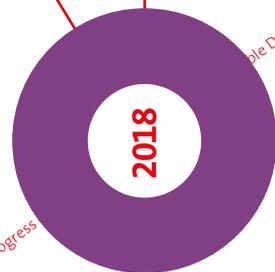
MUCH MORE THAN AN INTENTION,
AN APPROACH
MOBILIZING OUR ENTIRE GROUP

Veolia was one of the first French companies to express its purpose in a complete text that is the outcome of numerous consultations and is supported at the highest level in the company. The Group sees this purpose as a way of implementing its broad vision of the company and demonstrating its usefulness for all stakeholders, beyond simply creating value for shareholders. Far from being mere words, the purpose comes with a management method that will make it possible to implement the multifaceted approach to the Group's performance and to share the value created. The purpose is central to Veolia's policy and fully integrates the new Impact 2023 strategic program (see p. 16).

**STEPS
IN DEFINING
VEOLIA'S PURPOSE**

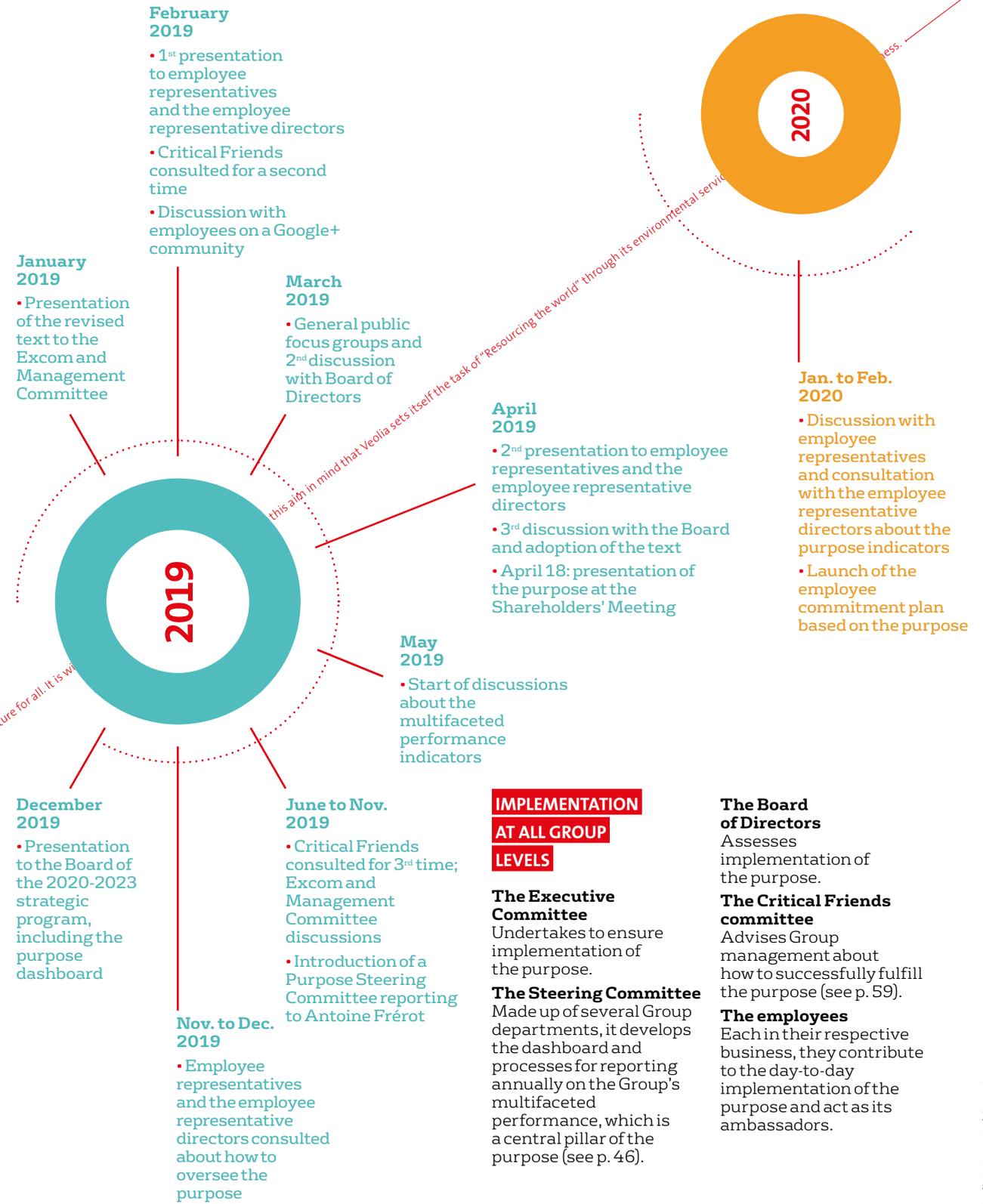
July 2018
• Critical Friends committee consulted about the usefulness of defining our purpose

Oct. to Dec. 2018
• Presentation to the Executive Committee (Excom) of an initial text authored by the Sustainable Development, Strategy and Human Resources departments
• Discussion with the Board of Directors



Veolia's PURPOSE is to contribute to human progress

Sustainable Development Goals set by the UN to achieve a better and more sustainable future for all. It is written in mind that Veolia sets itself the task of "Resourcing the world" through its environmental services.



**IMPLEMENTATION
AT ALL GROUP
LEVELS**

The Executive Committee
Undertakes to ensure implementation of the purpose.

The Steering Committee
Made up of several Group departments, it develops the dashboard and processes for reporting annually on the Group's multifaceted performance, which is a central pillar of the purpose (see p. 46).

The Board of Directors
Assesses implementation of the purpose.

The Critical Friends committee
Advises Group management about how to successfully fulfill the purpose (see p. 59).

The employees
Each in their respective business, they contribute to the day-to-day implementation of the purpose and act as its ambassadors.

It is with this aim in mind that Veolia sets itself the task of "RESOURCING THE WORLD", through its environmental

...RESOURCING THE WORLD...

OUR BUSINESS MODEL ⁽¹⁾

STRENGTHS

Global expertise serving all our customers

- Nearly 8,000 sites across the five continents
- Regional player managing local services
- 21 centers of excellence for the global roll-out of best practices

High valued-added know-how

- Integrated approach to environmental issues
- Expertise in managing the most complex issues, such as toxic pollution

Committed men and women

- 178,780 employees
- 13 campus and training centers worldwide, located in 8 countries
- 1,600 contributions collected through the "Inspire" collective strategy review

Extensive market presence combined with financial strength

- Balanced portfolio between municipal (52%) and industrial (48%) businesses
- Solid European base with one-third of business in the rest of the world and a strong presence in dynamic markets (notably Asia, North America, Latin America)
- Financial strength: net debt/EBITDA ratio of 2.66

A climate strategy consistent with the Paris agreement

- Strategy validated by the SBT (Science Based Targets) initiative

Adapted governance

- Diverse expertise within the Board of Directors
- Committee of external experts, the "Critical friends", consulted on the Groups strategic orientations
- Multi-criteria compensation system (including CSR criteria) for the Executive Committee, with annual and long-term components

BUSINESS MODEL

CHANGING SOCIETY AND ENVIRONMENTAL CHALLENGE

Climate change and ecological transition
Demographic growth and urbanization
Technological progress / Digitalization
Stricter environmental regulations
Changing lifestyles
Pressure of public opinion

OUR MISSION

RESOURCING THE WORLD

Improving access to resources
Preserving resources
Replenishing resources

OUR STRATEGIC AMBITION

Be the benchmark company for ecological transformation

OUR BUSINESSES

Water management | Waste management | Energy management

Deployed in our geographic zones by our employees, where our know-how enables us to invent, develop and roll-out a wide range of solutions

OUR CUSTOMERS

Municipal clients | Industrial clients

VALUE CREATED IN 2019

- Revenue of €27,189 million, up 4.3% (at constant exchange rates)
- EBITDA of €4,022 million
- Post-tax ROCE: 8.4%
- WACC⁽²⁾: 5.3%

Shareholders

- Dividend of €1 per share
- 5-year TSR: +62.52%
- Current net income earnings per share as of December 31, 2019: €1.37

Employees

- 80% received training to maintain or improve their skills
- 2.04% of share capital held by employees
- 92% commitment rate for managers and 84% commitment rate for employees surveyed

Planet

- Revenue of €5.2 billion generated in the circular economy
- 78.2 million metric tons of CO₂ eq. of reduced emissions at our installations since 2015
- 33.2 million metric tons of CO₂ eq. of avoided client emissions since 2015
- 60.7% of methane is captured
- 71% of sites with significant biodiversity issues carried out a diagnosis and deployed a biodiversity action plan

Customers

- 70.6% recovery rate for treated waste
- 75.4% efficiency rate for drinking water networks
- 87% efficiency rate for heating networks
- 98 million people supplied with drinking water and 67 million people connected to wastewater systems
- 42 million people supplied with waste collection services

Regions

- 86.3% Share of expenditure reinvested in the regions
- 922,122 jobs supported in the world
- €45,711 billion of wealth creation in the world (contribution to GDP)
- 10.7 million people connected to water systems and 4.5 million people connected to wastewater systems in countries with poor access
- 71% of active contacts in the supplier contract base include the Group CSR clause

CONTRIBUTION TO SDGs

Veolia contributes to a greater or lesser extent to implementing each of the 17 SDGs. The Group particularly plays a major role for **13 SDGs whose challenges are directly linked to Veolia's Purpose**



(1) Figures as of December 31, 2019.

(2) WACC, Weighted Average Cost of Capital.

...LONG-TERM RESULTS...

REVIEW OF THE 2016-2019 STRATEGIC PLAN

The 2012-2015 transformation plan focused on debt reduction through divestments, return to profitability through a plan to cut costs and boost operational efficiency, rebalancing the portfolio between municipal and industrial clients and geographic zones, and development of forecasting capabilities. Following this first plan, the aim of the 2016-2019 plan was to demonstrate that Veolia was now master of its own destiny based on a self-funded model for economic growth. Focused on two key areas – an organic growth program rounded out by small acquisitions and an efficiency program – it aimed to generate positive annual free cash flow at constant capital employed in order to raise the dividend by 10%.

A plan that confirmed the effectiveness of the model used

Although the return to growth took slightly longer than expected, the Group succeeded in achieving all its targets, whether for average revenue growth, annual EBITDA growth or cost savings. At constant capital employed, the company saw its results improve markedly without adding further debt. By confirming Veolia's strong resilience and setting it on the path to buoyant growth, the 2016-2019 plan placed the Group in a position to make high-impact organizational decisions (see presentation of the Impact 2020-2023 program on the following page) about businesses that are crucial for the environment and located in geographical regions with significant needs.

with a high level of technical know-how and labor, and which commits for long periods of time.

	2016 >	2017 >	2018 >	2019 >	2020 >
<p>Performance of the 2016-2019 strategic plan</p>	<ul style="list-style-type: none"> Q4 2016 return to revenue growth 	<ul style="list-style-type: none"> ROCE (return on capital employed) >8% End 2016 10% increase in dividend 	<ul style="list-style-type: none"> Balanced portfolio in 2018: <ul style="list-style-type: none"> industrial clients 47% of revenue municipal clients 53% of revenue 	<ul style="list-style-type: none"> End 2018 <ul style="list-style-type: none"> Targets for cumulative cost savings achieved (€800 million) Further 10% increase in dividend 	<ul style="list-style-type: none"> End 2019 cumulative cost savings of €1.05 billion
<p>Strategic choices and key stages in Veolia's development</p>	<ul style="list-style-type: none"> 80% of business covered by centers of excellence (innovation and sharing of best practices) 	<ul style="list-style-type: none"> Business transformation plan for Veolia Water France Move to V head office: annual savings of €25 million and improved cooperation between business units 	<ul style="list-style-type: none"> Included in the Dow Jones Sustainability Index 	<ul style="list-style-type: none"> Digital Roadmap launched Commitment to Science-Based Targets Initiative 	<p>Impact 2023 program launched</p>
<p>Aspects of commercial dynamics</p>	<p>Plastics business stepped up</p> <p>€40 million</p>	<p>Digitalization of tools and processes for water contracts, subsequently extended to include all offers</p>	<p>Excellent renewal rate of contracts at maturity</p>	<p>Positioning in health issues with the air quality offer</p>	<p>invested in the sales force: Business Development center of excellence, new Innovation, Development and Markets Department, creation of the Sales Academy</p>

Although the 2016-2019 strategic plan did not include any non-financial aspects, Veolia nonetheless introduced an ambitious CSR approach in 2015 together with quantified targets.

By implementing this approach, the Group was able to make progress in numerous social and environmental indicators (see all the CSR performance indicators on p. 46).

2015	INDICATOR	2019
€3.5 billion	Circular economy revenue	€5.2 billion
57%	Methane capture rate	60.7%
6.5 million people given access to drinking water and 3 million to sanitation systems	New connections to drinking water and sanitation systems since 2000 in countries with an access deficit	10.7 million people given access to drinking water and 4.5 million to sanitation systems
11.02%	Injury frequency rate	8.12%

We guarantee long-term RESULTS for our customers by leveraging our long experience, the quality of our

...USEFULNESS...

IMPACT 2023: OUR STRATEGIC PROGRAM FOR MULTIFACETED PERFORMANCE

Impact 2023 is more than a multi-year plan – it is an enterprise project that traces a clear and ambitious route defined by the Group’s purpose. It translates Veolia’s commitment to making a positive impact for the planet and all the company’s stakeholders. Building on the results of the efforts and refocusing of the past few years, Veolia now has the strength and confidence needed to set its ambition even higher. It is an ambition that has been thought out, carefully constructed and revealed through its Impact 2023 strategic program.

Collective, in-depth work...

Impact 2023 is the result of a collective co-creation process begun in April 2018. It is the result of five main stages that involved all levels in the company.



Collective thinking

- The initial discussion phase involved more than 900 employees representing the businesses in all the Group’s regions and the Group’s Management Committee.
- The call for contributions focused on the main challenges we face through to 2023 where Veolia can do something new, better or different, and the priorities for the future.
- The 1,600 contributions collected were examined by the Management Committee to inform the strategic directions.
- A committee of independent experts, the Critical Friends, was also consulted about the main global trends and issues.



Analyze the business portfolio

- In a second phase, the entire business portfolio was subjected to a detailed review. The Board of Directors then decided the main strategic directions based on an in-depth analysis of past performance and growth potential for each of the business segments.



Define the ambition: why, what, how?

- The ambition definition phase involved the following stages:
 - drawing up Veolia’s purpose;
 - identifying the Group’s various entities and their priorities for progress;
 - choosing a set of multifaceted performance indicators.
- This phase involved all Veolia entities and the Critical Friends committee. It was shared with 6,300 Group employees on a digital platform.



Quantify the ambition

- The ambition then underwent detailed costing as part of a long-term plan.



Select and consolidate

- After an initial selection phase, the plan was consolidated, its targets thoroughly determined and its key performance indicators brought together in a dashboard. The Board of Directors approved this plan in December 2019.

its values of responsibility, community spirit, respect, innovation and customer focus. Veolia’s prosperity is founded upon its **USEFULNESS** to all its stakeholders

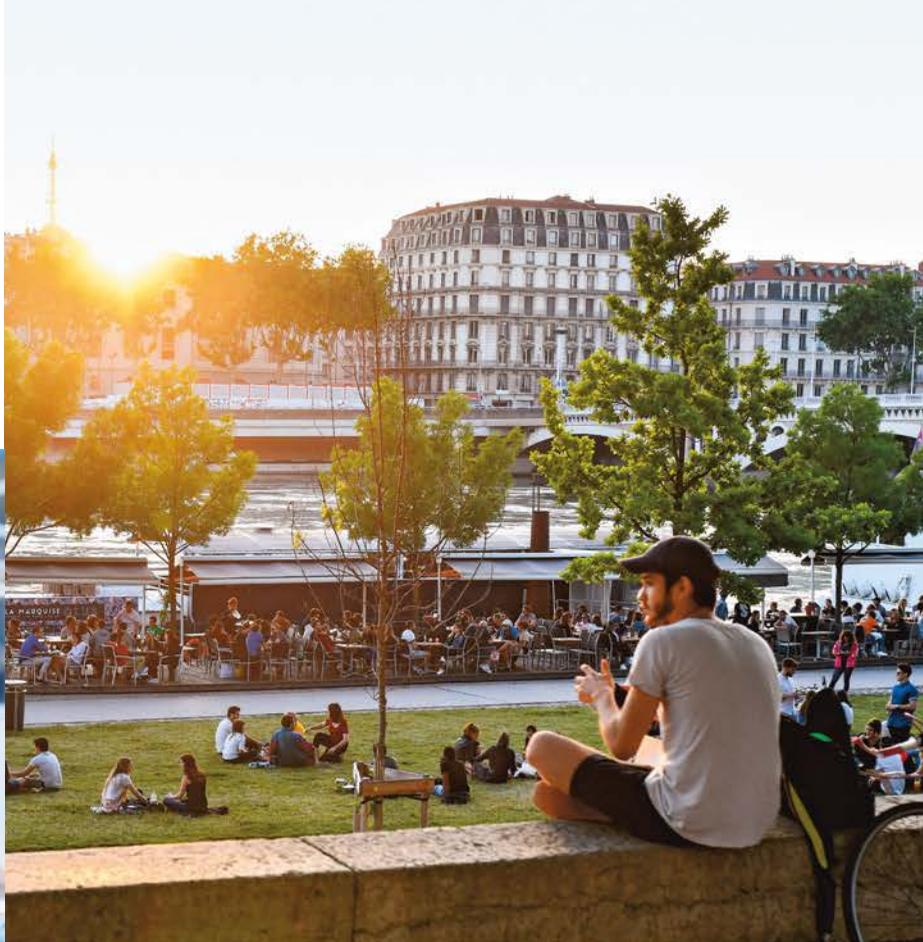


... to raise Veolia’s ambition higher

With Impact 2023, Veolia is setting itself the ambition of **being the benchmark company for ecological transformation:**

- by enabling **clients**, whether regional public authorities or industrial companies, to anticipate environmental risks, reduce the impact on their business and adapt their model to sustainable growth;
- by providing **individuals** with new solutions and ways to act that let them make a strong environmental commitment while maintaining their own quality of life;
- by empowering our **employees** through a shared, meaningful action that produces concrete and positive results for the environment;
- by proposing to our **shareholders** a new model of sustainable growth that is both financially rewarding and socially responsible;
- by acting to protect and conserve the **planet’s** resources and thereby combat all forms of pollution and climate change.





spirit, respect, innovation and customer focus. Veolia's prosperity is founded upon its **USEFULNESS** to all its stakeholders

Impact 2023: four strategic moves to support ecological transformation

1. Commit to multifaceted performance

Veolia seeks to focus equally on the various types of performance, all of which complement one another and form a virtuous circle. The Group has committed to 18 key performance indicators (see p. 49), which cover the 5 types of performance: economic and financial, commercial, human resources, social, and environmental. Fulfillment of the objectives, which will be audited annually by an independent organization, will provide a basis for the variable remuneration awarded to Veolia senior executives.

2. Stepping up the pace of growth of our most complex operations, where Veolia's differentiating expertise represents high value added

Three main categories of business are involved:

- **prevention and clean-up of toxic pollution**, such as hazardous waste and industrial process water treatment and soil decontamination;
- **management of the use of resources and combating climate imbalance**, including services to enhance energy efficiency of industries and buildings, plastics recycling, refuse-derived fuel production, biodegradable waste recovery, and industrial ecology services such as circular economy loops and pooling utilities on industrial parks;
- **contributions to solutions to adapt to climate change**, such as reusing wastewater and seawater desalination.

3. Reinforce and reinvent our core business activities to enhance their impact and performance

Water: enrich our water and wastewater services, including innovative sludge management solutions and inclusive solutions to improve access to water, and reinvent our way of working with stakeholders, such as governance and consumer relations.

Waste: transform the collection of non-hazardous industrial and commercial waste, for example through new digital services, and a better-scaled pricing policy established according to the quality of raw materials.

Energy: modernize and diversify our energy grid business by transforming coal-powered heating networks through the use of green energy, deploying new services for electricity grids and developing mini-heating or cooling networks.

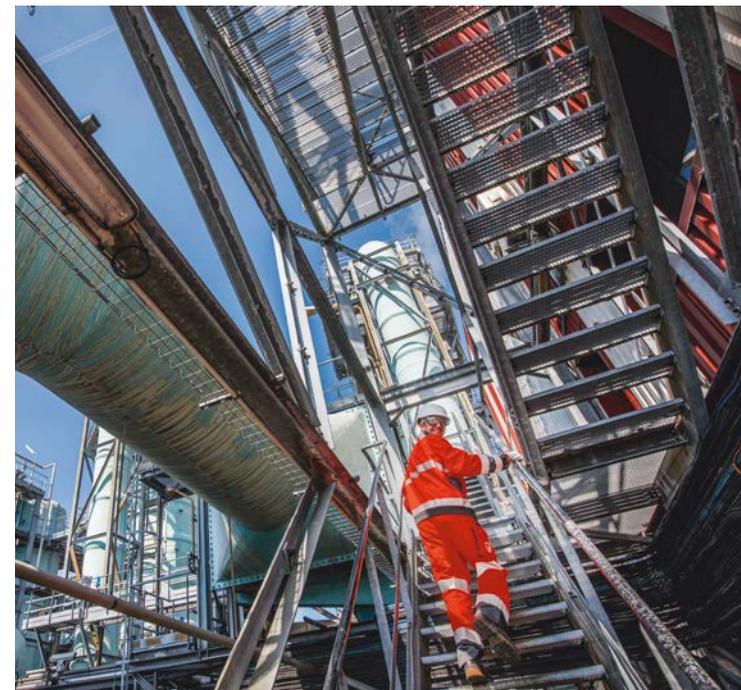
4. Imagine and develop innovative solutions to anticipate and satisfy the essential needs of tomorrow

These solutions principally concern:

- **health and new pollutants:** e.g., indoor air quality, treating micropollutants found in water and solutions for off-network access to drinking water and sanitation;
- **new material loops:** e.g., recycle electric vehicle batteries and solar panels, capture and use CO₂, and pursue eco-design with industrial partners;
- **food chain:** e.g., bio-conversion of organic waste into organic fertilizers or animal proteins, development of ecological aquaculture and urban farming solutions;
- **adapt to the consequences of the climate imbalance:** e.g., manage crises, prevent rising water levels, droughts and flooding, reuse water, and develop urban cooling islands;
- **new energy services:** e.g., improve electric flexibility and demand management, including virtual power plants and energy storage, and microgrids;
- **new digital services:** develop control centers for water treatment plants and distribution networks, interactive web-based platform for waste collection and recovery, and artificial intelligence applied to waste sorting, etc.

Also, to manage the investment margins needed to develop the businesses generating greater impact, Veolia intends to slow or divest those with lesser impact and added value. In particular, this concerns businesses that have reached maturity or those where the expertise has become commonplace.

Continuing on from previous plans, this new program will be implemented rigorously and under financial conditions that are ambitious but kept under control. The success of the previous strategic stages has placed the Group on the road to profitable and sustainable growth. Veolia is now on an ideal trajectory to strengthen and extend its action through Impact 2023.



itative bodies, social dialog

Veolia complies with applicable laws and regulation



(...) “In the conduct of our current businesses in water, waste and energy, we provide our public and private customers worldwide with solutions that facilitate access to essential services and natural resources, and that efficiently conserve, use and recycle those natural **RESOURCES** ^{P.22}.

Improvement of our environmental **FOOTPRINT** ^{P.24} and that of our customers is central to our business and its economic model.

We are a company that is both local and global with a high level of technical **KNOW-HOW** ^{P.26} and labor, and which commits for long periods of time.

We guarantee long-term results for our customers by leveraging

our long experience, the quality of our services and our high capacity for **INNOVATION**, ^{P.30}”

(...)



...RESOURCES...

WORLDWIDE, WE PROVIDE OUR PUBLIC AND PRIVATE CUSTOMERS WITH SOLUTIONS TO CONSERVE RESOURCES, USE THEM EFFICIENTLY AND RECYCLE THEM

Bordeaux



RESOURCES, and that efficiently conserve, use and recycle those natural resources.

In the conduct of our current businesses in water, waste and energy, we strive to help our public and private customers worldwide with solutions that facilitate access to essential services and natural resources.

Al-Zour Kuwait

The Kuwait Integrated Petroleum Industries Company (KIPIC) chose Veolia to operate and maintain the future wastewater treatment plant at its Al-Zour refinery. With a daily production capacity of 615,000 barrels, it is one of the world's largest petrochemical complexes. Under a seven-year contract, the facility will treat and recycle 1,500 cubic meters of wastewater a day, and incinerate the sludge with the aim of achieving "zero liquid waste". This contract is further proof that Veolia's expertise in the integrated management of natural resources is strategic and highly sought after by industry in this region of rapid growth.

Nîmes France

High-level technology, transparency and quality consumer relations are the reasons why Veolia won the contract for drinking water production and distribution for the city of Nîmes. The region's 261,000 residents will gain access to an impeccable service relying on digital technology to keep users informed, improve facility management, identify leaks and prevent risks. More than 2,500 connected objects will be installed throughout the network to feed data into the "Hypervision 360" management system (see p. 28).

Lima Peru

More than 600,000 connections serving 3.87 million people are the defining figures of the contract signed between Sedapal, the Lima drinking water and wastewater service, and Veolia. This three-year contract includes water meter supply, installation and reading, business management and network maintenance (it does not include the water supply or wastewater system).

Hancheng China

The Shaanxi Longmen Coal Chemical Company, located in Hancheng, on the Yellow River, comprises two major players in the coking and chemical industries. This joint venture has contracted Veolia to build a "zero liquid waste" facility adjacent to its wastewater treatment plant. The site aims to achieve optimum wastewater reuse and limit the environmental impact of its industrial businesses by bringing them into compliance with increasingly stringent environmental regulations.

- **Treatment capacity: 450 cubic meters /h**
- **Site construction time: 10 months**
- **Commissioning date: December 2020**
- **Contract term: 15 years**

Bordeaux France

A new public service delegation contract for waste recovery and management was signed by Veolia and the city of Bordeaux in September 2019. Worth €405 million, it also includes waste treatment for a population of 770,000 for a period of seven years. Around €35 million will be invested to upgrade the three recovery facilities to include automation or artificial intelligence systems, and to ensure their upgradability in anticipation of increasingly stringent European regulations. The energy recovered from the incinerated waste will be used to heat around 34,000 homes and produce electricity for 100,000 households. In this way, Veolia will be helping Greater Bordeaux achieve its target of being an energy-positive region by 2050.





AngloGold

...FOOTPRINT...

LONG-TERM SUPPORT TO HELP OUR CLIENTS IMPROVE THEIR ENVIRONMENTAL FOOTPRINT



Danone (Nutricia Cuijk)

essential services and natural resources, and that efficiently conserve, use and recycle those natural resources. Improvement of our environmental footprint and that of our customers is central to our business and its economic model.

Danone (Nutricia Cuijk) Netherlands

In 2019, Danone opened the Nutricia Cuijk site in the Netherlands, which produces specialized infant food. Veolia worked with Danone throughout the key design and construction phases, applying its expertise and technological innovations – in particular, the Hubgrade smart management system (see p. 28) – to minimize the site’s carbon footprint and maximize its energy efficiency. Under this ten-year services contract, Veolia will ensure the availability and optimum use of air, steam, process water – used in the actual products – along with water treatment. As a major new milestone in the alliance between the two groups that started in 2016, this contract will contribute to Danone achieving its target of “zero net carbon” by 2050 and to further improvement in Veolia’s operational performance.

AngloGold Ghana

The mining sector requires massive natural resources, especially water, which is forcing it to contain the environmental impact of its business. In southern Ghana, AngloGold has contracted Veolia for three years to operate and maintain four wastewater and two drinking water treatment plants at its Obuasi gold mine. Expert management of the process water will result in compliance with the regulations governing discharge into the ecosystem.

Braunschweig Germany

The city of Braunschweig has contracted Veolia for twenty years to operate its electricity and reticulated gas network concessions, starting in January 2021. Under this contract, worth an estimated cumulative total of €2.6 billion, the Veolia subsidiary BS|Energy will deliver efficient electricity and gas supply at affordable prices while also meeting the strictest environmental standards. Network upgrades will include the addition of renewable energy plants, the development of electric mobility, and the introduction of digital solutions for customer interaction and to ensure leading-edge maintenance.

Jump (Uber) France

In addition to large industrial sites and networks, Veolia also helps reduce the footprint of other types of actors that are now an integral part of the urban landscape. Jump, which manages a fleet of around 5,000 electric bikes and 1,000 scooters in Paris, has signed a partnership contract with Veolia to collect and recover a minimum 90% of all materials from its vehicles’ used parts: batteries, metals, plastics and electronic components.



GREENPATH: A COLLECTIVE INNOVATION TO CALCULATE THE ENVIRONMENTAL FOOTPRINT OF VEOLIA’S SOLUTIONS

After several years of development, the collective GreenPath project – a platform for assessing clients’ carbon and water footprints – was presented at the Impact Awards (see p. 37). Conceived jointly by several Group departments and business units, it is a powerful tool for decision-making, as it can compare the impact of several solutions and show clients those which best meet their needs in terms of efficiency, innovation, savings, regulatory obligations and environmental performance targets. GreenPath will be regularly updated to include feedback from an international carbon community and a network of local coordinators who identify and share the necessary changes directly with end users.

...KNOW-HOW...

GLOBALLY RECOGNIZED
AND SOUGHT-AFTER EXPERTISE
IN HAZARDOUS WASTE MANAGEMENT

Saudi Arabia



Services after industrial accidents

Following a fire at the Lubrizol plant in Rouen, France, in September 2019, Sedibex (operated by Veolia) was contacted to treat the hazardous waste from the fire. Lasting several weeks, this operation mainly involved incinerating the hazardous waste at between 900 °C and 1,000 °C, including the metal remains of burned drums and the water used to extinguish the fire. The Group has long-standing and recognized expertise in handling such situations. After the tsunami that struck Fukushima, Japan, in March 2011, Veolia was among the first to provide services to TEPCO, in particular to treat the 80,000 cubic meters of high-level radioactive effluent and provide remote access technology to inspect and repair the reactor confinements.

Complex decommissioning

Graphitech is a joint structure created in December 2019 by EDF and Veolia, based on their respective subsidiaries Cyclife Holding and Asteralis, to handle decommissioning of nuclear reactors using graphite technology. Dismantling these reactors is particularly complex due to their design and the volume of material to be removed. Globally, only 2, small-capacity graphite reactors have been decommissioned so far out of the 60 or so in existence. By developing the necessary technology and engineering, Graphitech may be in a position to meet decommissioning needs in France, the United Kingdom, Spain, Italy, Lithuania and Japan.

Hazardous waste management

Focus on the Middle East

United Arab Emirates

Veolia has signed a four-year contract to treat non-radioactive solid waste and hazardous waste at the Middle East's first nuclear power plant, Barakah. Under the agreement reached with Nawah Energy Company, which the Emirati authorities have selected to operate and

maintain the plant, Veolia will supply the equipment and personnel needed to take delivery, sample, sort, store, package, transport and dispose of waste in accordance with the company's procedures and regulatory requirements.

Saudi Arabia

Sadara Chemical Company, a joint venture between Saudi Aramco and The Dow Chemical Company, has signed an agreement with Veolia for the construction and operation of a waste-to-energy recovery plant near Jubail to treat hazardous waste. This long-term contract requires Veolia to treat all the waste from the PlasChem Park industrial park adjacent to the Sadara Chemical complex. The energy recovered from the waste will be used to generate industrial process steam, heat, water and cold for the entire park.

Kuwait

In November 2019, the Kuwait Oil Company contracted Veolia to build and operate a low-level radioactive waste storage and treatment facility. Veolia will also provide detection and inspection of the radioactivity of drilling equipment, together with its transportation, confinement and storage prior to decontamination.



...that of our customers is central to our business and its economic model.

...a company that is both local and global with a high level of technical KNOW-HOW and labor.

a company that is both local and global with a high level of technical **KNOW-HOW** and labor, and which commits for long periods of time. We guarantee

...KNOW-HOW...

USE OF DIGITAL TO ENHANCE SERVICES BUT WITH A BALANCE BETWEEN PEOPLE AND TECHNOLOGY

Hubgrade, a smart control center

In all its businesses, the Group is boosting its expertise by using digital technology and data processing to improve service performance and the quality of the client experience.

At the center of this approach is **Hubgrade**, a smart control center created by Veolia to centralize and analyze for its clients data gathered on the water, energy and waste services provided. Using a single portal, an operator or technical department can access several types of indicators, such as industrial site or wastewater treatment plant energy efficiency, the fleet of water meters, remote meter reading data, etc. For the client, this creates additional value, a key factor in performance.

The Hubgrade systems involve communities of experts who have in-depth knowledge of all aspects of a contract and are able to contextualize and analyze the data for both day-to-day operation and crisis situations. Hubgrade is an excellent example of the “copy and adapt” approach adopted by Veolia to disseminate expertise and best practices between businesses and geographic regions. The concept, introduced in 2015 in the area of energy efficiency, has subsequently been rolled out globally and now covers all businesses. Much more than an IT project, it is an organization that brings together the power of data and detailed human analysis. For the Veolia teams, it has also ushered in new working methods and improved the skills of employees in the field for collecting the data fed into the system.

- 8,500 sites or contracts connected to a Hubgrade system worldwide in 2019
- Hubgrade in Spain:
 - 5 control centers
 - 2,200 sites monitored
 - 25,000 sensors and meters

With Bob, AI is now on the team

The “Bob Assistant” connected unit has acquired a central position at the Angers, France, wastewater treatment plant. After an initial learning phase, this onboard artificial intelligence system continuously monitors machines using data collected directly from the machine itself. In the event of any abnormal vibrations or temperature changes, Bob Assistant sends a warning. This real-time

monitoring is very useful for detecting any changes before a machine breaks down. In doing so, it helps with predictive maintenance and avoids excessive energy consumption. The Angers plant currently has 14 Bob Assistant units installed and there are around 100 others at Veolia sites in France. They monitor equipment round the clock, helping teams provide the most efficient service possible.



ADVANTAGES OF THE HUBGRADE SYSTEM

Responsive collaborative work with the client at the heart of the system.

Conservation and optimum use of natural resources.

Predictive, targeted maintenance, and rapid correction of underperformance.

Transparency and trust throughout the term of the contract.

Savings and improved experience for the client.



...INNOVATION...

PREVENTING PLASTIC POLLUTION:
A GLOBAL CHALLENGE FOR US ALL



We are a company that is both local and global with a high level of technical know-how and labor.



...commits for long periods of time... the quality of our services and our high capacity for INNOVATION.

With Nestlé

Nestlé and Veolia have joined forces to develop collection and recycling solutions for plastics in around 10 countries. Soft plastic packaging, a major source of environmental pollution on most continents, is the main target of this partnership. In addition to rolling out innovative collection circuits, the two companies are examining new viable recycling models for the countries concerned. By 2025, Nestlé undertakes to ensure that all its packaging is recyclable and wants to raise the amount of recycled plastic in its plastic bottles to 35%. Veolia is determined to help its partner achieve this target.

With Reckitt Benckiser

To encourage the transition to a circular plastics economy, the health, hygiene and cleaning product group Reckitt Benckiser (RB) and Veolia have signed a partnership agreement to improve the recyclability of packaging and to design it using a maximum amount of recycled plastic. In this way, RB aims to achieve its 2025 commitment to using only fully recyclable, reusable or compostable plastic packaging comprising at least 25% recycled material.

With Carrefour and Système U

Taking action upstream to reduce single-use plastics in the consumer sector is the purpose of (Re)set, a platform that Veolia has now joined alongside retailers Carrefour and Système U. This open innovation program identifies disruptive solutions – paper or board packaging, reusable packaging, new sales systems and new materials – as alternatives to single-use plastic. The pilot phase began after selecting the best projects in September 2019. It aims to validate both the production and commercial viability of the concepts adopted with a view to their rollout in the near future.

Each European uses **80 kg** of plastic per year (source: International Energy Agency)
80% of ocean plastic comes from land-based sources (source: Ocean Conservancy)

WHAT IS THE CURRENT SITUATION WITH THE ALLIANCE TO END PLASTIC WASTE?

This initiative was launched in January 2019 by a group of multinationals, including Veolia,⁽¹⁾ that operate across the entire plastics and consumer goods value chain. The Alliance is determined to come up with solutions to eliminate plastic waste from the environment, especially the world's oceans.

The Alliance at end 2019:

- 42 members;
- 12 projects supported, of which 5 have a global impact;
- a commitment to invest US\$1.5 billion;
- an Incubator Network to develop and promote initiatives that prevent plastic waste from entering the sea;
- an open-source information base to share data, standards and methods worldwide, and to step up the fight against plastic pollution in the oceans.

(1) See the 2018 Integrated Report, p. 29.

...INNOVATION...

INDOOR AIR QUALITY: A MAJOR PUBLIC HEALTH ISSUE

The air we breathe inside buildings is constantly affected by a range of different types of pollution, such as fine particles and noxious gases. For Veolia, improving the quality of this air is not just limited to technical solutions. The Group adopts a comprehensive approach that involves the entire air quality chain. The first link in this chain is to eliminate the sources of pollution in buildings (volatile organic compounds from construction materials, furniture, cleaning products, etc.). Air treatment systems (ventilation, filtration, and/or pollution removal) are then improved or installed. To operate correctly and ensure good quality air over time, these systems must be regularly maintained and operated using continuous indicators. It is also essential to ensure building occupants are aware of the issues around indoor air so that they can adjust their behavior and help reduce their exposure to pollutants.

Air pollution is the 4 leading risk factor for mortality in the world (source: WHO).

Indoor air can be up to 8 times more polluted than outdoor air (source: WHO).

17,000 deaths could be prevented each year in France if all French municipalities respected the microparticle levels recommended by WHO (source: Santé publique France).



Air quality in schools: first experiment in France

Indoor air pollution is a particularly worrying problem for schools and nurseries. Veolia has adapted its technology used in hospital operating rooms and offered it to the Le Raincy municipality in the Paris region to trial indoor air quality solutions in two primary schools; at the same time, the trial will prove the solutions' efficacy. An agreement was signed on National Air Quality Day on September 18, 2019, with the aim of making Le Raincy the first town in France to guarantee totally non-polluted air in its classrooms.

Jean-Michel Genestier, Mayor of Le Raincy

"Using extremely discreet units - which the children didn't even notice - we first found that the indoor air quality in Le Raincy was reasonably satisfactory compared to other French schools. Still, we did detect volatile organic compounds in certain classrooms and revealed confinement problems. Since installing the air treatment systems, we now have very good air quality at all times. We know that the concentration of CO₂ in enclosed spaces reduces the ability to think, so it was important to address this problem as well. This is the first time that we have been able to measure and correct this type of pollution, for an investment of just a few euros per month per child. We now want to implement this approach in the town's other schools as well as in our centers for senior citizens and our sporting and cultural facilities."

3 STEPS TO ENSURE QUALITY AIR IN SCHOOLS

- "AIR CONTROL": continuous monitoring**
Sensors continuously monitor the air quality in classrooms and also measure temperature, humidity, CO₂, volatile organic compounds and fine particles in real time.
- "AIR PERFORMANCE": guarantee air quality**
Treatment, filtration and air renewal systems are installed to guarantee good quality indoor air.
- "AIR HUMAN": raise awareness and inform**
Advice and best practices are shared with children and teachers so that they become actively involved in air quality at school and at home. A dashboard provides the city hall with a summary of the pollution levels in each classroom. This data can be shared with teachers and parents.

Jean-Michel Genestier and Antoine Frérot

Dans mon école, c'est le Bon'AIR !





m

(...) “We are a **WORKING COMMUNITY** ^{P.38} where, in addition to an income and respect for

their **HEALTH** ^{P.42} and **SAFETY** ^{P.42}, everyone can find a sense of purpose in what they do, **COMMITMENT** ^{P.36} to rewarding collective action and personal fulfillment.

Through training, Veolia ensures that its employees, the vast majority of whom are manual workers and technicians, develop their **SKILLS** ^{P.40}. The company relies on their responsibility and autonomy at all levels and in all countries, and promotes professional equality between men and women. Veolia also promotes, particularly on staff representative bodies, social dialogue, which encourages employees to adopt our collective project as their own.

Wherever it operates, Veolia complies with applicable laws and regulations. It also applies widely-distributed **ETHICAL** ^{P.43} rules consistent with its values of responsibility, community spirit, respect, innovation and customer focus.”

(...)



...COMMITMENT...

RESOURCERS INVOLVED IN MAJOR MILESTONES
IN THE GROUP'S LIFE

...working community where, in addition to an income and respect for their health and safety, everyone can find a sense of purpose in what they do. **COMMITMENT** for rewarding collective act...



Veolia wanted to set out its purpose in an expressive but concise text of around 500 words. This choice makes for a denser text than a mere slogan but, while sufficient to describe the scope and usefulness of the company, it requires additional explanation at the time of distribution. All employees must be able to recognize themselves in the text and identify their “purpose at Veolia”, which then informs their commitment and pride in being a “Resourcer”.

To this end, Veolia put together an internal program. The first stage was officially launched in January 2020 to provide employees with the chance to get to know the text, understand it and make it their own. Steered jointly by the Human Resources, Sustainable Development and Communications departments, and relayed by a global network of ambassadors, this program seeks to connect Veolia’s purpose with employees in all its businesses and the reality on the ground.

The program’s first stage is an **online platform called “My Purpose at Veolia”, available in 28 languages.** Employees gain a better understanding of what a purpose is and why Veolia has made its choice of purpose. They are invited to read the purpose text and to choose the word that makes them proud to work at Veolia – the most meaningful word for them – and to share the reasons for their choice on a specially created Google+ community page. Employees are also encouraged to organize team discussions to talk about their purpose using the discussion kit provided.

Launched in September 2019, the **Impact Awards** have a dual role:

- identify and reward the most exemplary projects in the five areas of Veolia’s multifaceted performance, as described in its purpose (see p. 46);
- inspire and encourage all employees to copy and adapt these projects.

All the Group’s geographic zones took part in this first edition of the awards with projects submitted in all five categories: Economic and financial performance, Environmental performance, Social performance, performance in terms of Customer Satisfaction, and Societal performance.

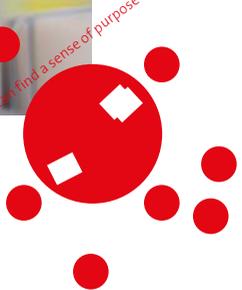
The 15 finalists presented their projects during a morning pitch session in front of the Executive Committee, a choice that reflects the strategic importance of this approach. All employees were asked to choose their favorite project online, turning the whole process into an international voting campaign. By involving the entire company in the selection process – resulting in 30,000 connections – the Impact Awards became a conduit to promote Veolia’s multifaceted performance and the first projects exemplifying this approach.

The Impact Awards will be held annually.



...A WORKING COMMUNITY...

A COMMUNITY ENCOURAGED TO SHARE
BEST PRACTICES AND TO WORK TOGETHER
TO FOSTER INNOVATION



We are a **WORKING COMMUNITY** where, in addition to an income and respect for their health and safety, everyone can find a sense of purpose in what they do committed to rewarding collective action and personal fulfillment.

The working community formed by the Resourcers has always been a source of inspiration and continuous improvement at Veolia. In a virtuous circle that informs the Group's businesses as much as its transformation, best practices in the field are gathered and shared worldwide to encourage their duplication or local adaptation.

HR Initiatives

Created in 2013, **HR Initiatives** are a series of unifying meetings that put this state of mind into practice by shining the light on exemplary projects that reflect the Group's human resources strategy and challenges.

In June 2019, seven initiatives were singled out for an award:

"Occupational Health and Safety" category: "Digitization of safety reception" developed by Sarp, a French subsidiary. The video with 3D effects ensures newcomers are aware of risks and provides safety training.

"Operational Performance and Development" category: "Reliability-Centered Maintenance" in the United States. A maintenance method centered on reliability.

"Skills and Talents Development" category: "The 100-Talent Program" in China. This program allows all employees to voluntarily submit specific research topics related to their business.

"Social Responsibility, Diversity and Cohesion" category: "Environmental observers" in Colombia. This project provides Veolia employees with the possibility for redeployment if they are unable to return to their position following a health problem.

Jury's special awards:

- Social Responsibility, Diversity and Cohesion: "Inclusion of those under international protection" developed by the Veolia Campus in France.
- Occupational Health and Safety: "Life Saving Rules and High Risk Management Standards: DOs and DONTs" in Australia and New Zealand.
- Skills and Talents Development: "Women in Leadership – The Power of You!" in the United States.

Since they were first introduced, the **HR Initiatives** have identified more than 1,000 projects worldwide, confirming the central role of human resources in Veolia's development and in the creation of economic and social value.

310 HR Initiatives gathered in 2019 in 51 countries
[View the video of the 2019 HR Initiatives on veolia.com](#)

SOLIDARITY: A FUNDAMENTAL VALUE FOR THE RESOURCERS COMMUNITY

Among the winning HR Initiatives in 2019, two in particular stand out as reflecting the spirit of solidarity shared by Veolia teams worldwide.

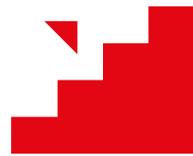
IN COLOMBIA, employees wanted to find a solution to a particular issue: how to remain part of the company and be useful to society when a health problem prevents you from continuing your usual job. The solution was the creation of a new position as environment observer. The job entails maintaining waste collection points, cleaning green spaces and raising community awareness of the need to protect the shared living environment.

IN FRANCE, the Campus Sud-Ouest teams focused on the need to recruit people for operational businesses by integrating refugees and beneficiaries of international protection. Three people were hired under an apprenticeship contract enabling them to work toward a public works pipe layer certificate.

Disrupt

The Disrupt program is an additional illustration of collaboration targeting innovation at Veolia. Introduced in 2017, Disrupt brings together young employees from all countries several times a year for a hackathon to work on innovative solutions. Initially intended for IT, the program was opened up to all other businesses in 2018, in particular to help develop a digital culture in Veolia. Participants are sent to a business unit needing to solve a professional problem. In October 2019, they were sent to Tangier to work on the issue of "How to use data mining to secure sales." After meeting with operational employees and local start-ups, they presented solutions to a panel comprised of the unit manager and Group executives. The Disrupt program cuts through traditional working methods and helps build loyalty among recently hired talented people by offering them the chance to be involved in innovation. By encouraging strong ties between the participants, Disrupt has a major impact on working-method agility and strengthens the sense of community.

...ensuring collective action and personal fulfillment. Through training, Veolia ensures that its employees, the vast majority of whom are manual workers and technicians, develop their **SKILLS**.



...SKILLS...

SUPPORT FOR TALENTED PEOPLE,
UPWARD MOBILITY
AND PROFESSIONAL EQUALITY

Talent development is central to Veolia's HR roadmap. Encouraging its teams' upskilling is a way for Veolia to accelerate the transformation of its businesses and improve its performance. For employees, it is a factor in their engagement, their desire for upward mobility and improved employability. Work-study programs are fundamental to Veolia's **training** policy. This approach is growing internationally with work-study programs being stepped up in line with forward-employment planning and skills management in response to changing professions and also to meet clients' expectations. In France, where the *Pacte Alternance* (work-study pact) was introduced to boost the number of work-study employees to 2,500 by 2021, the Campus network now offers 18 work-study programs. In the United Kingdom, there are now 16 such programs. Veolia in Morocco has created an apprenticeship school and there is also a technical college in Argentina.

● **18 hours** training per employee on average in 2019 / **Target 23 hours** in 2024

In 2019, Veolia encouraged employees to take part in the Altern'up 2019 competition for work-study business creators. A Group work-study employee with a Bachelor's in environmental services management was singled out for his "Street Cooling" project to connect atomizers directly onto fire hydrants to help cool down residents, and combat urban heat islands and vandalism during heatwaves. Veolia sees diversity and gender equality as issues of performance, credibility and fairness. It has set itself the target of developing a culture of diversity in its businesses and of increasing the percentage of women in governance and management roles. Veolia has introduced a series of concrete actions to reach these targets, including:

- **The internal WEDO network**, which now has more than 2,000 members in 48 countries. They are people who work for Veolia and who want to promote diversity and gender equality in the Group. To take this approach a step further, local **WEDO** networks have been created



Women in Leadership

LISTENING TO TALENTED PEOPLE TO PLAN AHEAD AND SUPPORT CHANGE

in individual countries. There were 22 in the Group at the end of 2019.

- **WIL (Women in Leadership)**, created in 2014 by Veolia in North America, has now spread to Europe, Africa, the Middle East and Latin America, as well as in Asia with a similar organization called Empow'Her. This nine-month, remote coaching program creates career advancement opportunities for women managers. WIL was the recipient of an 2019 HR Initiatives award (see p. 38-39). In 2019, the appointment of women to senior positions, for example, in the general management of the waste recycling and recovery business in France and at the head of Italy, is confirmation of the commitment to increasing the number of women in top management roles and to providing examples of career opportunities for the teams.

● **Watch the WEDO video on YouTube**

Veolia considers that employee surveys are a defining aspect of change management, so it significantly extended their scope in 2019. In 2013, the survey panel comprised just 5,000 managers, but the 2019 **"Voice of Resourcers"** survey was extended to include employees of 10 business units in each country, adding up to 80,000 people in Germany, Argentina, China and the United States, as well as the waste recycling and recovery business in France, and the water businesses in France, Morocco, Poland, Czech Republic and the United Kingdom.

The participation rate was 58% across the entire scope (including employees without Internet) and 82% for the top 5,000. An engagement index was calculated on the basis of five questions (clear working targets, usefulness of the work/contribution, working atmosphere, pride in working for Veolia, and employer recommendation). With an overall engagement rate of 84%, Veolia sits well above the levels observed in other companies. The sense of making a useful contribution also registered an exceptional 92% score including positive answers from the overall panel.

Veolia's prevention, health and safety policy is based on 10 non-negotiable global standards developed from 10 risks that were identified as the most serious in the Group's businesses. More than just processes, prevention, health and safety are priorities inscribed in Veolia's values with the aim of making "zero accident" a choice. The injury frequency rate (IFR)⁽¹⁾ has been trending steadily downward for several years, meaning that appropriate behavior has been adopted in all businesses and countries. Over the same period, reporting of "near misses" has risen by 25% to 30% a year. This is as much a sign of trust between personnel and management as an opportunity for discussion and continuous improvement.

6.5: 2020 IFR target



...PREVENTION, HEALTH AND SAFETY...

A PRIORITY BASED ON NON-NEGOTIABLE STANDARDS AND CONSTANTLY SHARING BEST PRACTICES

Growing success of International Week for Health and Safety at Work

In September 2019, Veolia's fifth International Health and Safety at Work Week involved 171,000 employees in 50 countries under the banner of "Act for a better tomorrow." This all-inclusive event is first and foremost about the Group's 10 standards. In particular, it was an opportunity to focus on best practices in the field, and emphasize the importance of taking care and looking out for each other. The 2019 event again involved employees' children in a drawing competition under the banner of "My investment for tomorrow", to remind everyone that there is no division between risk prevention inside and outside the workplace.

New training courses focused on behavior

Health and safety courses provided by Veolia increasingly focus on behavior in order to embed a collective risk-prevention culture. For example, certain actual workplace situations were recreated in 3D format to enable people to learn and acquire appropriate behavior and reactions. New communication tools were also introduced in 2019 to promote best practices: a Google+ "OHS⁽²⁾ Best Practices" community and a monthly information magazine available to all employees – because health and safety is everyone's business.

(1) Number of lost-time injuries per million hours worked.
(2) Occupational health and safety.

44% of courses given by Veolia deal with health and safety

60% of employees completed at least one health and safety course in 2019 (with an average length of 11 hours)

...ETHICS AND COMPLIANCE...

SHARED VALUES AND STRONGER SYSTEMS



Veolia has opted for a complementary approach to ethics and compliance. The Ethics Committee, an independent collegial body, monitors compliance with the Group's ethics policy. The country managers act as a network of correspondents to assist the Committee in conducting its task. It also makes sure that employees strictly apply the values and principles set out in the Ethics Guide and reports on any breaches of these values to General Management with its recommendations.

In accordance with the requirements of France's Sapin II law, a compliance position was created in 2018 reporting directly to the Chairman and Chief Executive Officer. The position's area of responsibility covers issues such as corruption, international sanctions, duty of care and protection of personal data.

The Compliance Department has several specific roles: improve compliance culture within the Group; detect non-compliant situations and deal with them in the appropriate manner; and propose appropriate corrective measures aimed at ensuring that these situations do not reoccur. The Group has 13 chief compliance officers supported by 31 employees responsible for ensuring that the compliance policy is correctly applied throughout Veolia.

In order to reflect the complementary approach to ethics and compliance, a new coordination and liaison body was created in 2018: the Veolia Ethics and Compliance Committee. Under the authority of the Chairman of the Ethics Committee, its members come from all functional departments. The Committee provides an opportunity for informal discussion and

understanding of ethics issues and coordination of actions to implement the Group's ethics policy.

A new ethics whistleblowing system

Since January 2019, all employees can report any breaches of the Group's values on a secure online platform administered by members of the Ethics Committee. Independent third parties have been able to make similar reports on the platform since January 2020. A communications campaign was run to ensure that all employees and third parties are fully aware of this system. More than 100 reports were made using this system in 2019 along with a further 30 or so using traditional channels.

Compliance plan

In 2019, the main actions to implement the Group's compliance policy were to update several key procedures and to introduce extensive e-learning campaigns about combating corruption and antitrust practices.

Respect for their HEALTH and SAFETY everyone can find a sense of purpose in what they do. commitment to rewarding collective action...

Wherever it operates, Veolia complies with applicable laws and regulations. It also applies widely distributed ETHICAL RULES consistent with



4.

(...) “Veolia’s prosperity is founded upon its usefulness to all its stakeholders in the

various **REGIONS** ^{P.52} where it operates – whether **CUSTOMERS** ^{P.50}, shareholders, employees, suppliers, current populations or future generations. Its **PERFORMANCE** ^{P.46} must therefore be assessed in various dimensions corresponding to those different communities concerned. The company pays the same degree of attention and requires the same high standards in each of these dimensions.”

(...)

...MULTIFACETED PERFORMANCE...

VALUE CREATION FOR ALL
OUR STAKEHOLDERS

In 2019, Veolia turned in a robust performance that exceeded its targets. Revenue increased by 4.3% at constant exchange rates to €27.2 billion and EBITDA passed €4 billion. The Group is therefore in a strong position as it begins its 2020-2023 strategic program. More than ever before, Veolia can assert its leadership in addressing the major ecological transformation challenges facing companies, public authorities and citizens.

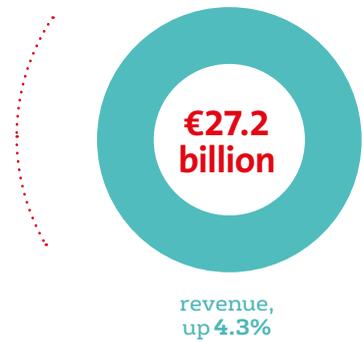
Since 2015, Veolia's CSR roadmap has been focused on its 9 commitments divided into 3 goals (resourcing the planet, resourcing regions, and for the company's men and women), together with 12 indicators for 2020. Veolia's CSR commitments apply to all its businesses in all countries and to all Group employees. Each commitment has the support of a sponsor who is a member of the Executive Committee. Management of the commitments is under the control of the various governance bodies while their implementation is the responsibility of the operational teams.

CSR commitments and purpose indicators

In 2020, a dual reporting system will be applied: the nine CSR commitments (see page 47) and the dashboard for the multifaceted performance targets (see page 48). The 2015-2020 program for the nine commitments will not be renewed after 2020 but the targets will remain in force:

- most will be included (in identical form or from a different angle) in the multifaceted performance dashboard;

- the targets not included in the dashboard will continue to be monitored internally through HR reporting and the 2020-2023 environmental targets plan. In 2021, Veolia will therefore publish details about the 2015-2020 CSR commitments and year 1 of the purpose indicators.



PERFORMANCE must therefore be assessed in various dimensions corresponding to different populations or future generations.

to all its stakeholders in the various regions where it operates

COMMITMENT	2020 TARGETS	2019 PERFORMANCE
Cross-business commitment: steer environmental performance	• Deploy our internal Environmental Management System (EMS) for all of our operational activities	90%
Sustainably manage natural resources by encouraging the circular economy	• Generate more than €3.8 billion in revenue in the circular economy	€5.2 billion
Contribute to combating climate change	• Capture over 60% of methane from landfills we operate • Achieve 100 million metric tons of CO ₂ eq. of reduced emissions • Achieve 50 million metric tons of CO ₂ eq. of avoided emissions	• 60.7% • 78.2 million metric tons of CO ₂ eq. • 33.2 million metric tons of CO ₂ eq. avoided
Conserve and restore biodiversity	• Carry out a diagnosis and deploy an action plan at 100% of sites with significant biodiversity issues	71%
Build new models for relations and value creation with our stakeholders	• Have established a major partnership based on creating shared value in every business zone and growth segment	41 partnerships in 11/11 business zones and 6/7 segments covered
Contribute to the development and attractiveness of regions	• Maintain expenditure reinvested in the regions above 80%	86.3%
Supply and maintain services crucial to human health and development	• Contribute to the United Nations Sustainable Development Goals, in the same way as we contributed to the Millennium Development Goals	10.7 million people given access to drinking water and 4.5 million to sanitation in countries with an access deficit
Guarantee a safe and healthy work environment	• Achieve an injury frequency rate of less than or equal to 6.5	8.12%
Encourage each employee's professional development and commitment	• Deliver training to over 75% of employees annually • Maintain the manager commitment rate at over 80%	79.5% 92%
Guarantee that diversity and fundamental human and social rights are respected within the company	• Ensure over 95% of employees have access to a social dialogue mechanism	87.6%

Veolia committed to multifaceted performance

Economic and financial, commercial, human resources, social and environmental performance: all require the same degree of attention and high standards. The 18 key performance indicators, along with the 2023 progress targets, will be audited and measured each year by independent third parties. They will be taken into account in calculating the variable remuneration of Veolia's senior executives.

Its PERFORMANCE must therefore be assessed in



- 1. Our stakeholders
- 2. Our performance
- 3. Our commitments
- 4. Our goals

INDICATOR	2019 BASELINE	2023 TARGET
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>	Economic and financial performance	<ul style="list-style-type: none"> ● Revenue growth Annual growth in published revenue ● Profitability of activities Current net income – Group share ● Return on capital employed Post-tax ROCE ● Investment capacity Free cash flow (before discretionary investment) 	€27.2 billion	Annual target
>	Human resources performance	<ul style="list-style-type: none"> ● Employee commitment Commitment rate of employees measured by an independent survey ● Workplace safety Injury frequency rate ● Employee training and employability Average number of training hours per employee per year ● Diversity Proportion of women appointed among the top 500 Group executives during the period 2020-2023 	84%	≥80%
>	Environmental performance	<ul style="list-style-type: none"> ● Combating climate change <ul style="list-style-type: none"> • Reduction in GHG emissions: progress with the investment plan to eliminate coal in Europe by 2030 • Avoided emissions: annual contribution to avoided GHG emissions (assessed with regard to a reference scenario) ● Circular economy: plastic recycling Volume of transformed plastic, in metric tons of products leaving plastic transformation plants ● Protecting natural environments and biodiversity Rate of progress with action plans aimed at improving the impact on the natural environment and biodiversity at sensitive sites ● Sustainable management of water resources Efficiency of drinking water networks⁽²⁾ (volume of drinking water consumed/volume of drinking water produced) 	Not applicable	30% of investment to be achieved ⁽¹⁾ 15 million metric tons of CO ₂ eq.
>	Commercial performance	<ul style="list-style-type: none"> ● Customer and consumer satisfaction Customer satisfaction rate calculated using the Net Promoter Score methodology ● Development of innovative solutions Number of innovations included in at least 10 contracts signed by the Group ● Hazardous waste treatment and recovery Consolidated revenue of the “Liquid and hazardous waste treatment and recovery” segment 	Not applicable	Target defined in 2020 ⁽³⁾ Target defined in 2020 ⁽³⁾ >€4 billion
>	Corporate social performance	<ul style="list-style-type: none"> ● Job and wealth creation in the regions Socio-economic footprint of Veolia's activities in the countries where the Group operates, with regard to direct and indirect jobs supported and wealth created ● Ethics and compliance Percentage of positive answers to the commitment survey question “Are Veolia's values and ethics applied in my entity” ● Access to essential services (water and sanitation) Number of inhabitants benefiting from inclusive solutions to access water or sanitation services under Veolia contracts 	Not applicable	Annual assessment from 2020 of Veolia's impact in 45 countries To be determined for a larger audience in 2020 +12% at constant scope

(1) Total investment to eliminate coal in Europe by 2030 have been estimated at €1.2 billion.
 (2) For networks serving over 50,000 inhabitants.
 (3) Reference not available or being determined, the 2023 target will be defined during 2020.

...CUSTOMERS...

AIM FOR SATISFACTION AND
VALUE CREATION FOR INDUSTRY,
MUNICIPALITIES AND CONSUMERS

With the notion of usefulness at the heart of its purpose, Veolia focuses on value-creation solutions for its stakeholders. Digital technology is central to making clients our main focus.

Measure and boost client satisfaction

Paying attention to clients is one of the main aspects of the Impact 2023 strategic program (see p. 18). This is crucial for staying ahead of the changes that will be needed to offers and practices, and it requires regularly measuring client satisfaction.

The Net Promoter Score (NPS) reflects a client's likelihood of recommending Veolia, and so implicitly its satisfaction. NPS therefore allows client satisfaction to be reliably reported and contributes to its continuous improvement by precisely identifying points of friction in each of the stages in the client pathway: commercial contact, service delivery, timeframes, etc. There are other satisfaction indicators that are sometimes measured at the same time (for example, the Customer Satisfaction Score, CSAT).

Veolia's approach to measuring client satisfaction is both pragmatic and decentralized. Pragmatic, because everyone must understand the interest of such an approach as a driver of continuous improvement in processes, services and the creation of commercial value. Decentralized, because the approach really only has meaning at the local level, which is the most appropriate level for understanding clients and identifying what has value for them and where seamlessness is lacking. For the drinking water supply markets, the method has been adapted in order to assess end-user satisfaction as well. In 2019, we continued to roll out the NPS method in Veolia's 10 largest business units. By 2023, a comprehensive client service improvement approach will have been implemented. The NPS is one of the multifaceted performance dashboard indicators for the Impact 2023 program.

WAYS WE PAY ATTENTION TO CLIENTS

An annual relationship survey

Transactional surveys, which are conducted more frequently and targeted specifically at certain points in the client pathway

Regular identification of detractors and promoters

For the detractors, closer follow-up to understand the roots of the problems and implement corrective actions in order to convert these detractors into promoters (change is tracked using the NPS score)

For the promoters, a more qualitative approach - for example, focus groups - to identify what they perceive as the Veolia service value



upon its usefulness to all its stakeholders in the various regions where it operates - whether CUSTOMERS, shareholders, employees

Creating value through solutions tailored to needs

Some Veolia solutions, such as Aquavista™ (in the Hubgrade range) have been structurally designed to precisely reflect clients' needs. The scientific and digital progress of the past few decades has led to these technologies being refined in such sensitive areas as drinking water production, process water (used in industrial facilities as part of a process), and effluent treatment. Veolia Water Technologies saw an opportunity here to meet the expectations of municipalities and industrial companies alike around controlling the quality of their water, durably minimizing recurrent treatment costs (mainly associated with the energy and chemicals used), and maximizing the availability of clients' production facilities. Aquavista™, for example, is a digital services platform that monitors resource consumption levels, circuit outflow rate or water purity levels in real time. It uses a series of dashboards, online reports, predictive and simulation tools, and real time optimization. **The Aquavista™ suite is comprised of four "building blocks"** that have been directly developed out of listening to clients' needs and co-development processes. They are:

Portal

The single entry point to access all data: contract data, remote monitoring of infrastructure, field technicians' services reports, online monitoring of the connected facility, etc. (this module was co-developed with Roche laboratories)

Plant

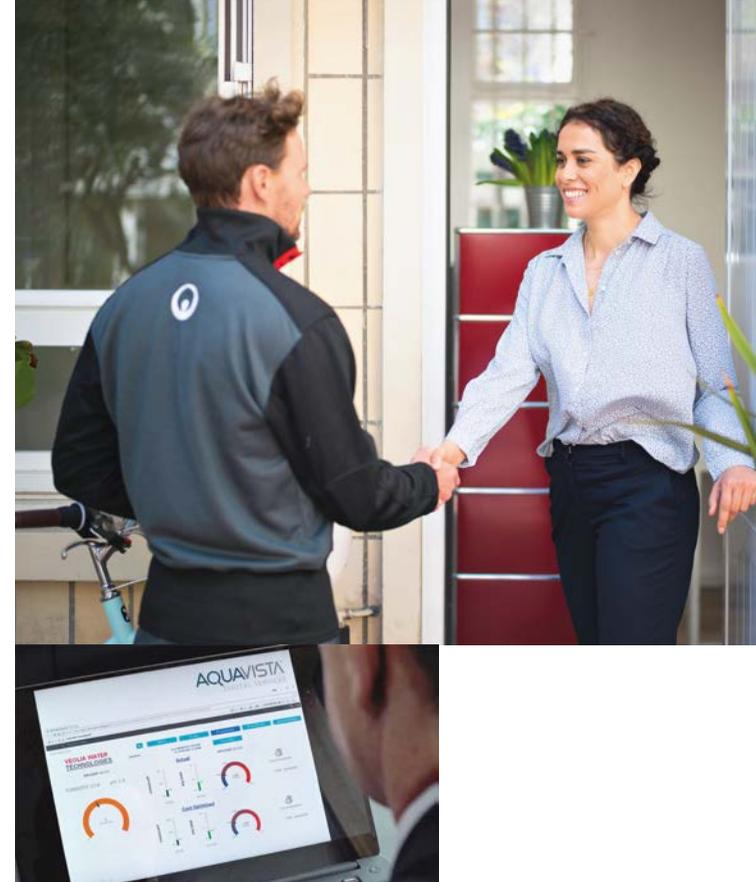
A solution for optimizing water treatment process performance in real time (this module was co-developed with Danish municipalities)

Insight

A series of decision-aid dashboards for clients based on smart data processing using advanced analysis and artificial intelligence tools

Assist

Assistance and consulting service for customized client support provided by experts around the world



Clients can systematically enter their feedback on automated platforms. This information is used to document the perceived value of Aquavista™ and continuously improve the service provided. This perceived value varies from sector to sector:

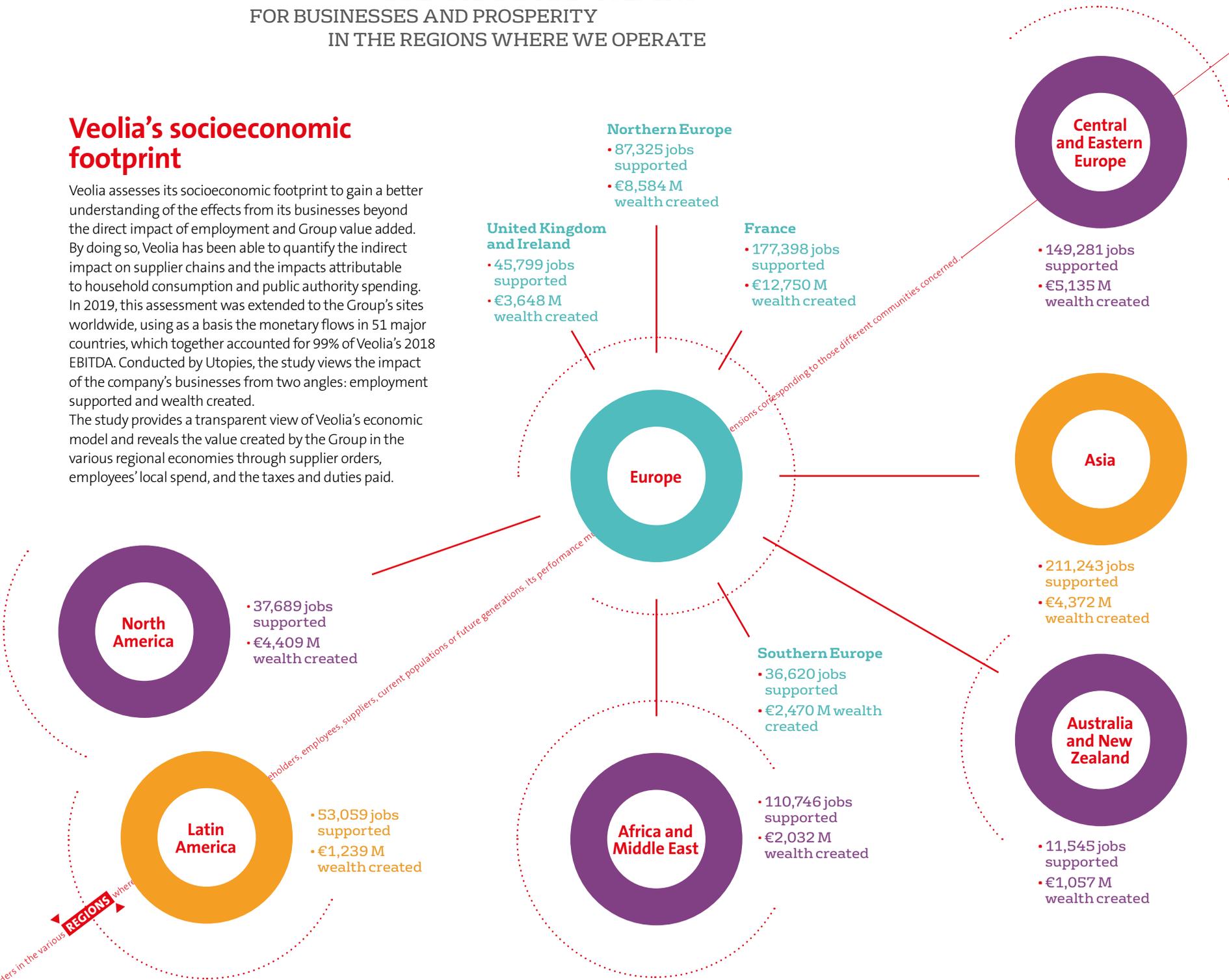
- **the value of process water** is easily assessed, as it is used in creating the client's value. In the oil sector, for example, the challenge is to ensure the water's compliance with specifications and its high degree of availability to produce oil. Continuous data learning underpins predictive maintenance and provides a degree of operational certitude;
- **wastewater**, conversely, is perceived as a source of costs. For the client, the challenges are mainly to reduce treatment and environmental compliance costs. For example, at a wastewater treatment plant, treating the biogas from sludge recovery or activating water treatment processes during periods when energy is cheapest for the plant can create both environmental and financial value. Understanding the client's context and challenges, the interoperability of digital solutions, and the uninterrupted availability of worldwide expertise allow Veolia to activate these various value-creation drivers as effectively as possible.

...REGIONS...

DIRECT AND INDIRECT BENEFITS
FOR BUSINESSES AND PROSPERITY
IN THE REGIONS WHERE WE OPERATE

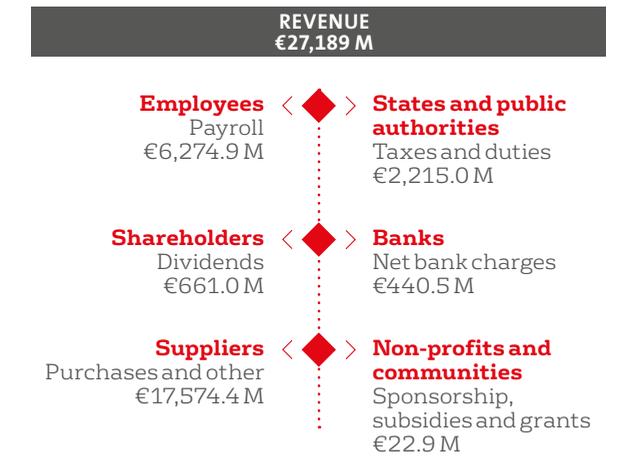
Veolia's socioeconomic footprint

Veolia assesses its socioeconomic footprint to gain a better understanding of the effects from its businesses beyond the direct impact of employment and Group value added. By doing so, Veolia has been able to quantify the indirect impact on supplier chains and the impacts attributable to household consumption and public authority spending. In 2019, this assessment was extended to the Group's sites worldwide, using as a basis the monetary flows in 51 major countries, which together accounted for 99% of Veolia's 2018 EBITDA. Conducted by Utopies, the study views the impact of the company's businesses from two angles: employment supported and wealth created. The study provides a transparent view of Veolia's economic model and reveals the value created by the Group in the various regional economies through supplier orders, employees' local spend, and the taxes and duties paid.



Redistribution of revenue

The revenue generated by Veolia creates value in its regions through a series of redistributive mechanisms: employees' salaries, taxes, shareholder dividends, purchases from suppliers, corporate sponsorship, etc.



SUMMARY STUDY RESULTS

922,122 jobs supported worldwide by Veolia's businesses

€45,711 M wealth created worldwide (contribution to GDP)

547,784 jobs induced by household consumption and public authority spending = 59%

214,747 indirect jobs in the supplier chain = 23%

159,591 direct jobs = 17%

Main flows worldwide in 2018

- Purchases made
- Gross payroll including employer contributions
- Taxes
- Value added

x 3.1

Each €1 of value added generates €2.1 of additional wealth to the world economy

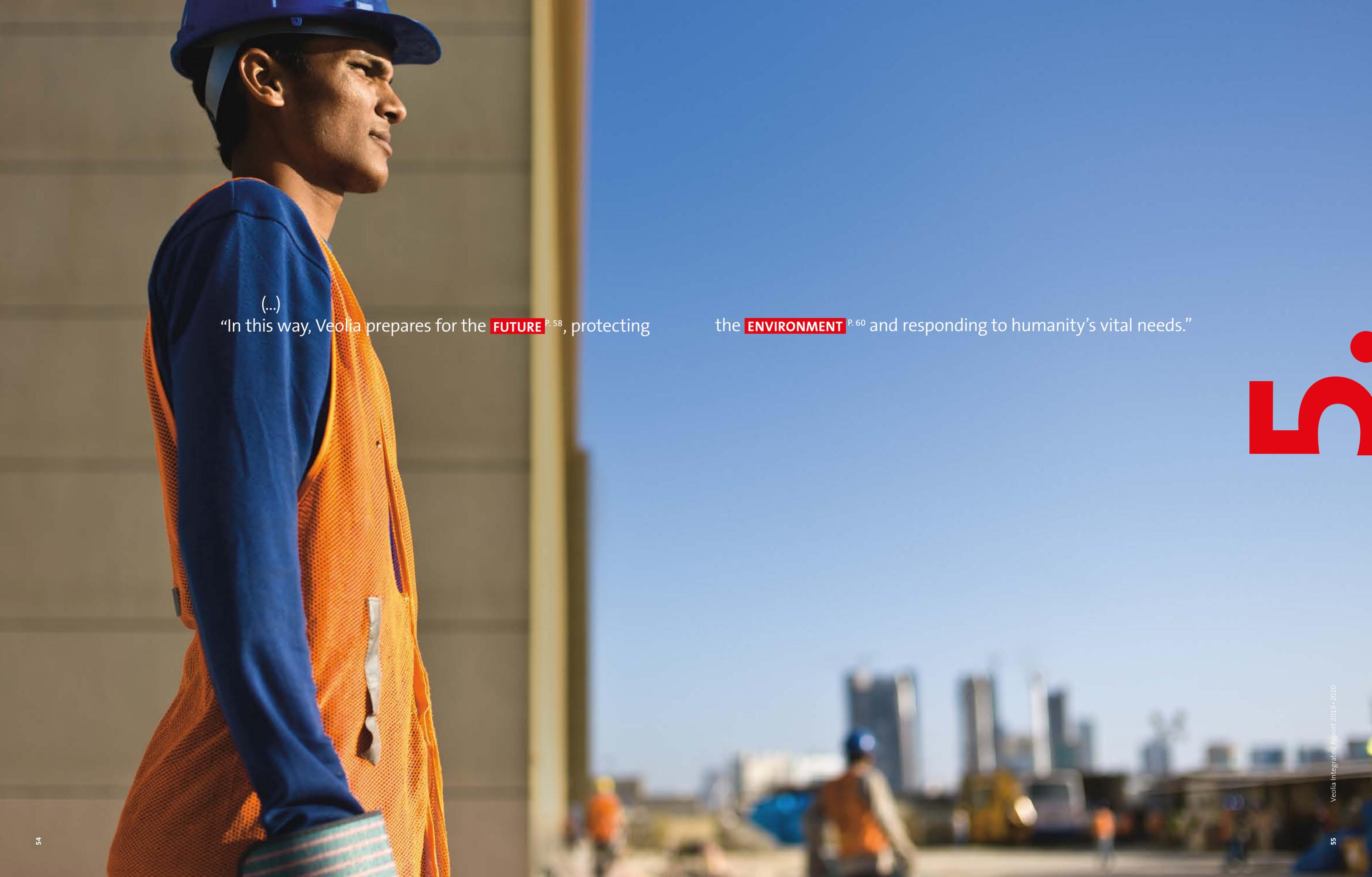
x 5.8

For each Veolia employee, 4.8 additional jobs are supported in the world economy

Tax policy

In terms of transparency, Veolia complies with its obligation to file with the French tax authorities annual returns for each country covering all its legal entities worldwide. The French authorities then send these returns to the other countries' tax authorities in accordance with the relevant treaties. The Veolia group applies a tax policy that can be consulted on its website. It is based on:

- complying with all applicable international tax laws and treaties;
- paying the correct amount of tax;
- making sure we manage our tax risk;
- applying the tax choices relevant to the economic substance of our businesses;
- adopting a responsible approach toward tax authorities.



(...)
“In this way, Veolia prepares for the **FUTURE** ^{P.58}, protecting

the **ENVIRONMENT** ^{P.60} and responding to humanity’s vital needs.”

5

the degree of attention and requires the same **HIGH STANDARDS** in each of these dimensions. In this way, Veolia prepares for the future, protects

...HIGH STANDARDS...

DEMANDING AND COMMITTED GOVERNANCE
OPEN TO SOCIETY TO GUIDE THE GROUP
THROUGH ITS STRATEGIC CHOICES

The Board of Directors and the Executive Committee jointly decide on Veolia's strategic focus, overseeing its goals, coherence and capacity to create value. The Board sets the strategic directions for the business and watches over their implementation, while the Executive Committee acts as a discussion, consultation and general policy decision-making body that seeks to apply the strategic directions.

MEMBERS OF THE BOARD OF DIRECTORS AND THEIR KEY AREAS OF EXPERTISE

Antoine Frérot
Chairman and Chief Executive Officer



Louis Schweitzer
Vice-Chairman



Jacques Aschenbroich



Maryse Aulagnon
Senior Independent Director



Caisse des dépôts et consignations, represented by Olivier Mareuse



Isabelle Courville



Clara Gaynard



Marion Guillou



Franck Le Roux
Director representing employees



Pavel Páša
Director representing employees



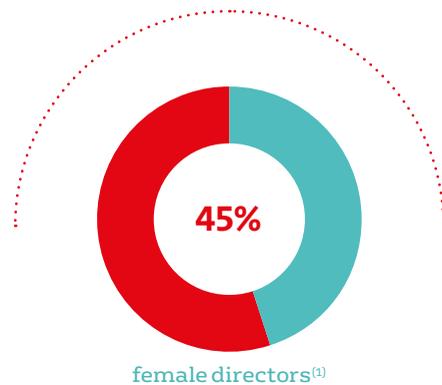
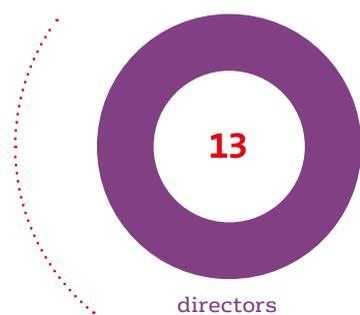
Nathalie Rachou



Paolo Scaroni



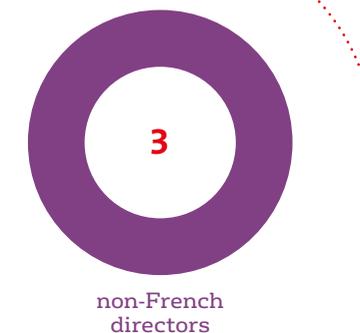
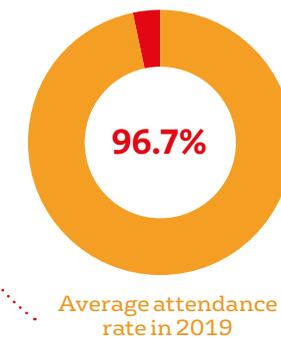
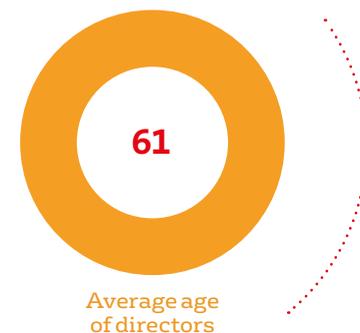
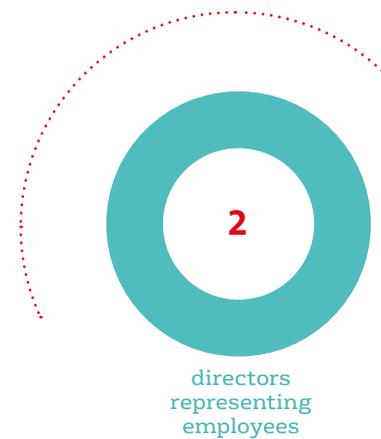
Guillaume Texier



Matrix of directors' expertise

- International experience
- Industry
- Experience in Veolia's businesses
- Digital
- Bank Finance
- CSR
- R&D
- Public affairs

(1) Excluding directors representing employees (pursuant to article L. 225-27-1 of the French Code of Commerce).



Research, Innovation and Sustainable Development Committee

Six Veolia Board members meet three times a year in a committee to assess the Group's research, innovation and sustainable development strategy and policies. Chaired by Jacques Aschenbroich, this Committee reports, in particular, on the needs, objectives and policy applicable to research and innovation, as well as the environmental strategy and sustainable development policy. In 2019, the Committee specifically examined:

- Veolia's set of non-financial ratings;
- Veolia's rollout of cybersecurity tools;
- progress with the Group's greenhouse gas reduction plan including, in particular, a study on sensitivity to carbon prices;
- Veolia's solutions for helping reduce its clients' greenhouse gas emissions;
- the forward analysis of source-separated waste collection in France.

COMPOSITION OF THE EXECUTIVE COMMITTEE AT DECEMBER 31, 2019⁽¹⁾

Antoine Frérot
Chairman and Chief Executive Officer of Veolia

Estelle Brachlianoff
Chief Operating Officer

Régis Calmels
Senior Executive Vice President, Asia

Olivier Brousse
Senior Executive Vice President, Strategy & Innovation

Philippe Guitard
Senior Executive Vice President, Central and Eastern Europe

Éric Haza
Chief Legal Officer

Patrick Labat
Senior Executive Vice President, Northern Europe

Jean-Marie Lambert
Senior Executive Vice President, Human Resources

Claude Laruelle
Chief Financial Officer

Jean-François Nogrette
Senior Executive Vice President, Veolia Technologies and Contracting

Helman le Pas de Sécheval
Secretary-General

(1) At the date of publication of this document.

...FUTURE...

A FORWARD VISION INFORMED BY INDEPENDENT ORGANIZATIONS THAT ANALYZE AND PREDICT THE MAJOR CHANGES FACING THE WORLD

The Veolia Institute: multiple views to shed light on the future

The Veolia Institute is a platform that looks to the future and considers challenges relating to the environment and society. Created in 2001 with the belief that new types of pollution, air quality and food were to become fundamental issues, the Institute contributes to our understanding of numerous topics at the crossroads between society and the environment. It is guided in its work by the Foresight Committee, which gives its opinion on the Institute's work and development at an annual meeting. The Institute is an independent space for collective thinking and discussion that calls on a vast network of intellectuals and scientific experts, NGOs, international organizations, universities and research institutions around the world.

The subjects addressed by the Veolia Institute in recent years include:

- **urban agriculture:** how will we feed urban communities given that 80% of food will be consumed in cities by 2050?
- **reinventing plastics:** given that plastics continue to accumulate and pollute nature, especially the oceans, how do we speed up the transition to the new circular plastics economy?
- **resilient cities:** what are the levers that will allow cities to continue to grow when faced with natural disasters, health crises, declining industry and unemployment?
- **AI and robotics in the city:** will artificial intelligence speed up the switch to smart cities benefiting the greatest number of citizens?

These topics have been addressed in detailed articles in the Veolia Institute review, *FACTS Reports*. This international publication brings together a range of experts to discuss changing urban lifestyles and sustainable patterns of production and consumption. As a forum for multidisciplinary expression, the review presents several different viewpoints and opinions about the major issues facing our societies and promotes best practices tested in the field.



Critical Friends to react, advise and help stay on course

The Critical Friends committee is made up of people from nonprofits, institutions and the academic community who are experts in social and environmental problems. In 2019, two Veolia partners (a client and a supplier) joined the committee together with a member of an NGO representing the climate interests of the young generations, in order to encompass other points of view. For the past seven years, the Critical Friends committee has been a space for thinking and discussion that is unique in its kind; the diversity of backgrounds and experience of its 15 or so members helps inform and support the Group's continuous improvement approach. The committee, chaired by Jean-Michel Severino, CEO of Investisseurs & Partenaires, meets once or twice a year with general management to discuss strategic topics relating to Veolia's responsibility. In this guise, it offers an opinion about how to successfully fulfill the Group's purpose, for which the committee has played a consulting role since 2018 (see p. 10-11).

3 QUESTIONS TO FRÉDÉRIC RODRIGUEZ, FOUNDER AND CEO OF GREENFLEX AND MEMBER OF CRITICAL FRIENDS

What are your takeaways from the Critical Friends committee?

I joined the committee a year ago and have been involved in the ongoing work on the purpose. The discussions have been technical and complex, to say the least! Apart from the proposal for ambitious and measurable indicators, I can see a commitment to going further and faster. This work feeds directly into Veolia's strategic positioning: the company doesn't just want to reduce its impact, it wants to be where it can be of the greatest use, in line with its mission of "Resourcing the world".

As a supplier, how do you see the integration of stakeholders into Veolia's purpose?

I see a commitment to rethinking the company's boundaries with its stakeholders. The Director of Purchasing presented us with the way Veolia incorporates the notion of use and complete costs in how equipment is chosen

in order to mitigate environmental impact. The company is stepping up its transparency and the way it hopes to work with and involve all stakeholders.

What have you got out of being on the Critical Friends committee?

Being "on the other side", you realize how this dialogue with stakeholders is not an obvious path to go down. It is difficult to satisfy everyone at the same time - each has their own vision and doesn't necessarily take into account all the social, economic and other aspects. But a pathway is beginning to emerge thanks to the dashboard and its key performance indicators. As far as I'm concerned, the ultimate impact will be effective the day that the markets give equal importance to both non-financial and financial performance.

The company pays the same degree of attention and requires the same high standards in each of these dimensions. In this way, Veolia prepares for the FUTURE, protecting the environment.



...ENVIRONMENT...

AN OPTIMISTIC AND PRAGMATIC ROADMAP
IN RESPONSE TO CLIMATE CHANGE CHALLENGES

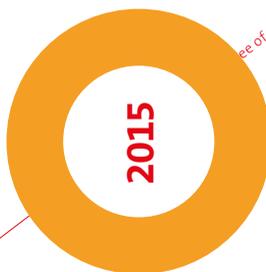
For Veolia, “preparing for the future” means above all exploring in an optimistic and realistic manner what can be done to contribute to fighting climate change. Ideally, this approach is based on concrete facts and tried-and-tested solutions proving that it is possible to decarbonize whole sectors of the economy and have a significant impact on reducing greenhouse gases (GHG). Specifically, the Group’s action is focused on several areas to help mitigate climate change: reduce its own GHG emissions, develop the circular economy and solutions contributing to energy savings, etc. It also supports its clients, municipalities and industries alike, in adapting to the consequences of these changes, which include the growing scarcity of water and extreme climate events.

Concrete solutions to support climate transition

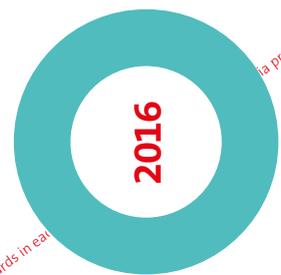
Replacing coal with less GHG-emitting sources of energy to produce heat

In France, a partnership between Veolia and Solvay has led to an exemplary industrial project to produce energy from renewable sources rather than from coal. At Solvay’s Dombasle site in France, the boilers will be fired using refuse-derived fuels (RDFs). RDFs are produced from non-hazardous waste recovered from industrial or residual household waste that is recovered and recycled as a source of fuel.

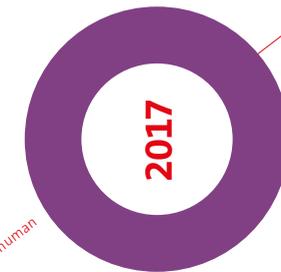
- Sustainable Development Goals launched by the UN
- COP 21: advocacy for methane capture and carbon tax
- 2020 commitments:
 - circular economy
 - climate change
 - biodiversity



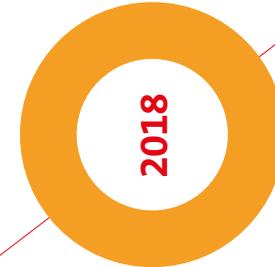
... prepares for the future, protecting the ENVIRONMENT and responding to human



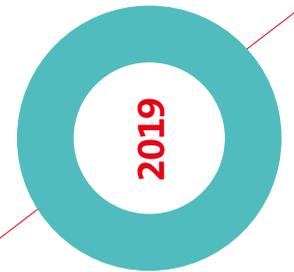
- Veolia joins the CDP’s A List
- Sets an internal carbon price
- Sets-up a Task Force on strategy and climate led by the Executive Committee



- Veolia joins the DJSI World and Europe indices
- Supports the TCFD recommendations
- Commits to the Science-Based Targets initiative
- Complies with French regulatory climate requirements (art. 173)



- Deployment of offers for municipal and industrial clients integrating climate issues
- The Board of Directors puts Veolia on the path to eliminating the use of thermal coal
- GreenPath: an internal platform for assessing the environmental footprint of its offers and contracts



- SBTi commitment validated
- Veolia adopts a purpose: “improvement of our environmental footprint and that of our customers”
- Digital Roadmap including a digital sobriety approach

VEOLIA: a leader in low-carbon transition (mitigations) and resilience (adaptation)

Capture and use biogas from waste landfills

Worldwide, Veolia applies its expertise in landfill operation to capture methane that can be sold or used to produce heat or electricity. This business is experiencing particularly strong growth in Latin America following the acquisition of Grupo Sala in Colombia in 2018. The Group’s revenue in Latin America increased by almost 30% in the first quarter of 2019.

Turning waste into a resource

In Morocco, Veolia enables the Renault plant in Tangier to cover 100% of its own heat requirements. Using a biomass boiler burning olive pomace, the plant operates without discharging any CO₂ into the atmosphere. With its closed-circle water recycling process, the plant has also halved its water consumption per vehicle rolling off the assembly line.

Helping cities and industries adapt to the new climate status

Veolia’s subsidiary 2EI is developing specific solutions to counter the effect of urban heat islands, including cooling road surfaces with an automatic watering system and installing smart cool pavements that make use of rainwater. These solutions, tested in particular in Lyon, Nice and Toulouse in France, and in Milan in Italy, have proven their effectiveness during summer heat peaks by lowering the perceived temperature by 5°C to 8 °C. In the United States, 2EI Veolia has worked with the Milwaukee Metropolitan Sewerage District (MMSD) on the risk and regional approach aspects of its metropolitan resilience strategy. In Denmark, the Group has worked with the National Meteorological Institute to develop a real-time management and operation system for stormwater infrastructure to prevent flooding. In Durban, South Africa, Veolia recycles 98% of wastewater for local industrial production processes in order to reduce stress on the city’s drinking water supply.



Contribute to the discussion about low-carbon strategies

In 2019, Veolia co-funded a report by the Shift Project for AFEP, the French association of private enterprises, on companies' use of energy and climate scenarios. The report, titled "Energy and climate scenarios – Evaluation and guidance", identified the scenarios and made recommendations about how to integrate them into companies' strategies. At a time when investors are questioning companies about their alignment on the Paris Agreement targets, the use of objective methods to think out of the box about future potentialities is helping create the trust needed to develop and fund tomorrow's solutions today. Veolia already uses physical risk scenarios to assess the impact of climate change on its business models. The Group is currently working on these potential material risk scenarios with a view to rolling out a strategy within the next two years.

In the United Kingdom, Veolia conducted a research project⁽¹⁾ with the Imperial College on the contribution the waste management sector could potentially make

to help reduce the country's carbon footprint. At present, the UK is not in a position to achieve its target of an 80% reduction in GHG emissions from its 1990 baseline. This study revealed that, between 2023 and 2032, the waste management sector alone could avoid the emission of 23 million metric tons of CO₂ equivalent (t CO₂ eq) with Veolia contributing 8 million t CO₂ eq. In France, Veolia also participated in the 2019 ZEN 2050 study launched by Entreprises pour l'Environnement (EpE). The study involved a group of companies from all sectors to explore the feasibility of France's carbon neutrality by 2050, which means achieving a balance between metropolitan France's GHG emissions and the take-up by its carbon sinks. ZEN 2050 proposes short-term actions so that this transformation remains economically and socially feasible.

(1) "An exploration of the resource sector's greenhouse gas emissions in the UK, and its potential to reduce the carbon shortfall in the UK 4th and 5th carbon budgets", Centre for Environmental Policy, December 2018.

What about tomorrow? Veolia's businesses and their potential to avoid GHG emissions

At the current rate, GHG emissions are expected to reach 66 Gt CO₂ eq. by 2050, whereas reference studies show that emissions need to be kept under 26 Gt if global warming is to be maintained well below 2 °C.

In a study commissioned by Veolia in 2019, Roland Berger Consultants analyzed how actors in the energy and environment sectors could contribute to achieving this emissions reduction target. According to the study, the solutions provided by these industries now involve five of the seven highest GHG-emitting industries and account for around one third of current emissions.

The study also examined 13 solutions which, if rolled out on a large scale, could avoid the emission of 12 Gt eq. of GHG by 2050. The solutions include in particular energy efficiency in buildings and industry, waste recycling and energy recovery from wastewater.

TWO QUESTIONS TO PATRICK LABAT, SENIOR EXECUTIVE VICE PRESIDENT, NORTHERN EUROPE AND SPONSOR OF VEOLIA'S CLIMATE COMMITMENT

What is Veolia's climate strategy for the coming years?

For the past twenty years, Veolia has been committed to reducing its own and its clients' GHG emissions. In 2019, the Science-Based Targets initiative showed that our commitment had placed us on a trajectory compliant with the Paris Agreement in three areas:

- replacing coal with lower-carbon-emitting fuels to produce heat for the district heating networks we manage;
- improving how we capture and use biogas at landfills;
- encouraging the purchase of low-carbon electricity.

As a result, we have seen the emergence of a solid climate community within the Group that includes the Sustainable Development, Business, Strategy and Finance departments.

How will Veolia's purpose improve how these issues are taken into account?

Veolia's purpose puts improving our environmental footprint and that of our clients at the heart of our business model.

We are working on incorporating energy and climate scenarios in our value chain and different future potentialities, with temperature increase limited to 1.5 °C in the most extreme scenarios. We are helping regions to focus more on a low-carbon transition by proposing solutions to avoid emissions. This makes a solid contribution to regions' carbon neutrality strategies and helps our clients improve their resilience to climate-related stress and impacts.



these dimensions. In this way, Veolia prepares for the future, protecting the ENVIRONMENT and responding to humanity's vital needs.

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OUR PURPOSE



THE ESSENTIALS



KEY DATA



Through the Climate Solidarity Initiative, the carbon footprint of the present report has been offset by supporting conservation and agroforestry projects in France and Peru organized by the Pur Projet nonprofit organization.

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The 2019-2020 integrated report project team:

- **Sponsor:** Group Secretary-General.
- **Co-oversight:** Communications Department and Sustainable Development Department.
- **Integrated discussion committee and contributors:**
 - Development, Innovation and Markets Department;
 - Technical and Performance Department;
 - Human Resources Department;
 - Legal Department;
 - Finance Department;
 - Risk, Insurance and Coordination of Internal Control Department;
 - Compliance Department.

Chief Communications Officer: Laurent Obadia.

Editing and coordination: Tania Kieffer, Armelle Perrin-Guinot and Arthur Thoux.

Translation: Alto International.

Photos and graphics: Gilles Hureau.

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Veolia

30, rue Madeleine-Vionnet - 93300 Aubervilliers - France

Tel.: +33 (0)1 85 57 70 00

www.veolia.com