

INTEGRATED REPORT 2020 — 2021

THE BENCHMARK COMPANY
FOR THE

ECOLOGICAL TRANSFORMATION



This is Veolia's fourth integrated report. It provides a full and forward-looking overview of the Group's strategy, businesses and commitments.

Coming at the end of the first year of the Impact 2023 strategic program, the report demonstrates how Veolia is implementing its purpose and creating lasting value for all its stakeholders.

The report was put together jointly by all the Group's various departments meeting in workshops that provided an opportunity to think together about the document's basic sections: in particular, the management of Covid-19 and its consequences, the rollout of the multifaceted approach to performance, and risk management.

BEING THE BENCHMARK COMPANY FOR THE ECOLOGICAL TRANSFORMATION MEANS...

CHAPTER 1



... BEING USEFUL TO BE PROSPEROUS AND NOT THE REVERSE

— The purpose, our compass – Multifaceted performance, a steering tool – A shared progress approach deployed across the organization – A business model that creates value for all
page 6

CHAPTER 2



... HAVING GREATER IMPACT THROUGH OUR ACTIONS

— Impact 2023, strategic choices confirmed on the field
— Innovation for greater impact – Digital transformation for greater impact – Greater impact by creating, with Suez, a global champion of the ecological transformation
page 16

CHAPTER 3



... BEING A TRUSTWORTHY PARTNER

— Mobilized and united in response to the Covid-19 crisis
— From managing risks to identifying new opportunities
— Health and safety, continuous improvement
— Ethics and compliance: no trust, no performance
page 28

CHAPTER 4



... CREATING VALUE FOR ALL OUR STAKEHOLDERS

— Creating value for the planet, for society, for employees, for customers, for shareholders – Listening more to improve dialogue with stakeholders
page 38

CHAPTER 5



... MANAGING BASED ON OUR COMMITMENTS

— Agile and engaged governance
— Committing to multifaceted performance
page 52

INTERVIEW

WITH **ANTOINE FRÉROT**

Chairman and Chief Executive Officer
of Veolia



What are your takeaways from 2020, the first year of Veolia's new strategic plan?

A.F.: What stands out most clearly from this turbulent year disrupted by the coronavirus pandemic and the accompanying economic crisis, is our company's excellent resilience, responsiveness and ability to bounce back. These exceptional circumstances were matched by our company's equally exceptional reaction. This is reflected in the annual financial statements. At €26 billion, our revenue remained at a high level, with a return to growth in the fourth quarter. Our EBITDA came to €3.6 billion, exceeding the revised target we had set at the start of the pandemic, and at €415 million, the current net income Group share remained largely positive despite the extent of the recession that most countries in the world experienced. The measures taken at the start of the crisis enabled our Group to overcome the consequences of the crisis and trend positively again in less than nine months. Our performance in the third and fourth quarters of 2020 exceeded our 2019 performance for the same periods.

How do you explain the fact that Veolia managed to pull through the economic and health crisis so successfully?

A.F.: First, the nature of our businesses, as they provide everyday life essentials, whether for urban areas or businesses: during a crisis or in normal times, those customers still need water and heating, and waste and wastewater must be collected and treated. Second, our company's responsiveness in extreme events, its inventiveness in solving completely unprecedented problems, and its boldness in countering the uncertainty created by the crisis. Three guiding principles helped us through this situation: ensure service continuity, protect our employees and mitigate

the impact of the recession on our results insofar as possible. For example, as a result of the Recover & Adapt additional savings plan we rolled out, our Group ultimately saved €550 million in costs compared with the €250 million initially expected. I would add a third, more fundamental reason that underpins all the rest: our employees' exceptional engagement. They did their utmost to continue providing our services during this difficult period, despite the organizational disruption here and there due to the crisis. They are keenly aware of their tasks and were focused squarely on fulfilling them, which they successfully did.

Despite the crisis, was your Group able to maintain its sales & marketing dynamic?

A.F.: Yes, 2020 saw numerous successes helping pave the way for the future. Our sales & marketing effort was vigorously maintained with a focus on new businesses which will provide new areas of growth for our company in the near future. A number of the contracts we won in 2020 clearly reflect our strategy, including the acquisition of the right bank district heating network in Prague, in the Czech Republic; the creation in Japan of a joint venture with Mitsui and 7-Eleven to build a new PET plastic recycling plant; the acquisition of Osis in France, which specializes in maintaining wastewater networks and facilities; the technological partnership with Solvay to develop a circular economy for electric vehicle batteries, a rapidly growing business given that the fleet of electric vehicles will rise from today's eight million to more than 110 million by 2030; the agreement with General Electric for recycling onshore wind turbine blades; and the contract to treat process water at the Pfizer medication plant in Freiburg, Germany.

What is the status today of your Impact 2023 strategic plan following the coronavirus pandemic?

A.F.: Despite the upheaval caused by the pandemic, the ecological challenges and their urgency remain. In the long term, the context remains particularly favorable

WITH **ANTOINE FRÉROT**

— **“What stands out most clearly from this turbulent year disrupted by the coronavirus pandemic and the accompanying economic crisis, is our company’s excellent resilience, responsiveness and ability to bounce back.”** —

to our businesses, so our Impact 2023 strategic program remains as relevant as ever, as does the ambition on which it is based: to become the benchmark company for the ecological transformation. This is all the truer given that the crisis has confirmed that we made the right decisions. The businesses we decided to develop have held up very well during the crisis and have been in high demand. Moreover, Veolia is ideally placed to capitalize on government stimulus packages, a large share of which will be devoted to the ecological transformation in countries that are key to our growth. Our Impact 2023 plan will enable our company to strengthen its position in the most dynamic markets, expand its range of technologies and leverage the full potential of its expertise. Over the next few years, we will continue to implement the strategy we have defined, accelerating, optimizing or slowing down our businesses, depending on their respective potential. In terms of asset turnover, we have already completed €2 billion worth of transactions, which is two-thirds of the target we set ourselves for the end of 2023. Despite the crisis, we have maintained all the investments in 2020 that will fuel our future growth: they will be a source of revenue and margin in the coming years. At the end of 2020, our Group conducted an internal survey of more than 80,000 employees in 55 countries or entities.

The survey showed that 87% of them feel strongly committed to their work, an increase of three points compared to 2019. This record level of engagement, compared to many similar companies, puts us in an excellent position to implement the rest of our Impact 2023 plan.

What is the outlook for Veolia for 2021?

A.F.: In 2021, we will continue to roll out our strategy, seeking the maximum impact for each of our businesses. On the one hand, we will actively deploy our development program, based mainly on organic growth. As in previous years, we will be very selective in the investments we make, focusing on the most promising sectors, such as building energy efficiency, plastics recycling, the circular economy and industrial waste treatment. On the other hand, we will methodically and rigorously apply our cost saving programs. In financial terms, our objective is to return to our pre-crisis performance. For the end of 2021, we are aiming for revenue at least at the level of 2019, if not higher, and EBITDA in excess of €4 billion, with growth of at least 10% compared to 2020. In addition, our cost savings target is €350 million, including €250 million from our recurring efficiency program and €100 million from our additional Recover & Adapt program.

How can we accelerate the ecological transformation worldwide?

A.F.: Our Group is using a variety of levers to ensure that this essential ecological transformation becomes a reality more quickly for everyone: permanent innovation, identification and rapid dissemination of best practices, promising partnerships with cities, companies and universities that are leaders in their fields. And then, of course, there is the merger we have undertaken with Suez. This transaction gives us the historic opportunity to create the world champion of ecological transformation. With this industrial project, we are providing a major response to the environmental challenge of this century.



— **“A company’s success is measured not only by what it achieves, but also by the impact it has on all its stakeholders.”** —

The unparalleled industrial group that we are going to form will give us more resources in terms of know-how, geographical platforms, and research and development, to accelerate the ecological transformation that the world so badly needs. By acquiring 29.9% of Suez’s capital in October 2020, Veolia has taken a decisive step towards bringing these two uniquely complementary groups together – making it a key global player – once the competition authorities have given their approval. The second stage of this major operation was launched on February 8, 2021, when our bid to acquire the remaining 70.1% of Suez’s capital was filed with the authorities. This project will benefit all our stakeholders and allow us to create more value for them and maximize the impact we have on them.

What impact does Veolia have on its stakeholders?

A.F.: As its purpose states, our Group seeks, through all its actions, to increase the impact it has on its stakeholders, whether environmental, social, societal or financial. A greater impact on the planet, by reducing the extraction of natural resources and mitigating the pollution emitted; a greater impact on our customers,

by improving their performance and reducing their costs; a greater impact on our regions, by making them attractive and sustainable; a greater impact on our employees, by broadening their skills and their opportunities for professional development; a greater impact on our shareholders, by increasing the return on investment. This impact will be precisely measured each year using a suite of 18 indicators that we have just introduced and which measure our multifaceted performance. It is intended to become a substantive tool for steering our Group. We place so much emphasis on impact because a company’s success is measured not only by what it achieves, but also by the impact it has on all its stakeholders. Veolia’s impact on all these stakeholders who make a similar commitment is the tangible proof of its usefulness and therefore of its legitimacy. Because, in the end, we are only legitimate when we are useful.



Being the benchmark company for the ecological transformation means...

1

CHAPTER

BEING USEFUL

TO BE PROSPEROUS
AND NOT THE REVERSE

THE PURPOSE

OUR COMPASS

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. It is with this aim in mind that Veolia sets itself the task of "Resourcing the world" 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. 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. Improvement of our environmental footprint 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 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. 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, commitment 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.

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 rules consistent with its values of responsibility, community spirit, respect, innovation and customer focus. Veolia's prosperity is founded upon its usefulness to all its stakeholders in the various regions where it operates - whether customers, shareholders, employees, suppliers, current populations or future generations. Its performance 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. In this way, Veolia prepares for the future, protecting the environment and responding to humanity's vital needs.

Developed collaboratively since the end of 2018, the Group's purpose was the subject of an engagement plan developed in January 2020 on behalf of Veolia employees, who are its primary ambassadors. The purpose sits at the heart of Veolia's policy and acts as a compass to direct the Group's strategy. Today, it is steered at the highest levels of the company, by Veolia's Board of Directors, the Executive Committee and the Management Committee. The Critical Friends committee, a group of independent experts, is also regularly called upon to challenge the company and to stay on course in fulfilling its purpose.

The Strategy and Innovation Department designs and monitors the Group's strategy with a view toward multifaceted performance aligned on Veolia's purpose. The Group has also introduced a Purpose Steering Committee which coordinates Group players and encourages the involvement of all employees. Finally, many workshops have been held since summer 2020 ("Our Purpose in Motion, see page 12"), so that managers can take full ownership of the purpose and incorporate the principles of a balanced, multifaceted performance into their projects. The members of the Group's Management Committee were the first to take part in these workshops, which were gradually rolled out to all business units in 2020 and 2021.

10,000

LOGONS
TO THE "MY PURPOSE AT VEOLIA"
EDUCATIONAL PLATFORM

15,000

VIEWS OF THE VIDEO
EXPLORING THE PURPOSE,
AVAILABLE IN 28 LANGUAGES

21

"OUR PURPOSE IN MOTION"
WORKSHOPS
HELD AT THE END OF OCTOBER 2020,
ATTENDED BY MORE THAN 300 SENIOR
EXECUTIVES



Purpose and Sustainable Development Goals

The United Nations' SDGs helped frame Veolia's approach in developing its purpose. They were used to set targets and align the purpose with the 2030 Agenda. The multifaceted performance indicators were created to help meet these challenges. In all, 18 progress objectives are implemented through

the Impact 2023 strategic plan. The SDGs also challenge the company on its ability to form new collaborations; through that collaborative effort and by relying on its capacity for innovation, Veolia will be able to meet the challenges imposed by the ecological transformation.

MULTIFACETED PERFORMANCE

A STEERING TOOL

A powerful driver for recovery and transformation, Veolia's commitment to multifaceted performance aims for a new balance between economic, social and environmental demands.



What link do you make between Veolia's purpose and multifaceted performance?

Olivier Brousse: Above and beyond the ambition itself, we needed a tool to implement our purpose effectively. Multifaceted performance sets a balanced course between five criteria: economic and financial, commercial, environmental, social and human resources. What is new and incredibly powerful is that we have made this goal quantifiable – by defining 18 indicators – and public. That's quite something. Few companies in the world have adopted this approach. We have chosen our destination and we are making headway, not just with commitments and resources, but above all by committing to results.

It seems like a complex task. How do you reconcile the interests of your various stakeholders?

O.B.: It is indeed complex and that is why the notion of balance is key. Take the example of water distribution networks. Technically, it is possible to achieve zero water loss, which would be environmentally virtuous, but it is economically untenable because it would be too costly, especially for users. We're mindful of that complexity and we're looking to identify the solutions that provide the best possible balance.

“The notion of balance is key to our commitment to multifaceted performance.”

INTERVIEW
OLIVIER BROUSSE
Senior Executive Vice President,
Strategy and Innovation

How?

O.B.: For waste, for example, we are a recognized service provider for collection, treatment and recovery. We want to become a partner that leverages the circular economy to develop innovative solutions that are technically viable, ecologically responsible and profitable. This means that we turn our focus to the earlier stages – for example, by helping household product and cosmetics manufacturers eco-design easily recyclable products and packaging. We also take action further downstream, to help consumers by informing and educating them. Would it be out of the question to imagine that in the future Veolia would help them choose their products based on packaging recyclability criteria?

How does this approach specifically address the challenges we currently face?

O.B.: Because, in the wake of the health crisis, it ties in with the need to reboot the economy and the urgency of the ecological transformation. We find ourselves in what I would say is something akin to the Haussmann period in Paris or Franklin D. Roosevelt's New Deal. In 1853, to tackle the economic and social crisis, Napoleon III commissioned Baron Haussmann to clean up Paris and make it safer and at the same time create an enormous number of jobs as part of those major projects. He also planted the forests in Les Landes in southwestern France. In the United States, President Roosevelt's response to the Great Depression was to create national parks and undertake major infrastructure works, thereby creating jobs. In both these cases, the aim was to find a balance between the economy, employment and the transformation of society. This is what the world needs today to get us out of the current crises. The green jobs that we will continue to create to implement the ecological transformation are consistent with that strategy.

A SHARED PROGRESS APPROACH

DEPLOYED ACROSS THE ORGANIZATION

Multifaceted performance entails far-reaching and concrete change in the way Veolia conducts and develops its businesses. The Group undertakes to assess its operations not just based on financial performance, but also on environmental, commercial, HR and social criteria. In 2020, Veolia ramped up its initiatives to ensure the success of this cultural shift at every level of its organization.



Finally, “purpose officers” support the managers in each Group entity to speed up the rollout of the multifaceted performance approach in the heart of the businesses and share best practices and questions within a broad community.

Rapid acculturation, embedded in every process

“Our Purpose in Motion” workshops were held in 2020 to raise manager awareness. During these workshops, employees from all management levels learned about the 18 multifaceted performance objectives. They were encouraged to think about how Veolia’s purpose can be concretely put into action, in the solutions they deploy, their contracts and their operational methods, and to talk about the impact on their BU. The first to attend these workshops were the members of the Group’s Management Committee in July 2020.

This approach is gradually irrigating all the company’s processes. Multifaceted performance-related objectives were taken into account in 2020 when assessing the 500 top managers.

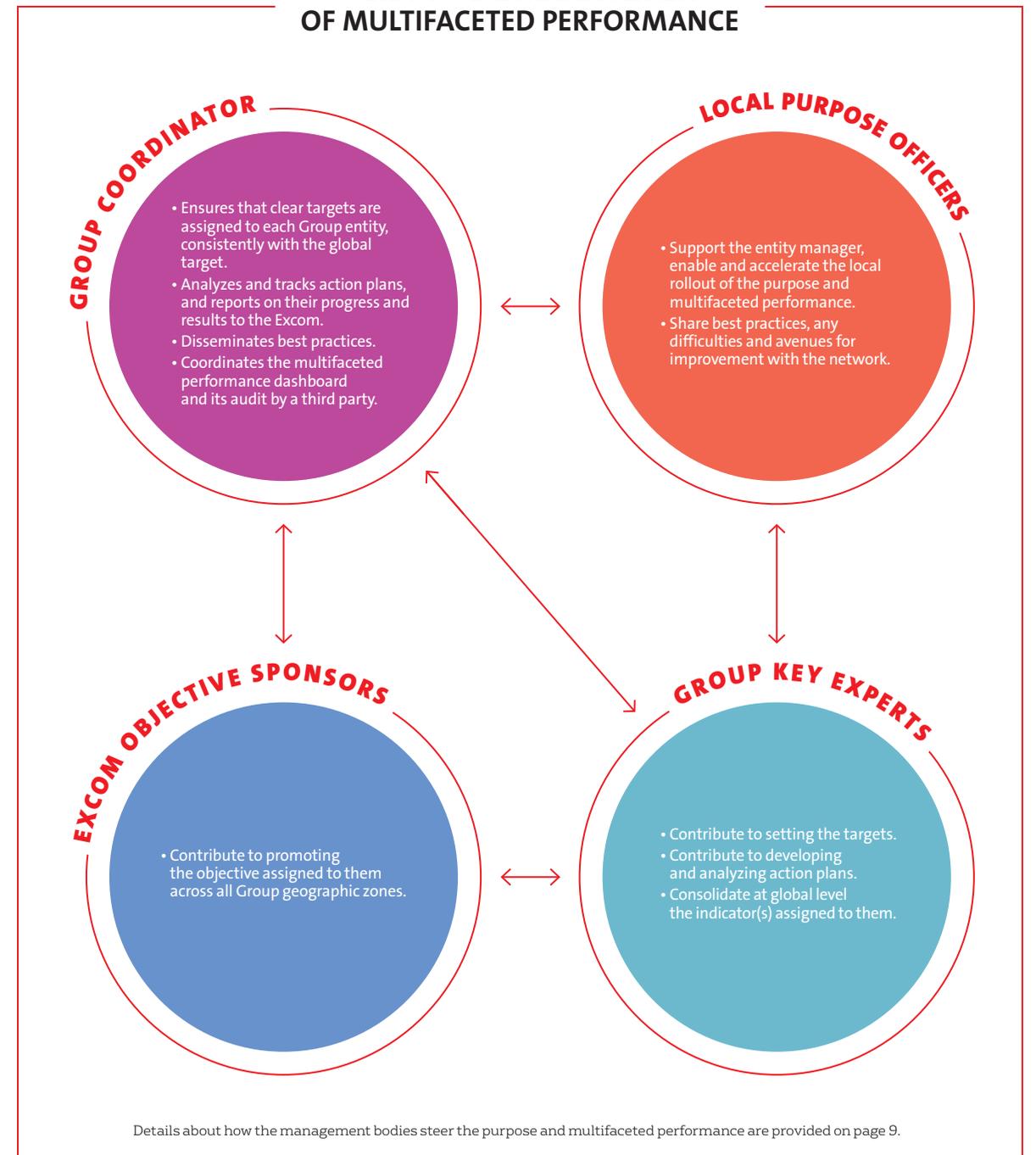
The Group’s Internal Control Department is working on further integrating the multifaceted performance objectives when assessing the company’s risks. The investment committees, which examine the Group’s major investment projects, now factor the five dimensions of this performance into their decisions. Created in 2020, the Veolia’s Innovation Committee, when assessing the value of an innovation, examines its consistency with the multifaceted performance objectives. Future projects will also take these criteria into account in the new employee hiring process and BU reporting.

To express its vision of the company, which involves creating and sharing value in an as balanced manner as possible among all its stakeholders, Veolia uses its timeless purpose as a guide. To make that vision operative, it relies on multifaceted performance, for which it has set four-year targets in the Impact 2023 strategic plan. The Group has committed to five dimensions of performance, with five commitments and 18 quantifiable objectives (see page 58). Each of these commitments is linked to the fundamentals that underpin Veolia’s purpose, which refers to the United Nations’ Sustainable Development Goals. Moreover, each dimension of this multifaceted performance benefits not just one, but several stakeholders.

Dedicated governance to ensure alignment

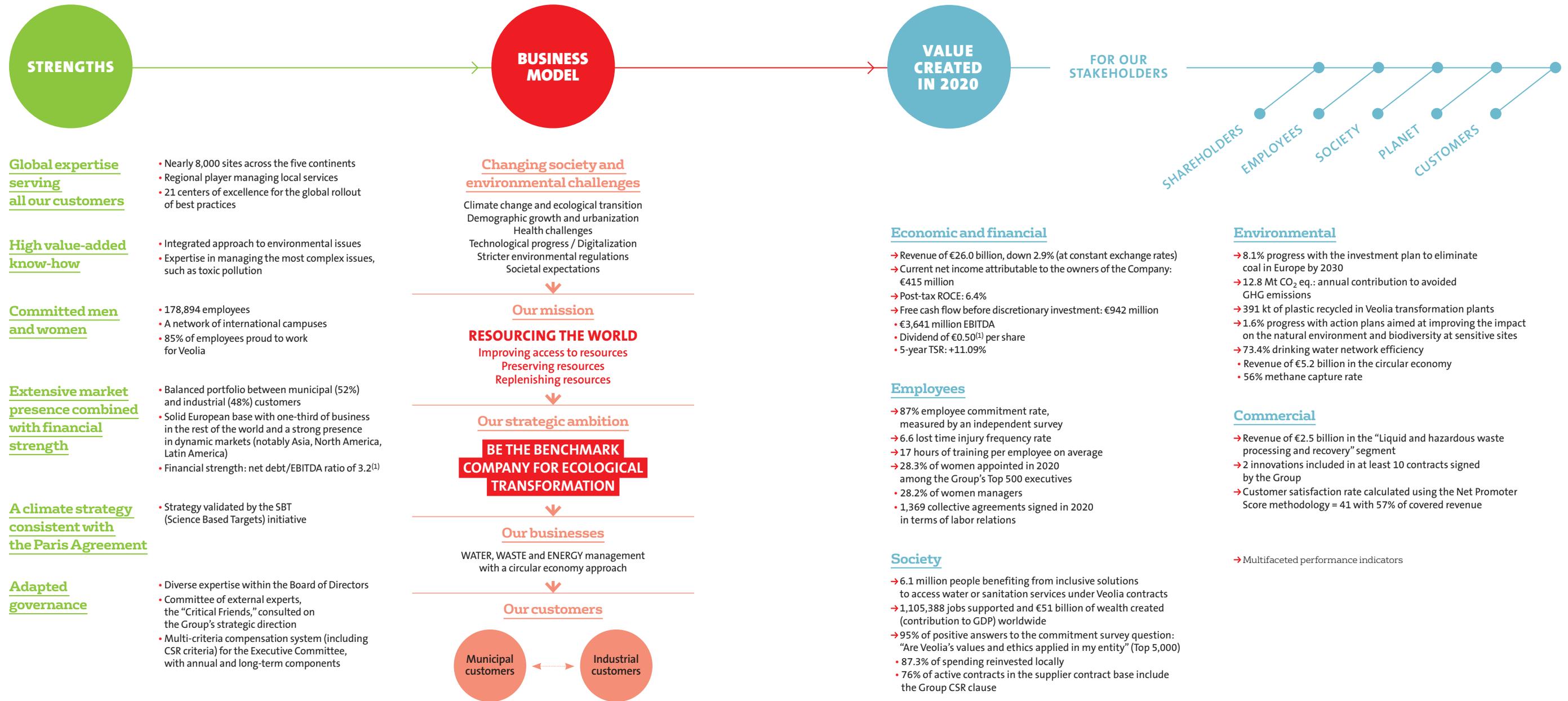
The Group has established a special governance framework to ensure all business units (BUs) embrace this strategy of performance. A member of the Executive Committee sponsors one or several of the multifaceted performance objectives. Group key experts steer the performance at the Group level for each objective, set the target, help the BUs design their action plans and consolidate the indicators.

OPERATIONAL MANAGEMENT OF MULTIFACETED PERFORMANCE



A BUSINESS MODEL

THAT CREATES VALUE FOR ALL



Veolia participates to a varied extent in the implementation of all 17 SDGs. In particular, the Group plays a major role in 13 SDGs, where the challenges directly cut across its Purpose.



(1) Excluding the impact of Suez share block acquisition.



(1) For the financial year 2019.



Being the benchmark company for the ecological transformation means...

2

CHAPTER

HAVING

GREAT IMPACT

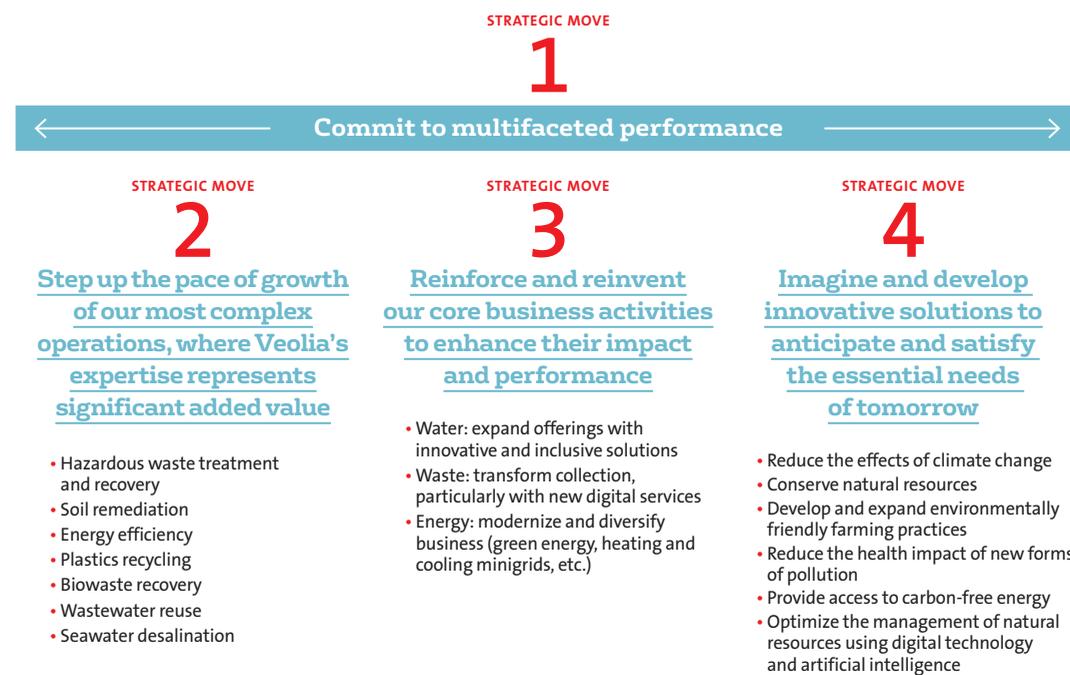
THROUGH OUR ACTIONS

IMPACT 2023

STRATEGIC CHOICES CONFIRMED ON THE FIELD

Speeding up certain activities, reinventing the historical businesses and imagining innovative solutions to generate maximum positive impact and ensure the success of ecological transformation: the Group implements its strategic choices locally and in the heart of its businesses.

4 STRATEGIC MOVES FOR THE ECOLOGICAL TRANSFORMATION



Alternatives to coal

In 2019, Veolia committed to converting its coal-fired activities in Europe by replacing coal by 2030 with other sources of energy that are cleaner and in most cases

renewable: natural gas, biomass, RDF (refuse-derived fuel), etc. Despite the health crisis, teams are working on identifying and recovering sources of waste

heat at the sites we operate. For example, the waste heat generated at the Volkswagen plant in Poznań, Poland, is fed into the city's district heating network.

INTERVIEW PIERRE RIBAUTE

Director of Business Support and Performance⁽¹⁾

The first year of the Impact 2023 strategic plan was also the year of the pandemic. Did this prevent you from progressing as fast as you expected on the ground?

Pierre Ribaute: Even if the first year was affected by a crisis of unprecedented duration and scope, we maintained the direction driven by Impact 2023. We can see that the workforce is paying attention in the way they've embraced the purpose and multifaceted performance. The health crisis actually reminded us to what extent our basic businesses are essential. We ensured the continuity of our services while still positioning ourselves to provide new ones, but above all by committing to delivering results.

As a business support team, what were your priorities in 2020?

P.R.: Having an impact above all means focusing your energy on the priority issues. In 2020, together with our business units, we worked on focusing on our key assets in all our businesses and geographic zones. This means contracts and sites that account for around 10% of the total number of assets and a quarter of our revenue. The goal with these assets was to ensure everyone made progress in a coordinated manner overall – so as to have the greatest impact – in order to identify the drivers for improving our performance in various areas: digital, health and safety, energy consumption, maintenance, etc., all the while factoring in the contractual context specific to each asset.

“Having an impact above all means focusing your energy on the priority issues.”

Impact 2023 also aims to speed up change. Isn't there a risk in moving faster?

P.R.: Let's just say that there are certain issues involved in accelerating our businesses that, clearly, we need to anticipate. For example, we need to double our business in hazardous waste over the coming three years by opening new sites and making acquisitions. Of course, this vigorous growth is not risk-free, which is why we have strengthened our industrial risk management policy for the hazardous waste business by engaging our community of professionals to address this issue.

What about solutions for the future?

P.R.: Here again, our objective is to make sure that, as a “business” complement to the Strategy and Innovation Department for each activity, our teams are effectively working on topics that will have an impact. The role of those on the field is central to that. We're enhancing our knowledge on promising subjects (for example, recycling organic waste to produce animal proteins) and estimate their potential for large-scale growth through the return on experience of our business units. In 2020, we also reviewed our Research & Innovation program to focus our resources on technological solutions which will be ready for rollout by 2023. We will update this prioritization work in 2021 based on business and operational factors.

⁽¹⁾ Effective from June 1, 2021, Pierre Ribaute is appointed CEO of the France Water activity.



BOOSTING OUR CLIENTS' PERFORMANCE FOR GREATER IMPACT

In 2020, Veolia won some excellent contracts worldwide, despite the pandemic. The Group applies its expertise to help industrial and municipal clients boost their performance and reduce their environmental footprint.



UNITED STATES

When wind turbine blades find a second life in cement manufacturing: GE Renewable Energy signed an agreement with Veolia in December 2020, the first of its kind in the wind power industry in the United States. The agreement covers the recycling of onshore wind turbine blades, which are primarily made of fiberglass. The blades will be shredded in a Veolia plant in Missouri and treated using a co-treatment solution that has already proven effective in Europe. The benefit: a 27% reduction in CO₂ emissions.



GERMANY

Pfizer contracted with Veolia to treat the rinse water for the drugs produced at its Freiburg site in Germany. The contract will eliminate the transport of more than 3,000 m³ of wastewater a year, which will reduce the carbon footprint of Pfizer's business by 460 metric tons of CO₂ equivalent a year.



CZECH REPUBLIC

Already the operator of the district heating network for Prague's left bank, Veolia increased its presence in the Czech capital to include the right bank when it acquired Pražská Teplárenská (PT). This transaction will eventually add an estimated annual revenue of €230 million.



FINLAND

In May 2020, a long-term partnership began between Veolia Nordic and BASF with the signing of a contract for Veolia to design, build and finance a steam, water and compressed air plant to supply BASF's future lithium-ion battery production plant at the Harjavalta site in Finland. This plant will recover energy from other plants at the Harjavalta industrial park to reduce the environmental footprint.



IVORY COAST

Greater Bouaké, the second largest city in Ivory Coast, has a population of more than 1.5 million. Veolia and the PFO group were contracted to build a drinking water treatment plant to meet the growing demand for water and help secure a source of supply for the long term. In 2018, the city experienced a major crisis due to a drought that caused Loka reservoir – its main source of supply – to completely dry out.



ITALY

Veolia signed a contract with the city of Tarente to supply energy services for the maintenance of electrical and thermal facilities; the maintenance of HVAC, electricity, water and fire systems; the upgrade of technical facilities and energy efficiency improvements in 67 schools. This will avoid releasing 4,933 metric tons of CO₂ a year, which equates to the annual absorption capacity of 822 hectares (2,030 acres) of forest.



FRANCE

Since April 1, 2020, Veolia has been providing maintenance for air conditioning units, cooling systems, boilers and burners; building and infrastructure maintenance; energy and fluid production; water and effluent treatment and management of low current at PSA's site in Caen. This new contract, successfully started during lockdown, further strengthens Veolia's strategic partnership with the PSA group dating back more than fifteen years.



SOUTH KOREA

During the Covid-19 pandemic, South Korea renewed two significant petrochemicals industry contracts. The first, signed for twenty years, is for water treatment and the production of cooling tower water, demineralized water and drinking water at a SEETEC site; the second contract was signed with Kumho Petrochemical for fifteen years.



INNOVATION

FOR GREATER IMPACT

How can we treat or recycle waste for which there is no solution yet? How can we improve resource conservation, the state of the planet and its inhabitants? How can we move faster toward a decarbonized world?... Veolia is stepping up and focusing its innovation on tackling these unresolved challenges.

Half the solutions needed for the ecological transformation still need to be invented. To speed up their discovery, Veolia has opted to focus its efforts on six main areas:

- reduce the effects of climate change (increasing water scarcity, floods, droughts, heat waves, etc.);
- conserve natural resources (water, metals, gases, minerals, coal, plant life);
- develop and expand environmentally friendly farming practices (responsible irrigation, urban farming, waste traceability and composting, fertilizer production from waste);
- reduce the health impact of new forms of pollution (indoor air, micropollutants in drinking water, etc.);
- provide access to carbon-free energy;
- optimize the management of natural resources using digital technology and artificial intelligence.



€300 M

EARMARKED FOR INNOVATION
IN THE IMPACT 2023 PLAN



Digital technology for motivated citizens

Initiatives were undertaken in 2020 in all these areas. In France, Veolia (with the start-up Publidata) introduced a new service for local governments to improve how they reach out to their public about waste sorting and management – especially during lockdowns. When added to any web page or mobile app, the Waste Information Widget allows residents to view the entire list of services provided by their local government: door-to-door collection, appointments to collect oversized items, waste drop-off center opening hours, sorting rules, etc., based on their address. This useful tool eliminates the need to sift through complex information about collection rounds and districts.

Innovating to anticipate challenges

In India, the Group has signed a joint venture agreement with Carbon Clean, a leading company in the field of carbon capture and separation technologies. The partners will work on two projects: carbon storage and compressed biogas. In China, Veolia's teams introduced an online reverse auction platform for tender processes that uses blockchain technology. At the height of the health crisis, all calls for tender were published online using this innovation, thereby avoiding the risk of any interruption to transactions.

How does Veolia support the ecological transformation with innovation?

Claire Falzone: First, by being focused on the issues with planetary impact. This means designing our strategy and prioritizing topics in order to speed up the process where useful or necessary. We used this approach in 2020 when addressing the question of “What is environmental innovation at Veolia?” We reviewed our pipeline of projects and resources to reallocate them into six main innovation topics (see page 22). For 2021, our three priority topics correspond to the most urgent needs expressed by our clients: air quality, carbon capture and bioconversion.



INTERVIEW
**CLAIRE
FALZONE**

Head of Business Innovation

What are the sources of innovation?

C.F.: There are many. We work in partnership with the academic and industrial worlds, and with a start-up ecosystem. Clients, too, spur our innovation when they come to us to find solutions to their problems: in France, for example, Waste Solutions works actively on eco-design topics.

Breakthrough, usefulness and R&D: the main markers of innovation

What is the general public's perception of innovation in France? Veolia turned to Elabe to conduct a study⁽¹⁾ that provides a definition: 91% of the respondents believe that innovation is “a product or service that creates new uses,” 88% think that it “is useful and serves some purpose,” and 87% that it “requires a lot of research and development time.” Another takeaway from the study is that half of all French people see Veolia as a company capable of developing and providing innovative solutions to tackle the challenges posed by resources, pollution and climate change.

⁽¹⁾ Study conducted in November 2020 on a representative sample of 1,002 people.

“Creating a positive impact means targeting our efforts.”

In 2020, Veolia created an Innovation Committee. What is its role?

C.F.: Chaired by Antoine Frérot, the committee clearly demonstrates the strategic importance given to these topics. Every two months, it examines innovation projects through a different lens to that of conventional investment projects in terms of risk and return on investment. Decisions are guided by two criteria: the projects must be profitable in order to be deployed at a certain scale, and they must have a visible planetwide impact.

DIGITAL TRANSFORMATION

FOR GREATER IMPACT

Digital technology, the cross-business tool par excellence, allows Veolia to maximize the impact of its solutions to speed up ecological transformation by providing a threefold opportunity.



An opportunity for employees

Some 80% of Veolia's employees work in the field. So the issue for managers is to get the most out of digital tools to maintain employee cohesion and ensure the adoption of Veolia's culture. More than half of Veolia UK's employees – around 9,000 people – did not have an email address and had only limited access to information. Introduced in 2019, the internal V-Source app allows them to check their pay slips, Group news and benefits. We are progressively rolling out digital identity to enable our employees to access even more of the company's digital ecosystem. In France, Portugal and Latin America, new, more collaborative, more agile and more digital working habits, such as online seminars, introduced during the Covid-19 pandemic are still in place today.

An opportunity for operations

For Veolia's business units and subsidiaries, the digital transformation is an opportunity to maximize operational performance. Birdz, a Veolia subsidiary and leader in Internet-of-Things solutions, merged with FluksAqua in 2020. The aim is to speed up the switch between applications and recover data to provide clients with a more integrated offering of services with higher added value. The Hubgrade

centers operating in every geographic zone provide smart solutions to monitor, assess and optimize Veolia's and its clients' businesses. By pooling data, analysis and human expertise in real time, they create new opportunities to optimize the management of water, waste and energy resources. In the Middle East, the very first hypervision center started with 250 connected points when it first came into service in 2014. Today, that figure exceeds 15,000 data collection points for energy, water and waste. In Dubai, United Arab Emirates, the data provided by the Hubgrade 4.0 center is used by Enova – a Veolia subsidiary and leader in multi-technical energy services – to provide its clients with information about the management of their facilities, to help them save energy and track performance. Enabling greater collaboration between engineers and digital experts working directly with clients, this smart monitoring platform provides a real-time overview and optimizes maintenance activities.

An opportunity for client relations

Finally, the digital transformation enriches local relations with existing and prospective clients. Numerous BUs already use Customer Relationship Management (CRM), and some are developing a fully integrated commercial ecosystem including their website, automated marketing and relationship management to improve understanding of clients and speed up the identification of prospects using digital channels. In the United States, Veolia North America leverages the power of data to create new business opportunities. Smart digital solutions – personalized content – are presented to potential clients. For example, by approaching a project in the energy sector in terms of analyzing customer invoicing practices, Veolia North America was able to win a contract for invoicing services, efficiency analysis and sub-meter reading, followed in quick succession by a contract for the operation and maintenance of the network.



How is digital transformation contributing to Impact 2023?

Estelle Brachlianoff: It will provide tremendous impetus as a driver for achieving our targets: there can be no ecological transformation without digital transformation. Of course, digital is a topic of innovation in itself and can generate additional revenue. Above all else, this digital transformation, in feeding into all our strategic segments, helps us stand out better from the competition, provides our clients with greater value, changes the way we work, and, finally, improves our operational performance while saving natural resources. It is a multidimensional topic, which explains why we are measuring the progress of our digital roadmap using the multifaceted performance indicators.

Just what is this roadmap?

E.B.: The digital roadmap provides us with a common language across the Group enabling us to easily copy and adapt best practices between zones and business units. We have a growing number of examples: EnEffco®, improved energy for industry, was developed in Germany and exported to Hungary, South Korea and Portugal. The customer portal developed in the United Kingdom has been copied and adapted in Latin America.

ESTELLE BRACHLIANOFF
 Chief Operating Officer

INTERVIEW

——— **“Digital transformation is creating an ‘augmented Veolia’ and taking us that one step further.”** ———

And from here on?

E.B.: Capitalizing on our 65 Hubgrade smart management centers, we have started to develop tools to improve the performance of our own assets. Today, in response to clients' expectations, we are providing new value-added services that include predictive analysis and artificial intelligence. This transformation is taking us towards an “augmented Veolia.” While we can capitalize on more than 150 years of experience, digital technology is taking us that one step further.

**GREATER IMPACT BY CREATING,
WITH SUEZ, A GLOBAL CHAMPION OF
THE ECOLOGICAL
TRANSFORMATION**

Critical size, complementary geographical coverage and expertise, and innovation potential: joining with Suez to build a global champion of the ecological transformation is a sustainable industrial strategy in response to the environmental emergency.

Announced at the end of August 2020, the project to merge with Suez would round out the array of solutions and services offered to public and private stakeholders to reduce their environmental impact on a lasting basis, making it possible to engage more effectively in the ecological battle and win the war far sooner.

**By increasing our capacity
for innovation**

Almost half the solutions needed to win the ecological battle within the next twenty years are already known. Veolia and Suez have developed many of them. To reach their full impact, they need to be duplicated and applied widely. And that will require massive investment. Other solutions still need to be invented: for capturing and reusing carbon, for example, or recycling untreated waste. To invent or roll out these future solutions, uniting the forces of two French industrial champions would make it possible to go further, with a higher and faster return on innovation.



**By strengthening our position
on the global market**

The geographic coverage of the two groups is ideally complementary: in Europe, Veolia has a particularly strong presence in Central and Eastern Europe and the United Kingdom, while Suez's historic presence is in Spain and Northern Europe. Beyond Europe, where our businesses are experiencing strong growth, the Group would double its size in South America and Australia while also significantly improving its positions in North America and Asia. The size of the new group would ensure a continued French lead in a sector that is still very fragmented and where global competition is ramping up.

**By creating more value for all
our stakeholders**

For the planet, the merger of the two groups would speed up environmental solutions, in terms of both their identification and their implementation. For the employees, this new group would open up significant career prospects and many other opportunities. The creation of this global leader would provide all clients, in both the public and private sectors, with a complete suite of solutions for their successful ecological transformation. For society, this strengthened group would maintain a sector of excellence in France that creates jobs and value as well as potential export opportunities for a substantial value chain ranging from historical suppliers to start-ups innovating in our businesses.

A champion of job creation

Veolia is committed to ensuring that this planned merger would have no negative effect on employment in France. Given the growing needs in its businesses, the Group will have no problem in meeting this commitment. Despite the economic crisis due to the health situation, Veolia continues to hire: there were more than 1,000 positions to be filled at end 2020 in all regions of France.

These are essential and meaningful, non-relocatable jobs based in the regions, such as those at the first recycling plant for lithium-ion batteries, which are used in electric and hybrid electric vehicles; located in Dieuze, in northeastern France, this Veolia plant will quickly be tripling in size. New pilot industrial sites of this nature, new jobs and new learning pathways are also expected to develop in France around the ecological transformation, before spreading out across other zones and regions where Veolia operates.

1,000

**POSITIONS TO FILL
IN FRANCE
(AT END 2020)**





Being the benchmark company for the ecological transformation means...

3

CHAPTER

BEING A TRUSTWORTHY PARTNER

MOBILIZED AND UNITED

IN RESPONSE TO THE COVID-19 CRISIS

Worldwide, Veolia provides daily services to meet communities' basic needs for water, energy and waste treatment. The Covid-19 pandemic has, more than ever before, highlighted the essential nature of these businesses.

At the start of the pandemic, Veolia activated its continuity plan, country by country and business by business, just as many countries were implementing exceptional measures to slow the virus's spread. The aim was to guarantee both the continuity and quality of its services and its employees' safety. Veolia cut back the number of employees working in the field to avoid cross-contamination. Measures were taken to ensure the teams were able to work safely, despite the less favorable conditions: strict compliance with hygiene recommendations, appropriate protective equipment, distribution of masks, enhanced disinfection of vehicles and equipment together with team rotation and working from home.

More crucial than ever

Employees everywhere demonstrated a high degree of agility. In China, the Veolia team in charge of the district heating network in Jiamusi kept physical visits to a minimum by turning its call center into a hotline to solve customer issues remotely. In Italy, one of the most affected countries in Europe, some 3,000 Siram employees worked tirelessly to help open new beds in hospitals in the Lombardy, Friuli and Campania regions. In Hong Kong, the Veolia teams worked nonstop to maintain and even increase the number of negative-pressure isolation wards at Princess Margaret Hospital, which are essential for protecting non-Covid-19 patients and medical staff from contamination from the virus.

Treating contaminated waste

The health crisis and lockdowns forced many economic sectors to either shut down or reduce their activity. However, hospitals, clinics and other health centers had to pick up the pace to deal with the influx of Covid-19 patients, resulting in particular in a massive increase in the volume and treatment of infectious medical waste,



masks, gloves and single-use gowns. In France, where the volume of waste increased by 60% in certain hospitals in the country's west and Paris region, the teams had to rise to the occasion and deal with this urgent situation. The number of drivers in Veolia's operational unit in Le Loiret was increased from 8 to 15 to collect some 300 containers a day, compared with an average of 160 under normal circumstances.

Water access: the key to protecting health

In May 2020, Bangladesh had the third highest number of coronavirus cases in South Asia after India and Pakistan. The Grameen Veolia Water (GVW) team took measures to ensure social distancing and the continued supply of drinking water compliant with WHO standards to the 4,000 people connected to its consumer network.



CAMEROON

The Veolia Foundation worked with Bangangté Municipality on a program to improve access to water, boost hospital personnel numbers and equipment, support local farmers, provide food baskets and offer unemployed youth a job making soap.



COLOMBIA

5,000 m³ of free drinking water was distributed in hard-to-reach residential areas.



CZECH REPUBLIC

In Prague, Veolia employees distributed lunches to the elderly and hospitals. The Group supplied 15,000 items of protective equipment to hospitals and nursing homes. The employees sewed 4,500 protective masks.



FRANCE

The Campus de Jonage, Veolia's training center in Lyon, France, provided 55 individual housing units for the most vulnerable to ensure they had access to basic hygiene standards that are crucial to preventing the spread of Covid-19.



HUNGARY

Veolia donated medical equipment – infusion pumps, bronchoscopy and electrocardiogram devices – to the Szeged City Hospital that so far has been used for 400 patients.



ECUADOR

150,000 families benefited from 3,000 m³ of free water a day under the Sinai Water Project, and 1,500 food baskets were distributed by Veolia to the most underprivileged families in Guayaquil.

UNITED

Learn about Veolia's "On the front line" teams on YouTube



Meeting of the crisis unit in March 2020 before masks were available.



Veolia working alongside customers

During the lockdown when the pandemic first peaked, many industrial businesses had to shut down their plants or continue to operate at a reduced scale. Once it was possible to resume normal activity, it was essential to rapidly and safely restart critical equipment: boilers, turbines, cooling towers, heat exchangers, wastewater treatment and process water production plants, etc. Veolia was able to work with industrial and municipal customers to ensure activity resumed as safely as possible by implementing Hydrex® Chemical Solutions, a complete range of audit services, risk assessment – corrosion, fouling, bacterial growth, risk of Legionnaire’s disease, etc. – monitoring and chemical treatment programs, as soon as

they were able to exit lockdown. In China, for example, the Sinopec petrochemical plant in Yanshan, near Beijing, and the Michelin tire plant near Shanghai were able to rely on the rapid response of their local teams. In the UK, where numerous waste drop-off centers had to close – resulting in extensive illegal dumping of recyclable, hazardous or bulky waste – the government reclassified waste drop-off centers as essential services. Leveraging its expertise, Veolia outlined organization and logistics recommendations for local authorities to help them with the smooth reopening of waste drop-off centers, even those not managed by Veolia.

Solutions developed out of the crisis

New needs arose out of the pandemic for which the Group sought to find rapid solutions. Risk anticipation became a major issue for local and regional authorities. Launched at end 2020, the Vigie-Covid-19 service is an innovative tool for local authorities. As wastewater can indicate the presence of a viral epidemic, this innovation, based on the PCR (Polymerase Chain Reaction) method, can be used to monitor the epidemic’s progress. It uses weekly samples to identify the presence of SARS-CoV-2 coronavirus genetic material in wastewater at the treatment plant intake. The disinfection of indoor spaces to restore confidence has also become a major concern that is crucial for ensuring activity can resume under controlled sanitary conditions. The customized “Covid-19 disinfection” service has been designed for office buildings, apartment blocks and premises open to the public, as well as retail stores, mass transit, industrial or construction and civil works sites, which, depending on their needs, may opt for nebulizing, spraying or bio-cleaning techniques. In several countries – especially in Latin America – Veolia was also contracted to disinfect and spray outdoor spaces.

Anticipating and monitoring Covid-19 risks

Right from the start of the pandemic, the Group’s crisis unit swung into action to anticipate and adapt to the situation by creating a specific unit to predict medium- and long-term measures (from two to eighteen months), overseen by the Strategy and Risk departments. This forecasting unit introduced weekly diagnoses of the market situation and management charts – monitoring indicators of the virus’s propagation and government measures – to track the pandemic’s evolution in the regions where Veolia operates. It also provides support for Veolia’s geographic zones and BUs to predict the measures needed in response to the virus’s propagation phases (a checklist of priority measures and the associated documents).

FROM MANAGING RISKS

TO IDENTIFYING NEW OPPORTUNITIES

Risk management is an integral part of Veolia's strategy. The Group uses a specific method to identify, rank and manage risks, and also turn them into opportunities.



operational departments to determine the roadmap to follow for turning a risk into an opportunity.

Supporting the company's transformation to achieve its multifaceted performance objectives

In 2020 and 2021, for each strategic move toward multifaceted performance, the Risk Department worked with the departments in charge of steering the process to define each risk and the current level of risk control and identify the measures needed to achieve the target set for 2023.

A standard approach shared by all Group entities

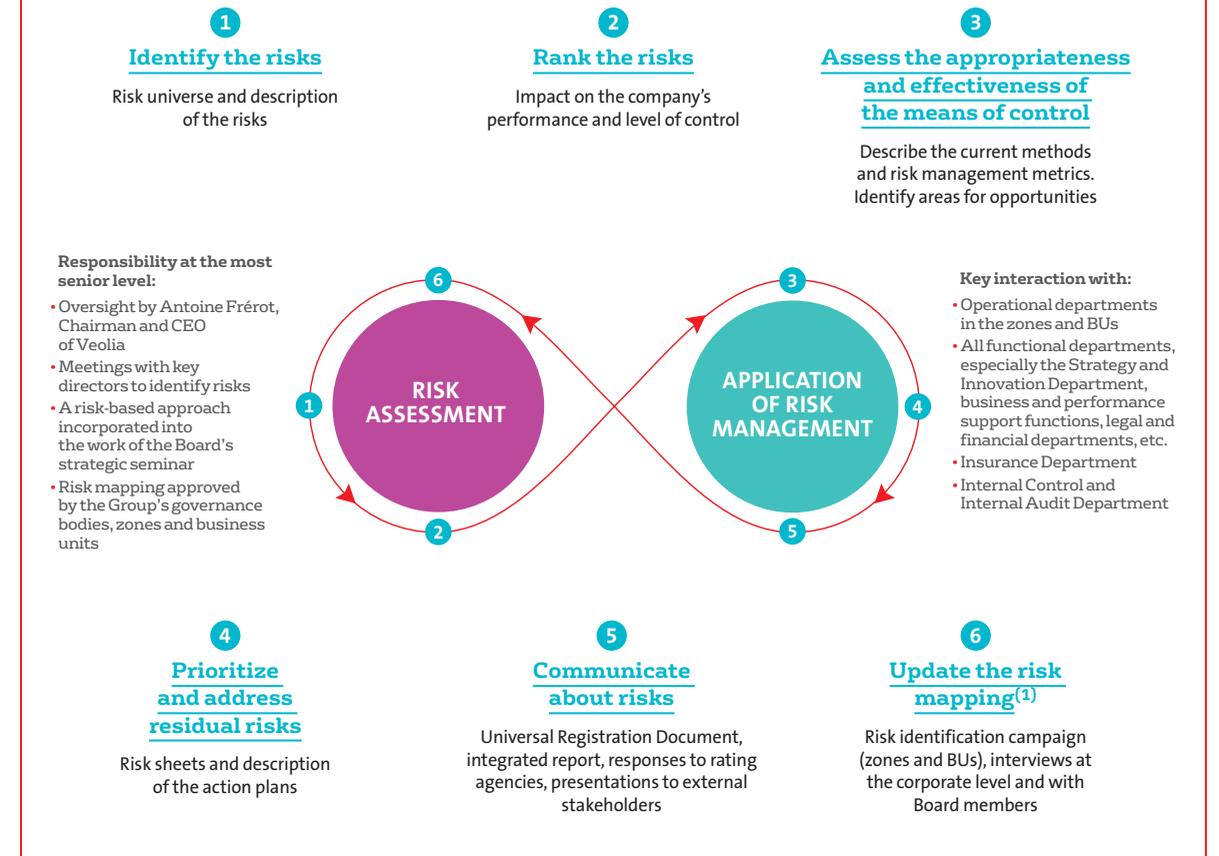
The Risk Department coordinates the risk management system with its network of risk managers in the zones and business units. A shared process for identifying and ranking events liable to prevent the Group from achieving its targets has been rolled out throughout the Group to standardize risk management. A tool and method shared by the entire network are used to consolidate major risks by zone and business unit.

From identifying to managing risks: a process of continuous improvement

Veolia has developed an approach that is specific to its business for each step in the risk identification and management process. This unique methodology makes the process even more robust with the application of five objective criteria: governance, organization, process and controls, training and assessments. The risk management systems are assessed jointly with the functional and



RISK MANAGEMENT



NATHALIE RACHOU Veolia Board Member

"Having been a Veolia Board member since 2012, I have been able to observe each year's changes in the risk mapping and the attention given to both anticipating and managing risks. These changes are all the more satisfying in that risk management is inseparable from the implementation of the Group's strategy and the rollout of Impact 2023, its multi-year, multifaceted performance plan.

Risk mapping and crisis management exercises are sometimes viewed as being theoretical and irrelevant to situations on the ground. The health crisis has been a sort of crash test, proving once and for all that risk anticipation and the

implementation of early prevention and protection measures are key aspects of the Group's ability to manage a crisis, whatever it may be.

Risk management tools such as tracking the virus's spread and the priority measures to ensure business continuity in each phase of the pandemic, are an excellent illustration of that. The risk management changes introduced in 2020 confirm, once again, the system's continuous improvement in matching risks with the action plans to be implemented.

As Chair of the Accounts and Audit Committee, I am closely involved

in Veolia's risk mapping each year alongside the members of the Board. I have found that Veolia's risk management system has become an essential dashboard for both the governance bodies and the operational departments. For example, the Group was prompted to modify the system to consider impacts across a wider scope, including the use of non-financial KPIs."

(1) The Veolia group's risk mapping is published in the Universal Registration Document on page 80.

46.5%

OF TRAINING COURSES
DEAL WITH HEALTH
AND SAFETY

67.7%

OF EMPLOYEES
RECEIVED SAFETY TRAINING
IN 2020

10%

OF EXECUTIVE BONUSES
ARE CONTINGENT ON WHETHER
HEALTH AND SAFETY TARGETS
ARE MET

ETHICS AND COMPLIANCE

**NO TRUST,
NO PERFORMANCE**

In 2020, Veolia reasserted its commitment to ethics and compliance, in line with its purpose. The Group's aim is to continue to garner employees' respect for essential values and principles.

HEALTH AND SAFETY

CONTINUOUS IMPROVEMENT

“Zero accident” is a concrete target for Veolia and a performance driver involving all levels in the company's organization.



Covid-19: employee safety above all

Veolia has offered real support to its employees dealing with workplace stress as a result of the epidemic. The Group issued personal protective equipment as soon as possible – especially surgical masks – taking into account the risks presented by each work situation. To ensure they all understood and shared the protective measures essential for health safety, an internal communication system was rolled out at all sites. Finally, the Group went beyond regulatory requirements by offering a voluntary PCR test to all its employees and external staff working at its sites. (Read also pages 30 and 31.)

Lowering the workplace accident frequency rate to 5 by 2023, across the Group's entire scope, is one of its purpose indicators. To achieve this target, Veolia relies on several drivers. Management commitment is absolute at all levels in the Group with the impetus coming from the Chairman and Chief Executive Officer and Executive Committee. Particular attention is paid to the worst performing business units. Health and safety are the first topics addressed in business reviews with the geographical zones or in internal seminars. Performance is tracked and verified using standard Group indicators, irrespective of the applicable local legislation. In addition, the Group has created a management handbook and a center of excellence where best practices are discussed.

A 2020 campaign targeting behavior

For the sixth International Health and Safety at Work Week, the Group chose to concentrate on behavior with its “What you see is not what I see” campaign. Managers at all sites used a “perception game,” a library of images and responses identifying 350 dangerous situations in the Group's activities.

The aim was to help teams identify their unconscious behavior. A video about the importance of perception where safety is concerned enhanced the lessons offered by the game.

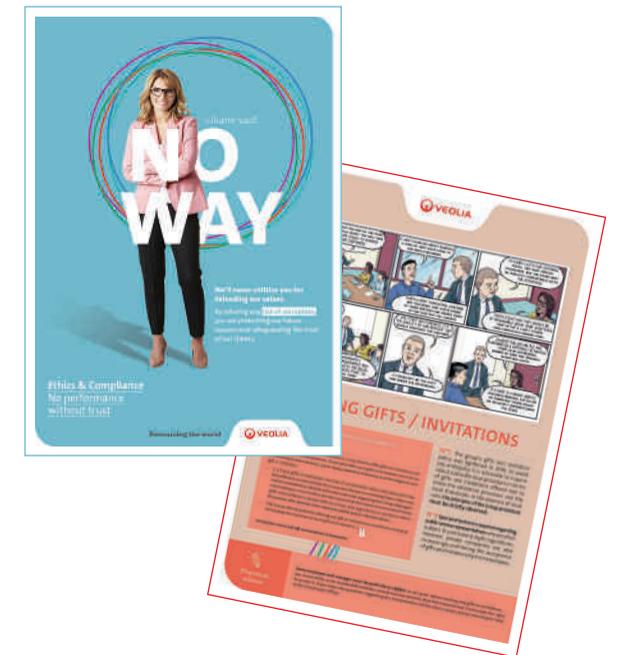
Encouraging work conditions that foster ethical behavior on a daily basis is one of the main thrusts of Veolia's strategy. As sources of trust and value for each of the Group's stakeholders, ethics and compliance are inseparable from the company's growth, performance and attractiveness.

A worldwide campaign

Since it was formed in 2018, Veolia's Compliance Department has focused on developing and strengthening the compliance culture within the Group. In 2020, aiming to bring all employees onboard, the department stepped up its efforts by launching a worldwide awareness campaign with the Ethics Committee. Called “Ethics and Compliance: No Trust, No Performance,” it concentrates on the benefits from following ethics and compliance standards and rules. It also underscores the importance of each employee's involvement, whatever his or her job or where it is performed. The campaign uses a broad range of materials and methods: posters, informational kits in comic book format, kits for managers on moderating meetings, a video, etc. The campaign kicked off on the same day as the UN's International Anti-Corruption Day, December 9, 2020.

Support and supervision

An information campaign dealing with risk situations that may be encountered when conducting Group activities will also be passed on to the teams locally in 2021 by their managers. Indicators reflecting the rollout of this approach will be collated and presented to the various stakeholders and to answer any questions oversight authorities may have.



**MORE THAN
650**

**MEETINGS CONDUCTED
BY MANAGERS
(BY END OF JANUARY 2021)**



Being the benchmark company for the ecological transformation means...

4

CHAPTER

CREATING VALUE FOR ALL OUR STAKEHOLDERS



CREATING VALUE FOR THE PLANET

In 2020, Veolia took its commitment for the planet to the next level. The aim is to go further and faster by matching its strategic vision with operational levers.

Companies are increasingly approached by investors about their integration of the goals of the Paris Agreement. In response, Veolia reviewed its Impact 2023 strategic plan using scenario-based analysis tools applied to climate change issues. Those study results were used to systematically quantify each scenario's impact in the Group's risk mapping and assess its financial implications. The choice of transition scenarios was included in the recovery plans implemented after the first wave of the Covid-19 pandemic in all the countries where the Group operates. (Those plans include a significant focus on funding activities for the low-carbon transition, both in Europe and Asia). The internal Steering Committee, chaired by the Executive Committee's Climate sponsor and including representatives from the Strategy and Sustainable Development departments and the CEOs of the main BUs, selected fifteen business opportunities and around ten risks that were included in the strategic planning review. In 2020, Veolia renewed its support for "Act4Nature", an initiative that aims to create a strong collective dynamic for the protection of biodiversity. Reflecting its purpose, the Group established a 2020-2023 action plan. It has committed to expanding its action, in particular

by deploying its various tools (Ecological management calculator, practical guide to ecological management, Green Spaces Charter, etc.), extensively at its sites and for its stakeholders. This involves implementing a biodiversity footprint tool and strengthening its action plans in seven critical countries: France, the United Kingdom, Germany, Australia, China, Poland, and the United States.

A second life for batteries

By 2030, the number of electric vehicles on the road worldwide is expected to increase from today's 8 million to 116 million. Currently, the components used to manufacture lithium-ion batteries are mainly imported. To promote their recycling and manufacture in France, Veolia created a circular-economy consortium in 2020 with Solvay that uses both partners' best technologies and expertise. A Veolia subsidiary, Euro Dieuze Industrie, has already developed a hydrometallurgical process for recovering precious metals from the batteries.

Unmatched green gas capacity in Europe

In 2020, Veolia and Waga-Energy announced the construction of a WAGABOX® at the Claye-Souilly landfill in the Greater Paris region. For a period of 15 years starting in 2022, this gas upgrading unit will recover biomethane from landfilled waste, producing 120 GWh of gas annually. This will make it the second largest project of its type in France and the largest facility for producing green gas at a non-hazardous landfill in Europe. Able to supply biomethane to 20,000 local households, the site will become part of the local energy loop and contribute to the region's ecological transformation by avoiding 25,000 metric tons of CO₂ each year.

Training: the key to understanding the issues

In its Impact 2023 plan, Veolia has firmly committed to reducing its own carbon footprint and that of its customers. To help managers get behind this performance target, the Group created a specific e-learning module called "Acting for the planet – Climate change challenges." This mandatory course sets out the main climate change issues worldwide, Veolia's commitments and the best ways of supporting teams, customers and suppliers as they undergo their ecological transition.

25,000

METRIC TONS OF CO₂
AVOIDED EACH YEAR

AND

20,000

HOUSEHOLDS IN GREATER PARIS
SUPPLIED WITH BIOMETHANE
FROM A WAGABOX® UNIT STARTING
IN 2022

Performance recognized in several benchmark classifications

- Inclusion in stock market indices: DJSI (Dow Jones Sustainability Index) World and Europe, FTSE4Good and Euronext Low Carbon Europe 100
- "Prime" excellence status by ISS-ESG research in December 2020, with a B rating
- An A- rating for CDP Climate Change 2020 and for CDP Water Security questionnaires
- In its role as a supplier, ranked as one of the top 3% of companies appraised by EcoVadis, an agency providing CSR assessment of the supply chain, in March 2020



CREATING VALUE FOR SOCIETY

Veolia's contribution is not limited to services and products supplied in the regions. Wherever the Group operates, its direct and indirect socioeconomic footprint is far greater.

In 2018, Veolia commissioned Utopies to conduct a socioeconomic footprint study in France using the Local Footprint® approach⁽¹⁾. The study was expanded in scale in 2019 to include in the analysis 51 countries representing 98% of Veolia's revenue. In 2020, the study was repeated across this international scope. This approach is a response to heightened expectations among the regions, which want to ensure that a growing percentage of the added value created from Veolia's products and services is generated locally and therefore contributes to regional economic growth. The study provides quantified proof of the Group's local commitments (purchasing, employment, responsible taxation, etc.) that goes beyond a simple communications campaign. It also offers proof to partners (investors, local communities, etc.), that there is a local return on investment. Finally, this degree of transparency also meets the new CSR reporting requirements (ISO 26000, direct and indirect economic impacts, and purchasing practices required by the Global Reporting Initiative, article 225 of France's Grenelle 2 law on environmental commitments, integrated reporting, etc.).

Access to basic services for all

Access to water is particularly critical to complying with Covid-19 preventive measures. To give homeless people and those living in makeshift accommodation (migrants, squatters, slum dwellers, etc.) the ability to protect themselves, the Veolia Foundation joined forces with the French Red Cross' Croix-Rouge Insertion initiative and the non-profit Solidarités International in spring 2020 to produce and distribute health kits in the field in cooperation with the French NGO Médecins du monde.

1.1 M

JOB
SUPPORTED WORLDWIDE
BY VEOLIA'S BUSINESSES

€51 bn

IN WEALTH CREATED
WORLDWIDE
(CONTRIBUTION TO GDP)

30%

VEOLIA'S DIRECT
ADDED VALUE

31%

OF ADDED
VALUE
FROM HOUSEHOLD
CONSUMPTION

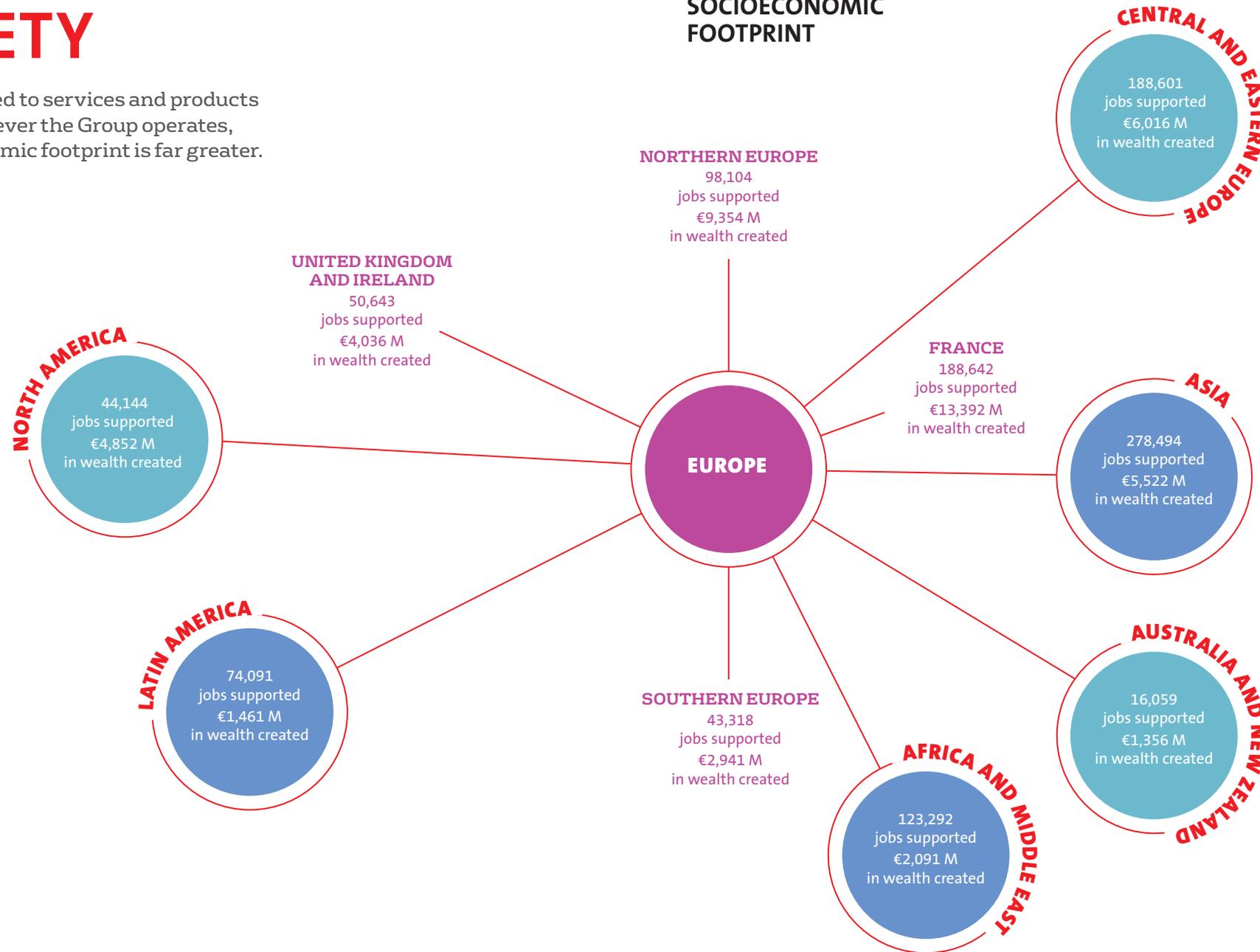
26%

OF ADDED
VALUE
FROM SUPPLIERS

13%

OF WEALTH
CREATION
THROUGH TAXATION

VEOLIA'S SOCIOECONOMIC FOOTPRINT



Redistribution of revenue

Payroll, taxes, dividends paid to shareholders, purchases from local suppliers, sponsorships, etc.: the revenue generated by Veolia creates value for the regions through various redistribution mechanisms.

€26,010 M
REVENUE

EMPLOYEES

Payroll
€6,192.9 M

SHAREHOLDERS

Dividends
€426 M

SUPPLIERS

Purchases and other
€16,658.1 M

STATES AND LOCAL AUTHORITIES

Taxes
€2,302 M

BANKS

Net bank charges
€414.4 M

NON-PROFITS AND COMMUNITIES

Sponsorships, studies and grants
€16.6 M

(1) By reproducing in a highly realistic manner how a local economy works, Local Footprint® explains the way in which a region reacts to monetary flow, but it also identifies potential areas where the knock-on effects can be improved. (Source: Utopies 2015).

CREATING VALUE FOR EMPLOYEES

For Veolia, creating value above all means getting its employees onboard with the ecological transformation.

It also means preparing for the future by helping upcoming generations assume their role.



87%

VEOLIA EMPLOYEE ENGAGEMENT RATE
(C/W 79% IPSOS SECTOR BENCHMARKING)

Listening to encourage participation

In the exceptional context of the pandemic, the 2020 “Voice of Resources” engagement survey provides lessons about employees’ mobilization. The 70% participation rate was up 12% over 2019’s 58%. This reflects the engagement of the 57,000 employees who responded massively in China, Central and Western Europe as well as Morocco, North America and Argentina. The 90% participation rate of the Top 5,000, the main Group managers who are the historic core of this survey, was up by 8%. The “Voice of Resources” survey was conducted entirely online (QR codes, apps, mobile links), with a strong response rate among local managers.

Training to encourage transformation

Upskilling all our employees is a crucial driver for our ecological transformation, which necessarily involves the transformation of professions. In 2020, during the Covid-19 crisis, Veolia adapted its training courses by stepping up the use of digital technology to replace face-to-face teaching, in particular. Latin America went online for all its employee training and engagement courses.

Strengthening the culture of diversity

Veolia has set itself the target of strengthening a culture of diversity in its businesses, and increasing the percentage of women in its governance and management. Two programs in particular are focused on these goals: the internal WEDO network, which now has almost 3,000 members in more than 40 countries, and the WIL (“Women in Leadership”) program, a distance coaching system to create career opportunities for women managers.

OLIVIER CARLAT
Director of training and Social development

“The employee engagement rate, one of the purpose indicators, is up 3% in 2020 at 87%. The scores for the clarity of targets, useful contribution, pride in belonging and projection into the future reveal a confident and involved Veolia community, despite the difficulties in 2020. I would point out that 90% of respondents from all geographical regions approved of the Group’s Covid-19 crisis management for its employees.”



**Work-study:
Keeping the most vulnerable on track**

Young people were among the worst affected by the health crisis. Veolia was one of 20 leading corporations and organizations that pledged support for the “grande rentrée de l’apprentissage” (a national job dating event) in an op-ed published in late August 2020. The Group paid particular attention at the start of the academic year last September to continuing its intake of students on work-study programs – especially the most vulnerable in terms of their curriculum or digital knowledge – in its campus network. The aim is to avoid the dropout rate seen during the first lockdown and to allow all students to continue to work on building their future career within Veolia’s teams.

2,000

WORK-STUDY STUDENTS AT VEOLIA IN FRANCE IN 2020, UP FROM 1,800 IN 2019

Preparing the future with and for the next generations

Veolia supports the next generation’s united engagement and smooths the way for them into its businesses. Created by the Veolia Foundation together with the Group’s Human Resources Department, the annual Student Solidarity Prize recognizes innovative and community-focused projects. In 2020, three student associations received a prize, each in one of the Foundation’s areas of interest. One of the winners was the Fichia project submitted by students from the Grenoble Business School. This innovative system is designed to promote and reward selective sorting of waste in apartment blocks, which have the lowest level of compliance. In the past ten years, the Veolia Summer School has trained 363 future graduates from 142 universities in 33 countries. Veolia was the first company in the environmental services sector to introduce a summer school, back in 2010. Its aims include bringing talented young people together from around the world to share their culture and perceptions of the world, raising awareness of environmental issues, improving the Group’s attractiveness and establishing relations with their universities.

The pandemic meant that the 11th annual summer school was run entirely online with 51 students from 23 countries. Grouped by time zone, they worked in teams and had live discussions with Veolia employees from their geographical region or headquarters, and with recently hired young employees. Over four days, the teams were introduced to the challenges for environmental businesses and were asked to tackle a specific challenge related to key topics for Veolia (e.g., waste management and digital management, cooperation culture, air quality, hydrogen and electric vehicles, sustainable agriculture, marine pollution, the European Green Deal, battery recycling) with real-time results while applying the Group’s working methods and processes. After the Summer School, meetings were organized locally and with Veolia recruiters to explore various ways to work with the participants (internships, work-study programs and first jobs).



CREATING VALUE FOR CUSTOMERS

In a difficult context, the Veolia teams maintained, or even improved, their close ties with customers. The aim was to create lasting value for and with them.

To forge a closer relationship with its customers, Veolia relies on the Net Promoter Score (NPS), a method that delivers detailed information about dissatisfaction and expectations and can be used to implement short- or longer-term corrective action, if necessary. This process was initiated in 2019 by the Group's 10 main business units. Independently audited each year – like all of Veolia's multifaceted performance indicators – the campaign was further enhanced in 2020. Extended to include an additional 13 business units, its coverage now reaches 300,000 customers and 10 million consumers worldwide. The business units in Australia, France, the United States, Poland and the United Kingdom have all used NPS to improve attention to their customers and adjust their solutions accordingly.

Improving through customer feedback

In France, Waste Solutions extended the NPS process to all its businesses. For Water, France's Center-West region presented the NPS questionnaire for the first time to its local authority customers, which was favorably received. Said the region's director of development, "The teams were hesitant about doing it, but they very quickly understood that it was an excellent tool. NPS provides customers with a new means of expression, enabling us to react very quickly to their criticisms or reasons for satisfaction."

Providing for greater autonomy

Despite the health crisis, the Veolia teams in the United Kingdom received a good response rate to the NPS survey and saw the emergence of a new demand for online access to data concerning the service provided – very useful in a period of lockdown and/or when most people are working from home. Customer Hubs were set up or improved locally (Australia and New Zealand, Germany, Latin America, United Kingdom, Water France, Waste Solutions (France), etc.). In particular, these hubs provide greater transparency thanks to key performance indicators online and enable the development of systems to manage operation of their infrastructure autonomously, together with customer services. In response to rising demand to speed up the creation of customer portals (for example, in Northern Europe and Asia), the Group is rolling out expert digital resources and a range of plug-in modules.

300,000
CUSTOMERS INCLUDED
IN THE NET PROMOTER
SCORE (NPS) PROCESS
IN 2020

In Ecuador, apps and chatbots maintained contact

To maintain close relations with their customers at the height of the health crisis, the entities found ways to innovate by making good use of the possibilities offered by digital technology. In Ecuador, for example, the Veolia teams introduced a chatbot to answer level one calls – a virtual operator to answer the most general questions – and videocalls for more personalized customer service. Above all, Veolia Ecuador accelerated the development of its Interagua app to provide its customers with an effective and easy-to-use tool to manage their accounts.

A Greenboard for Sanofi

Sanofi has been one of Veolia's major customers since 2016. It all began with a call for tenders for waste management at the pharmaceutical company's French sites. At the time, they wanted to improve and simplify their complete waste management. Sanofi was looking for a provider able to manage all its waste while complying with the priorities of its environmental strategy (Planet Mobilization), based on recovering waste and significantly improving their environmental footprint. Veolia's proposal to Sanofi was to create a "Greenboard," a set of management indicators to track and improve performance at its sites. Since then, Veolia has been entrusted with waste

management at other Sanofi sites in the United States, Singapore, Mexico and elsewhere around the world, where it has likewise introduced this best practice first adopted in France. Featuring 11 KPIs aligned with the client's priorities, the Greenboard offers an easy way to report, mine and oversee data from the field, not only for contract management purposes but also to address Sanofi's HSE priorities, such as training, reporting and information. Veolia provides very tangible support to help the pharmaceutical company achieve its environmental targets.



CREATING VALUE FOR SHAREHOLDERS

The consistency in Veolia's strategic plan, its mobilization for the ecological transformation and its multifaceted approach to performance have earned the trust of shareholders.

Connecting profit and purpose, factoring in climate risk, seeking a more sustainable form of capitalism... long-term investors are no longer satisfied today with financial return alone. They demand greater consistency from companies between their strategy and their environmental, social and governance commitments (the so-called ESG criteria). Today, CO₂ emissions, employee diversity, the quality of the workplace dialogue within the company, and even transparency around executives' remuneration packages, for example, are closely examined.

Many investors, including BlackRock, State Street Global Advisors, Amundi and BNP Paribas Asset Management, are convinced that the companies that take sustainable development issues seriously will be more resilient over the longer term.



Transparency to build trust

Veolia is particularly well-placed to meet these expectations, especially because of its multifaceted approach to performance and the "CSR variable" in its executives' remuneration packages. Given these commitments, the Group maintains a relationship of trust with its shareholders, demonstrating its ability to create value over the long term. In order to build on this trust and remain open to their concerns, Veolia maintains a continuous dialogue with its shareholders and is committed to answering their questions. The Group has created a very comprehensive system for these discussions: meetings of the individual shareholders' consultative committee, shareholders' newsletter, and a dedicated page on its website. Each year, the Senior Independent Director, who chairs the Group's Compensation Committee and is a member of the Nominations Committee, meets with the main institutional investors at governance roadshows.

Transparent and fruitful discussions

Held in January 2020, these meetings were an opportunity to gather observations and questions about the implementation of Veolia's purpose and the integration of purpose-related performance indicators in executives' variable remuneration, in advance of the Shareholders' Meeting. These ESG indicators specifically include the fight against climate change and the employee gender balance. In the past, discussions with investors also helped inform certain purpose indicators, such as reducing greenhouse gas emissions, based on progress made with the investment plan to eliminate coal in Europe by 2030. As a result of the quality and transparency of relations with its shareholders, in 2020 Veolia was able to count on their support in dealing with the impact of the coronavirus epidemic on its businesses: on April 22, the Group put to the vote at the Shareholders' Meeting payment of a €0.50 cash dividend, down from the €1 announced previously.



Growing number of employee shareholders

Veolia has set itself the target of involving an ever-greater number of employees in its growth. Its employee share ownership plans meet with growing success each year. 51,000 employees from 31 countries subscribed to the Sequoia 2020 share plan, 22% more than in 2019. As of December 31, 2020, 4.06%⁽¹⁾ of the equity was owned by employees⁽²⁾, which will mean the appointment in 2022 of an employee representative director to the Board of Directors⁽³⁾. Collectively, Veolia employees are their company's third largest shareholder.

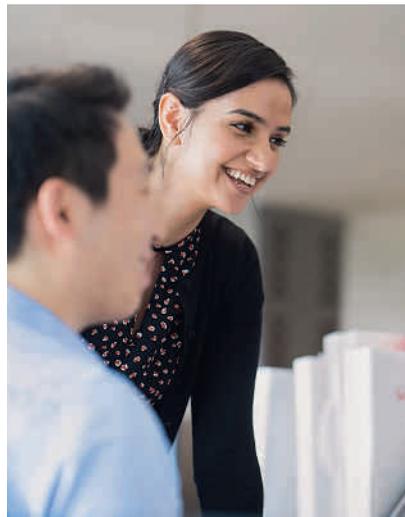
(1) Direct and indirect shareholders, including via financial investment vehicles.
 (2) Including former employees and retirees.
 (3) French law requires the presence of a director representing the employee shareholders in all "SA" and "SCA" companies when the employees own at least 3% of the share capital.

51,000

EMPLOYEES
SUBSCRIBED
TO THE SEQUOIA
2020 PLAN

LISTENING MORE TO IMPROVE DIALOGUE WITH STAKEHOLDERS

The rapid market changes and the diversity of geographical contexts where Veolia operates require discussion and continuous consultation with all stakeholders, local, national and international.



Reconciling strategic objectives with stakeholder expectations

In 2020, Veolia conducted a survey of its stakeholders to update the materiality analysis of its CSR issues. The aim was to gauge the perception of the Group's orientations, especially those concerning its multifaceted performance. Twenty-four CSR issues were identified. These were then assessed by almost 200 internal and external stakeholders during online consultations conducted between April and November 2020 by consultants Des Enjeux et des Hommes in eight Veolia business units and before a panel of corporate stakeholders. The internal stakeholders were asked to assess the impact of CSR issues on Veolia's business, while the external stakeholders assessed their level of expectation from the Group. In addition to this analysis, 75 interviews were conducted with volunteers from the cohort of stakeholders who had answered the questionnaire. During these interviews, the discussion focused on the risks and opportunities associated with the CSR issues, and on improving stakeholder dialogue.

Following this survey, the most concrete issues were identified:

- worldwide;
- for each country studied;
- by category of stakeholder.

The survey in figures

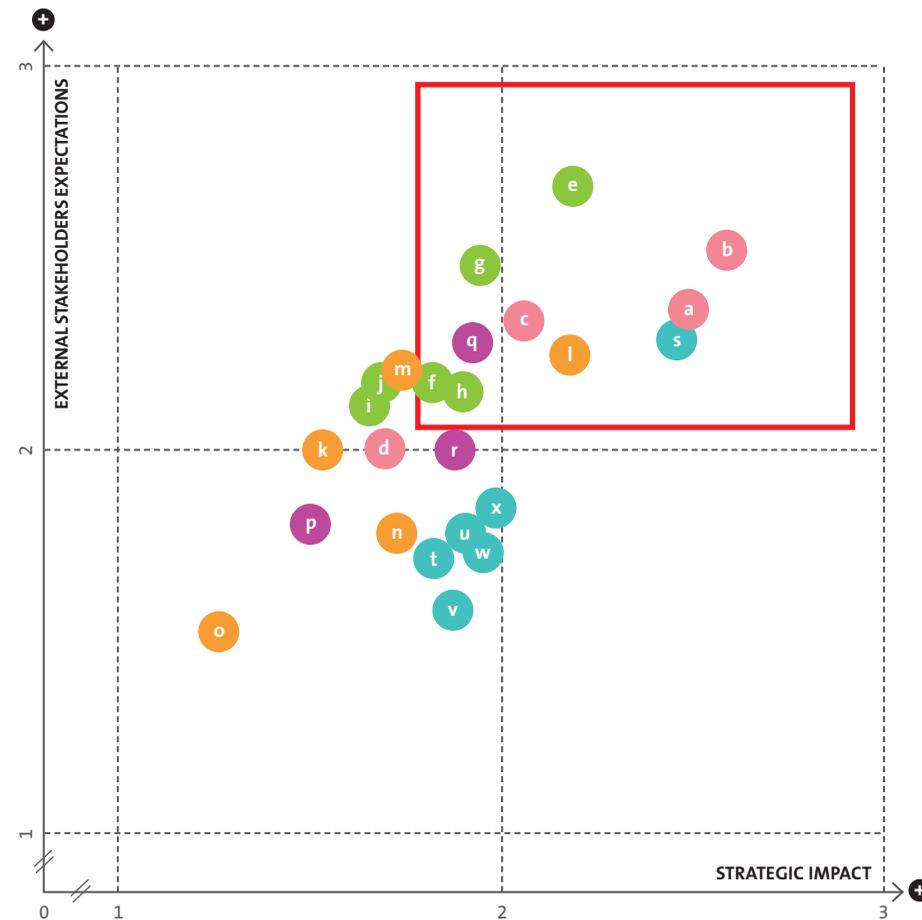
- 188 respondents:
- > 121 external stakeholders in 13 categories;
- > 67 employees including 19 managers.

8 business units⁽¹⁾: Water France, Australia, China, Colombia, Czech Republic, Germany, United Kingdom, and United States.

By engaging with civil society stakeholders (NGOs, social entrepreneurs, consumer associations, community groups, universities, etc.), Veolia builds lasting relations with all its stakeholders, seeking consultation and co-construction. This dialogue is based on voluntary and regular discussions between the Group – especially its executive bodies – and its stakeholders (in various discussion forums: Critical Friends committee, meetings with top-level experts, the Veolia Institute foresight committee, working groups, symposiums and international events). The Group has also issued an in-house methodology guide, "Understanding, Talking and Acting with our Local Stakeholders," that helps our operational teams and sustainability coordinators enhance their outreach.

(1) Survey conducted using the matrixes created in 2019 for the Africa-Middle East geographical zone.

VEOLIA'S MATERIALITY MATRIX



The 10 most material challenges for Veolia's external and internal stakeholders

- b Safety of facilities and services provided to customers
- a Quality of essential services, customer and consumer satisfaction
- s Health and safety of employees
- e Sustainable resources management (water, energy, waste)
- g Pollution and waste management
- l Corporate ethics
- c Innovation for sustainable solutions
- q Responsible corporate governance
- h Fight against climate change
- f Promotion of the circular economy

Commercial performance

- a Quality of essential services, customer and consumer satisfaction
- b Safety of facilities and services provided to customers
- c Innovation for sustainable solutions
- d Customer and consumer data privacy and safety

Environmental performance

- e Sustainable resources management
- f Circular economy
- g Pollution and waste management
- h Fight against climate change
- i Implementation of solutions for climate change resilience and adaptation
- j Biodiversity and habitat protection

Social performance

- k Contribution to the right to water and access to essential services
- l Corporate ethics
- m Responsible procurement
- n Territorial responsibility
- o Patronage, sponsorship and solidarity actions

Governance performance

- p Responsible fiscal management
- q Responsible corporate governance
- r Engagement with our external stakeholders

Human resources Performance

- s Health and safety of employees
- t Social dialogue
- u Quality of life at work
- v Attractiveness and employee retention
- w Professional development of Veolia employees
- x Diversity, social mix and fight against discriminations



Being the benchmark company for the ecological transformation means...

5

CHAPTER

MANAGING BASED ON OUR COMMITMENTS

AGILE AND ENGAGED GOVERNANCE

In a key year for the rollout of the strategic program and in a context of an acute health crisis, the Group's governance has demonstrated its cohesion and commitment to serving a shared project.

Veolia's governing bodies maintained a particularly intense level of activity in 2020. The extent of the issues at stake required frequent Board meetings with a particularly high attendance rate and the regular use of videoconferencing during the pandemic. The end-of-year strategic seminar – addressing the Group's main objectives – is a stand-out moment on the Board's annual agenda. It is carefully prepared with the Board with particular reference to expectations expressed by the members.

Intense activity in a year unlike any other

Confirming its key role in strategic discussions, in 2020, the Board also focused on:

- Management of the pandemic**
 Regularly informed of the measures implemented to ensure protection of the employees, business continuity and resumption of operations, the Board also had to make decisions about revisions to the bonus policy budget targets and adjustments to the performance plans.
- The Suez merger project**
 In 2020, this project was addressed in several Board meetings and part of the annual strategic seminar was devoted to it. A small committee of four independent Board members, with their own legal and financial consultants, was created specifically to investigate this topic. This committee met 16 times between August 1, 2020, and January 31, 2021.
- Rollout of the purpose**
 The Board again examined Veolia's purpose, a driver for decision-making and performance, addressing in particular its adoption by the employees and how to integrate it into the company's decision-making and daily processes.

Members of the Board of Directors and their key areas of expertise⁽¹⁾

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

Matrix of directors' expertise

- International experience
- Industry
- Experience in Veolia's businesses
- Digital technology
- Banking and finance
- CSR
- R&D
- Public affairs

Clara Gaymard

Marion Guillou

Franck Le Roux
Director representing employees

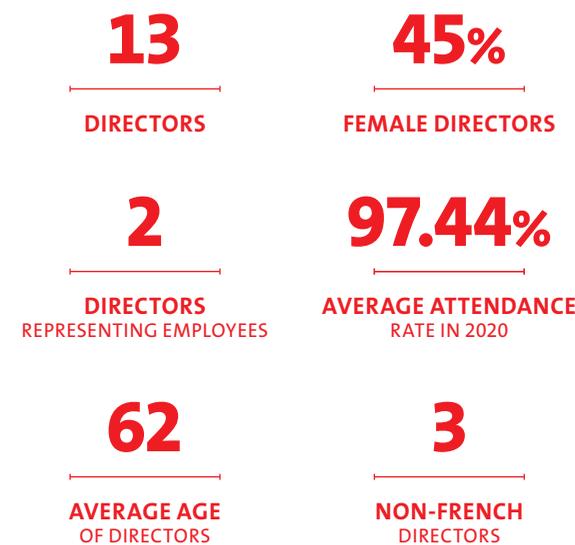
Pavel Páša
Director representing employees

Nathalie Rachou

Paolo Scaroni

Guillaume Texier

(1) At December 31, 2020.



Adaptive governance

Veolia's governance continues to evolve in accordance with best practices. In 2021, the Board of Directors made progress on two fronts: independence and the number of female directors, with the departure of one non-independent director. The Board will be reduced to 12 members with a view to its potentially opening up to new directors from Suez. Following the success of the Sequoia employee share ownership plan⁽²⁾, a change in the bylaws to admit a director representing employee shareholders will be put to the approval of the Shareholders' General Meeting for a proposed appointment in 2022.

(2) As of December 31, 2020, 4.06% of Veolia's capital was held by the employees.

(3) As of the publication date of the 2020 Universal Registration Document.

(4) Effective April 2, 2021.

(5) Effective June 1, 2021.

Composition of the Executive Committee⁽³⁾

Antoine Frérot
Chairman and Chief Executive Officer

Estelle Brachlianoff
Chief Operating Officer

Olivier Brousse
Senior Executive Vice President, Strategy and Innovation

Philippe Guitard
Senior Executive Vice President, Central and Eastern Europe

Éric Haza
Chief Legal Officer

Jean-Marie Lambert
Senior Executive Vice President, Human Resources

Claude Laruelle
Chief Financial Officer

Christophe Maquet
Senior Executive Vice President, Asia⁽⁴⁾

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

Laurent Obadia
Communication Director

Helman le Pas de Sécheval
General Counsel

Frédéric Van Heems
Senior Executive Vice President, North America⁽⁵⁾

COMMITTING

TO MULTIFACETED PERFORMANCE

In 2015, Veolia released its CSR roadmap focused on nine commitments in three areas (resourcing the planet, resourcing regions, and for the company's men and women) along with 13 indicators. This program was completed in 2020.

A dual reporting system

In 2020, the nine CSR commitments (see opposite) coexisted with the multifaceted performance objectives (see page 58) for the first year they were introduced. The aims of the 2015-2020 program were largely carried over into the purpose dashboard, either unchanged or with a different perspective. The targets not included in this dashboard are still tracked internally through HR and social reporting and the 2020-2023 Environmental Plan.

Most 2015-2020 commitments were met

Of the 13 targets set, eight were met or exceeded and five were not fully met, reflecting the ambitious initial goals:

- The Environmental Management System (EMS) has been rolled out in all countries except one, although there have been several delays in reports being sent.
- Regarding the climate, the target for reduced emissions was not met because of the loss of certain businesses that have a high impact on this indicator (SEEG, Vilnius heating network and Laogang landfill contracts). Furthermore, methodology adjustments were made to align with international standards.
- The divestment of businesses that made substantial contributions to lowering emissions (metal recycling in France) also helps explain why the target set for avoided emissions was not met, as well as lower-than-expected growth in Asia.
- For the biodiversity indicator, several sites that had performed their diagnostics were removed from the scope, and certain geographic zones were unable to finalize their diagnostics because of the health crisis in 2020.

- Finally, regarding the target of ensuring over 95% of employees have access to a social dialogue mechanism, the final rate of 86% can be explained by the growth of industrial businesses, where there are fewer branch agreements than in the municipal sector, and the increasing presence in the Group of countries where the implementation of such measures is not authorized.

8
TARGETS
MET OR EXCEEDED

2015-2020 SUSTAINABLE DEVELOPMENT COMMITMENTS



Cross-business commitment: steer environmental performance

- Deploy our internal Environmental Management System (EMS) for all of our operational activities
- 95%

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 CO₂ eq. of reduced emissions
 - Achieve 50 million metric tons of CO₂ eq. of avoided emissions
- 65.9%
• 93 million metric tons of CO₂ eq.
• 42.3 million metric tons of CO₂ eq. avoided

Conserve and restore biodiversity

- Carry out a diagnosis and deploy an action plan at 100% of sites with significant biodiversity issues
- 73%

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
- 11/11 business zones and 7/7 growth segments covered

Contribute to the development and attractiveness of regions

- Maintain expenditure reinvested in the regions above 80%
- 87.3%

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
- 11.3 million people given access to drinking water and 4.6 million to sanitation in countries with an access deficit since 2000

Guarantee a safe and healthy work environment

- Achieve an injury frequency rate of less than or equal to 6.5
- 6.6

Encourage each employee's professional development and commitment

- Deliver training to over 75% of employees annually
 - Maintain the manager commitment rate at over 80%
- 82%
94%

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
- 86%

MULTIFACETED PERFORMANCE DASHBOARD

OBJECTIVES AND ASSOCIATED INDICATORS	2019 BASELINE	2020 RESULTS	2023 TARGET
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 (with IFRS 16) Investment capacity Free cash flow (before discretionary investment) 	<p>€27.2 billion</p> <p>€760 million</p> <p>8.4%</p> <p>€1,230 million</p>	<p>€26.0 billion</p> <p>€415 million</p> <p>6.4%</p> <p>€942 million</p>	<p>Annual target</p> <p>€1 billion</p> <p>Annual target</p> <p>Annual target</p>
Human resources performance			
<ul style="list-style-type: none"> Employee commitment Commitment rate of employees measured by an independent survey Workplace safety Lost time injury frequency rate Employee training and employability Average number of training hours per employee per year Diversity Proportion of women appointed between 2020 and 2023 among the Group's Top 500 executives 	<p>84%</p> <p>8.12</p> <p>18 h</p> <p>Not applicable</p>	<p>87%</p> <p>6.6</p> <p>17 h</p> <p>28.3%</p>	<p>≥ 80%</p> <p>5</p> <p>23 h</p> <p>50%</p>
Environmental performance			
<ul style="list-style-type: none"> Combating climate change • 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) 	<p>Not applicable</p> <p>12 million metric tons of CO₂ eq.</p> <p>350 thousand metric tons</p> <p>Not applicable</p> <p>72.5%</p>	<p>8.1% of total achieved investment</p> <p>12.8 million metric tons of CO₂ eq.</p> <p>391 thousand metric tons</p> <p>1.6%</p> <p>73.4%</p>	<p>30% of investment to be achieved⁽¹⁾</p> <p>15 million metric tons of CO₂ eq.</p> <p>610 thousand metric tons</p> <p>75%</p> <p>> 75%</p>
Customer satisfaction 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 	<p>Not applicable</p> <p>Not applicable</p> <p>€2.56 billion</p>	<p>NPS = 41 with 57% of the revenue covered</p> <p>2</p> <p>€2.53 billion</p>	<p>NPS > 30 with 75% of the revenue covered</p> <p>12</p> <p>> €4 billion</p>
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 	<p>Not applicable</p> <p>92% of Top 5,000</p> <p>5.78 million inhabitants</p>	<p>1,105,388 jobs supported and €51 billion of added value created</p> <p>95% of Top 5,000</p> <p>6.12 million inhabitants (+7%)</p>	<p>Annual assessment from 2020 of Veolia's impact in 45 countries</p> <p>≥ 80% on all respondents</p> <p>+12% at constant scope</p>

(1) The cumulative amount since 2019 of investments in new forms of energy to eliminate coal in Europe by 2030 has been estimated at €1.2 billion.
(2) For networks serving over 50,000 inhabitants. At constant perimeter.

ADDITIONAL INDICATORS

Environmental performance	2018	2019	2020
ISO 14001 certifications (% of revenue covered)	69	68	72
Direct emissions of GHG (scope 1 – million metric tons of CO ₂ eq.)	29.6	26.3	25.0
Indirect emissions of GHG linked to energy purchases (scope 2 – million metric tons of CO ₂ eq.)	5.1	5.2	5.0
Main indirect emissions of GHG (scope 3 – million metric tons of CO ₂ eq.)	15.6	10.9	10.8
Emissions of GHG avoided (million metric tons of CO ₂ eq.) ⁽¹⁾	–	12.1	12.8
Energy consumption (in millions of MWh)	114	110	114
Share of consumed renewable or recovered energies (as a %)	40.0	44.9	46.4
Energy production (thermal and electrical – in millions of MWh)	56.0	51.6	53.0
Of which thermal energy production (in millions of MWh)	39.6	35.8	36.4
Share of renewable or recovered energies produced (as a %)	31.3	36.0	36.1
Renewable energy production (in millions of MWh)	12.4	13.6	14.1
Energy efficiency of energy production by cogeneration (heat and electricity – as a %)	72.8	73.0	74.2
Share of biomass in the energy consumption of energy production plants (as a %)	12	19	23
Methane capture rate from landfills (pro forma 2015-2020 – as a %)	63.6	62.9	65.9
Electricity consumed for drinking water production (in Wh/m ³) by factories exceeding 60,000 m ³	233	238	229
Electricity consumed for wastewater treatment (in Wh/m ³) ⁽²⁾	337	342	330
Waste tonnage treated (in millions of metric tons)	48.9	49.8	47.3
Tonnage of materials recovered from treated waste (in millions of metric tons)	10	9.8	9.4
Of which tonnage of recycled plastics in Veolia transformation plants (in thousands of metric tons)	–	350	391
Heat produced from waste treated (in millions of MWh)	3.2	3.4	3.3
Non-hazardous waste produced (in thousands of metric tons – all activities)	5,522	5,612	5,627
Hazardous waste produced (in thousands of metric tons – all activities)	796	865	997
Share of sites with significant biodiversity issues which carried out a diagnosis and deployed a biodiversity action plan (pro forma 2015-2020 – as a %)	61	72	73
Volume of wastewater collected (in billions of m ³)	6.5	6.7	5.8
Volume of wastewater treated (in billions of m ³)	5.8	5.9	5.2
DBO5 treatment efficiency of wastewater treatment plants ⁽²⁾ (as a %)	95.6	96.0	95.9
COD treatment efficiency of wastewater treatment plants ⁽²⁾ (as a %)	90.9	91.9	91.4
SOx emissions (in metric tons)	12,920	13,188	13,832
NOx emissions (in metric tons)	20,302	20,991	22,484
Dust emissions (in metric tons) of thermal installations selling over 100 GWh/year and waste incinerators	783	641	776
NOx emissions (g/MWh) of thermal installations selling over 100 GWh/year	273	279	230
SOx emissions (g/MWh) of thermal installations selling over 100 GWh/year	224	196	169
Dust emissions (g/MWh) of thermal installations selling over 100 GWh/year	13	12	12
Total volume of water abstracted (in billions of m ³) ⁽³⁾	9.829	10.096	9.337
Volume of drinking water produced for public authorities (in billions of m ³)	8.334	8.409	7.676
Volume of drinking water introduced into supply networks for public authorities (in billions of m ³)	9.028	9.136	8.414
Share of sites with significant water stress issues that were diagnosed (2016 scope – as a %)	92	96	–
Share of sites with significant water stress issues that were diagnosed (2019 scope – as a %)	–	–	36
Efficiency rate of drinking water networks serving over 50,000 inhabitants (pro forma 2015-2020 – as a %)	75.3	75.4	76.0

Human resources performance

	2018	2019	2020
Total workforce as of December 31	171,495	178,780	178,894
Annual full-time equivalent workforce	162,740	171,212	171,450
Share of workforce with permanent contracts (FTE) (as a %)	91.3	93.4	92.4
Total non-managerial staff (as a %)	87.8	87.8	86.7
Turnover (workforce with permanent contracts)	12.9	12.9	11.6
Injury frequency rate	8.47	8.12	6.60
Injury severity rate	0.47	0.45	0.43
Percentage of employees who participated in at least one training course	77	80	82
Average number of training hours per employee per year	17.8	18	17
Commitment rate of employees (as a %)	–	84	87
Commitment rate of managers (as a %)	86	92	94
Rate of coverage by a social dialogue body (as a %)	89	88	86
Percentage of women	21.0	21.1	21.4
Percentage of women in management	26.5	27.3	28.2
Percentage of employees with disabilities	2.36	2.58	2.50

Social performance

	2018	2019	2020
Percentage of spending reinvested locally	85.7	86.3	87.3
Share of strategic suppliers evaluated in the past three years (as a %)	55	61	70
Population with new access to drinking water since 2015 (in millions of people)	3.9	5.1	5.6
Population with new access to sanitation since 2015 (in millions of people)	1.8	1.9	2

(1) New methodology.

(2) By wastewater treatment plants with a population capacity equivalent greater than 100,000.

(3) For the Energy business. Scope limited to heat production and distribution facilities exceeding 100 GWhTh.



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.

This document was prepared by Veolia's Communications and Sustainable Development Departments.

The 2020-2021 integrated report project team:

- **Sponsor:** Group Secretary-General.
- **Co-oversight:** Communications Department and Sustainable Development Department.
- **Integrated discussion committee and contributors:**
 - Strategy and Innovation 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, Arthur Thoux.

Translation: Alto International.

Photos and graphics: Laure Duquesne and Gilles Hureau.

Photo credits: Juan Xavier Borja/Avatar, Shin Takahashi, Justin Grainge. Veolia image bank: Christophe Daguet, Rodolphe Escher, Olivier Guerrin, Stéphane Lavoué, Christophe Majani d'Inguibert, Daniele Mattioli/Interlinks Image, François Moura, Jean-Marie Ramès, Christel Sasso/CAPA Pictures, Gilles Vidal/MAD Production. Getty Images/Qi Yang.

Design and production: HAVAS PARIS

Printed by STIPA.



In order to protect the environment, this document has been printed by an Imprim'Vert® certified printer on Symbol Matt Plus paper that is FSC® certified and made using fiber sourced from responsibly managed forests and other controlled sources.

Resourcing the world

Veolia

30, rue Madeleine - Vionnet - 93300 Aubervilliers - France

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

www.veolia.com