

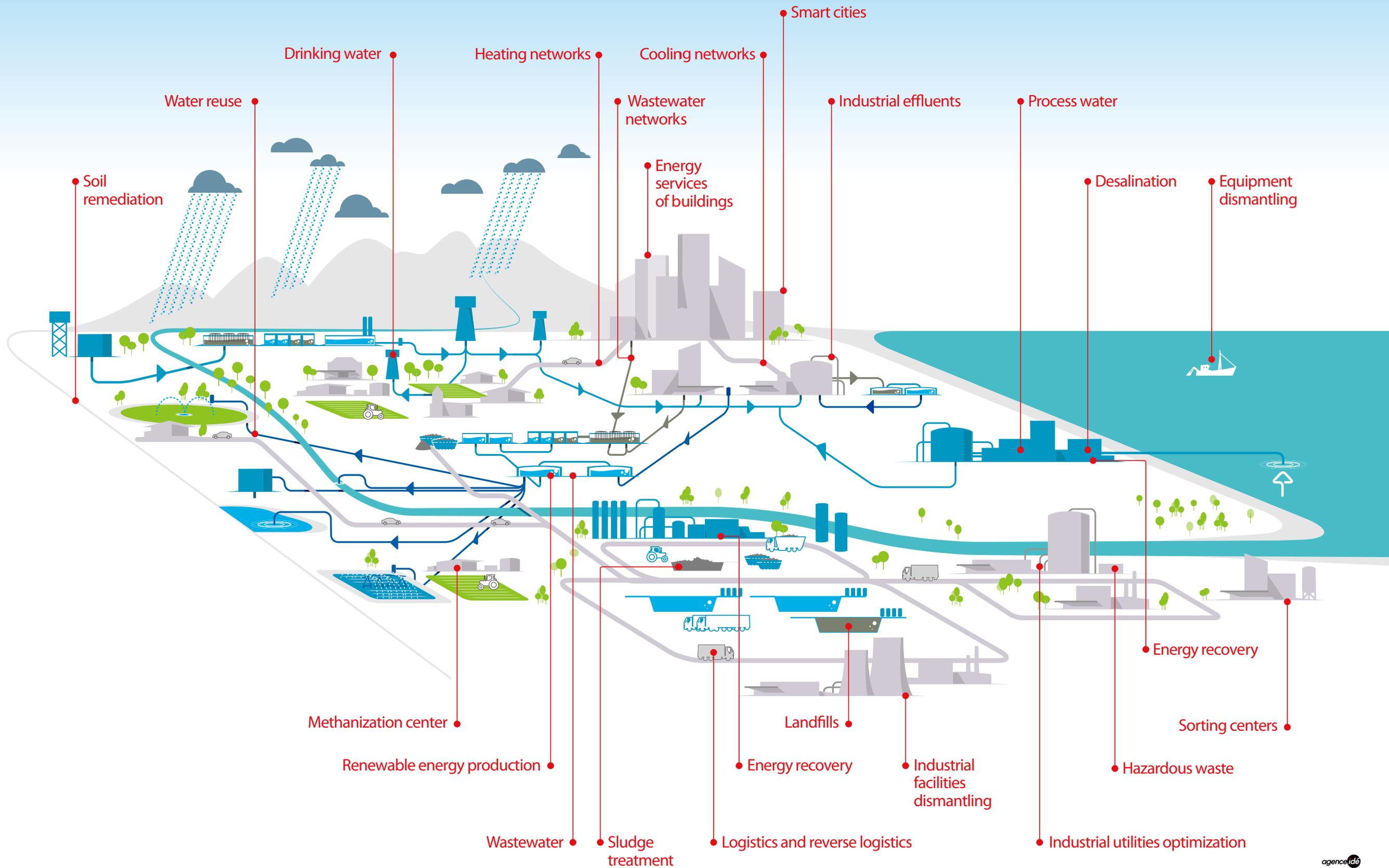


# PARTNER WITH VEOLIA

What to expect when  
working with us



# Our offer: supporting the sustainable development of cities and industries



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# WELCOME TO VEOLIA

A contract with Veolia is more than a contract for excellence in environmental services.

With long experience in joint ventures and major industrial projects, Veolia's culture is geared towards working together.

**A**cross all business lines and geographies, the culture of "One Veolia" embraces openness, flexibility, governance, skills transfer and strategic alignment of goals.

We bring our expertise in health & safety, human resources and social responsibility for a world-class working environments and robustly sustainable projects.

Our integrity and commitment to open, honest business makes Veolia a proud partner in many of the finest environmental projects in the world.

Environmental projects such as waste, water or energy are inseparable components of any industrial system

or city. In such important projects, companies today need to know not just technical specifications but the cultural specifications too.

These cultural specs are not as easy to define quantitatively as scientific parameters such as water turbidity or power reliability, for example, but may be just as important for ensuring project and partner success.

This book aims to address the questions about the people and values behind the technology. In these pages, we will share what we bring to every project, and what you can expect from Veolia in terms of human resources management, health & safety, ethics, compliance and sustainability.

# OUR MISSION: RESOURCING THE WORLD

With more than 160 years expertise, Veolia is the global leader in optimized resources management, providing energy services, waste management and water management to thousands of industrial and municipal clients around the world.

Our desire to respect and preserve natural resources to the highest level drives the way we develop our business and supports the long-term sustainable development of our company and our projects. “Resourcing the world” means not only developing highly efficient technologies and systems but also constantly innovating to challenge traditional concepts. We believe in a circular economy, where nothing, ultimately, will be wasted, and where “waste” itself can often become a valuable resource.

Our 179,000+ employees live and

breathe these philosophies every day. Our workers do not simply carry out a job, they are actively engaged to constantly create solutions to our world’s growing resource needs.

With such a philosophy at work, natural resources are preserved... and even previously unwanted by-products of an industrial process may become useful assets in the battle against a resource-strained city or industrial complex.

For example, wastewater recycling may reduce the water uptake required from natural sources, while wastewater sludge treatment may yield biogas, a viable fuel.

### WE HELP PRESERVE EXISTING RESOURCES

Veolia develops innovative and sustainable solutions to extract the bare minimum only, to protect the balance of ecosystems and ensure resources remain available in the future. We rely on our expertise to optimize the use of these resources, make sure nothing is lost throughout the usage cycle and minimize any downstream impact, so as to guarantee there are no harmful effects on human health or the environment.

Our solutions include:

- optimizing industrial production processes and product life cycle management;
- improving water and energy efficiency for industrial, commercial and residential customers;
- developing smart water and energy supply networks;
- collecting and processing waste; and
- addressing pollution, even in its most complex forms.

### WE CREATE NEW RESOURCES

Through our mission of “Resourcing the world”, we create new derivative resources that can gradually offset the growing scarcity of natural primary materials. These new resources have real value to the world, our communities and our customers. To close the loop of the circular economy, we are developing our eco-design innovation and expertise to support producers right from the initial steps in creating manufacturing processes which support a circular economy, through to the production of new materials from transformed waste.

We are able to:

- recycle waste and production by-products to create new materials in closed-loop cycles;
- reuse wastewater, either by treating it or diversifying its usage;
- promote the use of alternative renewable energy including waste, by-products and sludge; and
- produce new materials from waste.

### WE HELP DEVELOP ACCESS TO RESOURCES

Our world is rich in natural resources yet they are unevenly distributed.

Especially in developing parts of the world, access to basic resources is becoming increasingly complex. In response to this challenge, Veolia is developing durable solutions to supply the greatest possible number of people with the resources needed to ensure the well-being of communities, make regions attractive and underpin the performance of companies.

These solutions cover:

- developing resource delivery channels within the circular economy;
- supplying the utility services (water, energy) that companies require for their production processes;
- addressing the needs of water-stressed regions through innovative processes;
- improving access to drinking water, especially for poor communities; and
- providing sustainable energy solutions.

# OUR EXPERTISE: ENERGY, WASTE & WATER

Veolia's business is grounded in the lifeblood of modern industry and society: energy, waste and water. We offer fully integrated or standalone resourcing solutions for industrial clients and municipalities alike.



52 million MWh produced



ENERGY



2.4 million collective housing units managed



529 heating and cooling networks managed



1,802 industrial sites managed

42.8

million people provided with collection services on behalf of municipalities



31.3 million metric tons of waste recovered as materials or energy



730,000 business customers

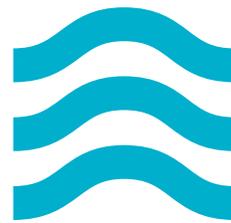


WASTE



3,338 wastewater treatment plants managed

655 waste-processing facilities operated



WATER



4,455 water production plants managed



59.6 million people connected to wastewater systems



96 million people supplied with water



### ENERGY ACTIVITY

Access to clean, reliable and sustainable energy will define the successful companies and regions of the future.

Veolia works to deliver cutting-edge energy solutions, maximising output and minimising resource use at every stage.

Meanwhile our state-of-the-art preventive maintenance approach creates reliability our customers can always count on.

Our expertise includes:

- heating and cooling networks to improve cities;
- extensive services for energy-efficient buildings; and
- energy solutions to boost competitiveness.





## WASTE ACTIVITY

Our waste expertise includes management of industrial and municipal waste and can handle anything from street sweeping to chemical weapon disposal. Veolia's approach covers the entire "waste lifecycle" from waste handling to recycling to safe disposal, with maximum useful material and potential energy extracted at every opportunity. Solutions include:

- waste collection services;
- urban cleaning services;
- separating waste flows;
- materials recovery;
- dismantling sensitive facilities;
- soil remediation; and
- waste to energy.



## WATER ACTIVITY

Veolia offers a unique range of expertise in the sustainable management of water resources. Our expertise is backed by state-of-the-art technology and proactive maintenance approaches, and covers a complete array of solutions to meet needs around the world. Solutions include:

- water treatment (municipal, industrial);
- specialist and industrial water, water technology;
- water network operation and engineering;
- data and smart networks for municipalities;
- customer service; and
- waste recovery.



## PARTNERSHIP APPROACH

Veolia has transformed from contractor to service provider to resource manager, and embraces partnerships with its customers for mutual benefit.

Our company works with two key customer groups: industrial companies; and, through local government authorities, cities.

In every project, our “Resourcing the world” commitment supports waste, water and energy requirements with state-of-the-art technology and truly sustainable

solutions. Whether it’s advanced industrial cooling water systems in a water-deprived region or an innovative waste-to-energy solution for a fast-growing city, Veolia has it covered.

Our culture makes us unique, with Veolia engineers always thinking in terms of the circular economy. Efficiency and savings are often the short-term rewards, while longer-term we are helping our customers and communities embrace a sustainable future.

## WORKING WITH INDUSTRY

Industrial companies are seeking sustainable solutions to ensure the long-term success of their businesses, maintain growth and win the support of communities.

**P**ressure on resources is encouraging new models for development. As a partner in industrial client growth, Veolia transforms these business pressures into an opportunities.

We offer a wide range of tailored and innovative solutions covering the new needs of companies: environmentally-conscious water, non-hazardous and hazardous waste recovery, soil remediation, dismantling sensitive facilities, water and waste recycling, energy management, to name just a few.

Large-scale industrial projects increasingly feature a partnership or

joint venture structure, whereby both parties benefit from Veolia's culture of continuous improvement, efficiency and innovation. All projects enjoy the resources of the global, regional and local Veolia network, including laboratory services, regional and global health & safety standards and HR policies, as well as technology and solution sharing.

Veolia has a strong reputation for creating excellence in health and safety, worker productivity and business transparency while delivering world-class operations and maintenance for longer equipment life and optimised cost.

### ENERGY SOLUTIONS FOR INDUSTRY

Clean, reliable energy is a vital factor in industrial competitiveness. As a decentralized energy specialist, Veolia provides energy solutions offering high added-value and cost-effectiveness, while delivering superior results in terms of availability, quality and environmental performance.

### WASTE SOLUTIONS FOR INDUSTRY

Common waste solutions for industry include:

- waste handling and waste disposal;
- dismantling sensitive facilities;
- soil remediation; and
- waste to energy.

*Liquid and solid, non-hazardous and hazardous waste treatment*

Our services aim to provide clients, both municipal and industrial, with the safe treatment of waste through physicochemical treatment, incineration or landfill disposal.

*Decommissioning*

The process of decommissioning industrial facilities and mobile objects (aircraft, ships, trains and oil platforms) at the end of their

working life poses economic, health and environmental challenges that require two complementary forms of expertise mastered by Veolia: the ability to decommission and deconstruct a site or object for easier management, and the ability to recycle the resulting waste and clean up ground pollution.

### WATER SOLUTIONS FOR INDUSTRY

With more than 350 proprietary technologies in water engineering alone, we can respond to issues that span the entire spectrum of water treatment, including drinking water, potable water for F&B processes, industrial process water, ultra-pure water, wastewater and seawater handling.

For industrial clients, common solutions include:

- industrial water eg deionized water for chemical facilities;
- high grade potable water eg water as a food ingredient ;
- specialist water eg ultrapure water for semiconductor manufacture;
- cooling water;
- wastewater treatment, including hazardous waste and emergency management;
- wastewater recovery.



**VEOLIA IN ACTION**

**SUPPLYING MORE THAN OPERATIONAL EXPERTISE**

With experience spanning more than 55 years, Hongwon Paper is a main player in the printing paper market of South Korea.

Veolia operates and maintains the boiler and auxiliary facilities at its site in Pyeongtaek City to supply up to 330,000 tonnes per year of steam to Hongwon Paper and other end users in the area.

Veolia not only supplies technological and O&M expertise, but also supports Hongwon Paper in its commitment to continuously improve the environmental performance of its activities and Health & Safety conditions at its sites.



**VEOLIA IN ACTION**

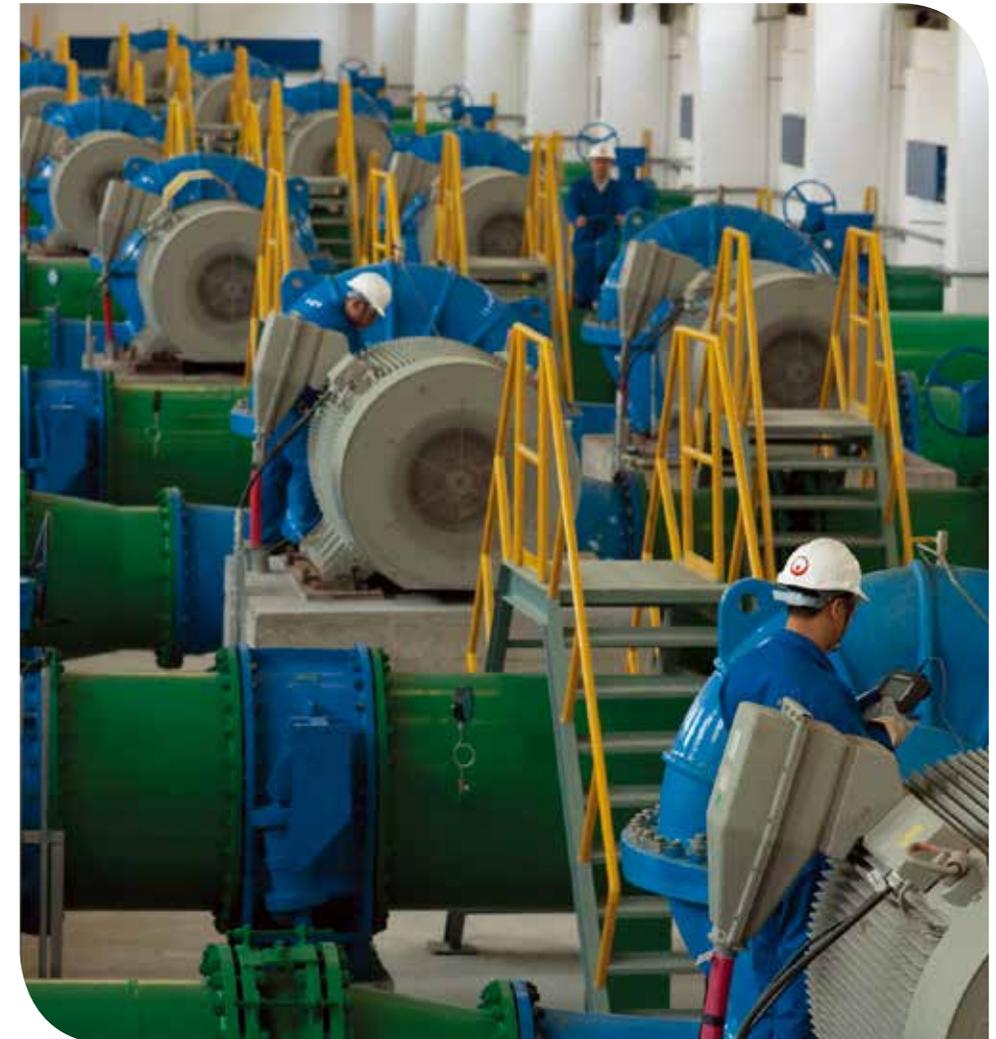
**SERVING ONE OF CHINA'S LARGEST CHEMICAL PLANTS**

Working as a trusted partner through a dedicated joint venture, Veolia teamed up with one of China's largest chemical firms, Tianjin Soda, to provide all water services for its facility in Tianjin.

The joint venture provides wastewater treatment, de-ionised water for boilers and cooling water from freshwater and

seawater for the plant's processes.

Constant technical improvement and high quality preventive maintenance have led to outstanding contract success. With the water regulations in China ever tightening, the customer appreciates Veolia's culture of constant improvement and dedication to finding new ways to improve efficiency.



## WORKING WITH CITIES

In an increasingly populated and urbanized world, cities have to manage quality water, waste and energy services intelligently, innovatively and often within restricted budgets. Veolia provides solutions from basic environmental services to full-scale water utility and waste management for cities of millions.

**A** historic partner of cities for more than 160 years, Veolia is reinventing its approach to traditional markets with an increased focus on linking performance into partnership contracts.

We are developing technological, financial and social solutions to improve quality of life for citizens, save and replenish resources, and reduce the ecological footprint of regions. We have also developed a strong reputation for improving utility working conditions, worker health and safety, business management and customer service in the cities we operate.

In many countries around the world, particularly in China, Veolia has pioneered the public-private partnership (PPP) approach with municipalities who wish to retain control over essential utilities yet appreciate the high quality service and expertise Veolia can bring to the partnership.

### WATER FOR CITIZENS AND CITIES

Our mission involves producing the highest quality drinking water and collecting and treating wastewater for safe discharge or recycling. Veolia's experience covers the whole water

cycle, from collection to discharge, together with network and customer management, to meet the needs of cities around the world.

#### Water technology

Veolia treats water and monitors its quality at each stage in the water cycle, from the extraction of the natural resource through to its discharge back into the natural environment. We innovate to reduce the amount of raw water extracted and to encourage cities to recycle and reuse water.

#### Energy and materials recovery

Advanced wastewater treatment can also become a major source of clean energy. For example, methane can be captured and recycled to produce heat and electricity. Treated sludge is also rich in phosphorus and nitrogen, making it an excellent source of fertilizer. By harnessing these different clean energy sources, Veolia offers the option for water treatment plants to become more profitable and self-sufficient in terms of fuel and resources required for operation.

#### Water services, data management and smart utility services

Core concerns for local authorities and industries include optimizing the energy consumption of facilities,



improving operations and network efficiency to promote more sustainable use of water resources, reduce non-revenue water and ensure water meets the highest quality standards. This ongoing process of optimization requires extensive information, which is why advanced data management is also at the heart of the water services Veolia provides to customers.

#### *Customer service*

Guaranteeing the satisfaction of customers and the people who use public water and wastewater services is one of Veolia's strongest commitments.

The company strives to meet their every expectation and offers a range of services to enhance comfort and safety in their everyday lives. Technology such as integrated call centres, geographical information systems help utilities serve the customers while managing billing and customer account enquiries extremely efficiently.

#### **WASTE SOLUTIONS FOR CITIES**

Veolia specializes in the management of both liquid and solid hazardous and non-hazardous waste. Its expertise spans the entire waste lifecycle, from collection to recycling, in order to recover end products as materials and energy.

#### *Waste collection services*

Collection, the first stage in waste management, is increasingly becoming a question of logistics. Veolia is developing innovative solutions to make collection more efficient by limiting environmental impact and encouraging sorting at the source to increase recycling rates.

#### *Urban cleaning services*

Urban cleaning services play an important role in maintaining the attractiveness of cities. Urban areas that depend on tourism are particularly vested in maintaining clean streets and public spaces, and have come to see urban cleaning as a key factor in promoting their image.

#### *Liquid and solid, non-hazardous and hazardous waste treatment*

Our services aim to provide clients, both municipal and industrial, with the safe treatment of waste through physicochemical treatment, incineration or landfill disposal.

#### *Materials recovery*

The recovery of materials helps conserve primary natural resources by turning waste into replacement energy products. By developing recovery solutions that provide its customers

with certified secondary raw materials, Veolia has become the benchmark producer of renewable resources.

*Waste-to-energy*

Veolia supports the growing demand for renewable energy and, wherever possible, develops solutions to supply green energy to its customers.

*Separating waste flows*

The more similar waste is in terms of quality, the easier it is to recycle,

because more homogenous waste yields results closer to the original raw materials. For this reason, Veolia has developed innovative technical solutions to make it easier to identify, separate and prepare the materials in waste, and increase recycling and recovery rates.

**ENERGY SOLUTIONS FOR CITIES**

Today, Veolia provides exclusive expertise enabling companies and municipalities to optimize

the technical, economic and environmental performance of facilities such as buildings and heating or cooling networks.

*Heating and cooling networks for a beautiful urban life*

As the global leader in heating and cooling networks, Veolia has unique expertise in their design, construction, operation and maintenance, in addition to extensive know-how in innovative technologies, managing

energy supplies – with a focus on renewables – and providing services to end users.

*Extensive services for energy-efficient buildings*

Buildings are major consumers of energy in the form of heating, cooling, lighting and hot water. Veolia develops energy services that enable building owners to reconcile occupant comfort with energy and environmental performance.



### VEOLIA IN ACTION

## ADVANCED MONITORING AND DRINKING WATER FOR THE ENTIRE SHANGHAI PUDONG DISTRICT

In 2002, Veolia signed China's first significant public-private partnership contract with Shanghai's famous financial and commercial hub Pudong. In the space of a decade, the water service of Pudong became a platform of global expertise, implementing the most innovative technologies to manage drinking water systems. Today it serves over 4.2 million people covering the management of the entire drinking water service, handling 1.6 million m<sup>3</sup> of water every day.

The network management system is world-class, covering a network 4,600 km long. Veolia operates and monitors the network in real-time, dividing the network into 34 sectors and relying on over 400 sensors to display pressure and quality data. Operators and management can view all facilities with technical specifications with ease, while the system is fully integrated with the utility's customer relations centre.

**VEOLIA IN ACTION**

**COOLING NETWORK IN HONG KONG**

Veolia and its partners were awarded a contract to design, build and operate the first public district cooling system in Hong Kong's Kai Tak Development project.

Located on the former Hong Kong airport reclamation, with a total planning area of over 3.2 million m<sup>2</sup>, the new Kai Tak Development will be a regional hub based around a new cruise terminal, with offices

and commercial property to rival the existing central business district.

Two cooling plants, using sea water as the heat rejection medium, will be installed with a total cooling capacity of 284MW, supplying cooling for around 1.7 million m<sup>2</sup> offices, malls, hospitals, schools and the new cruise terminal.

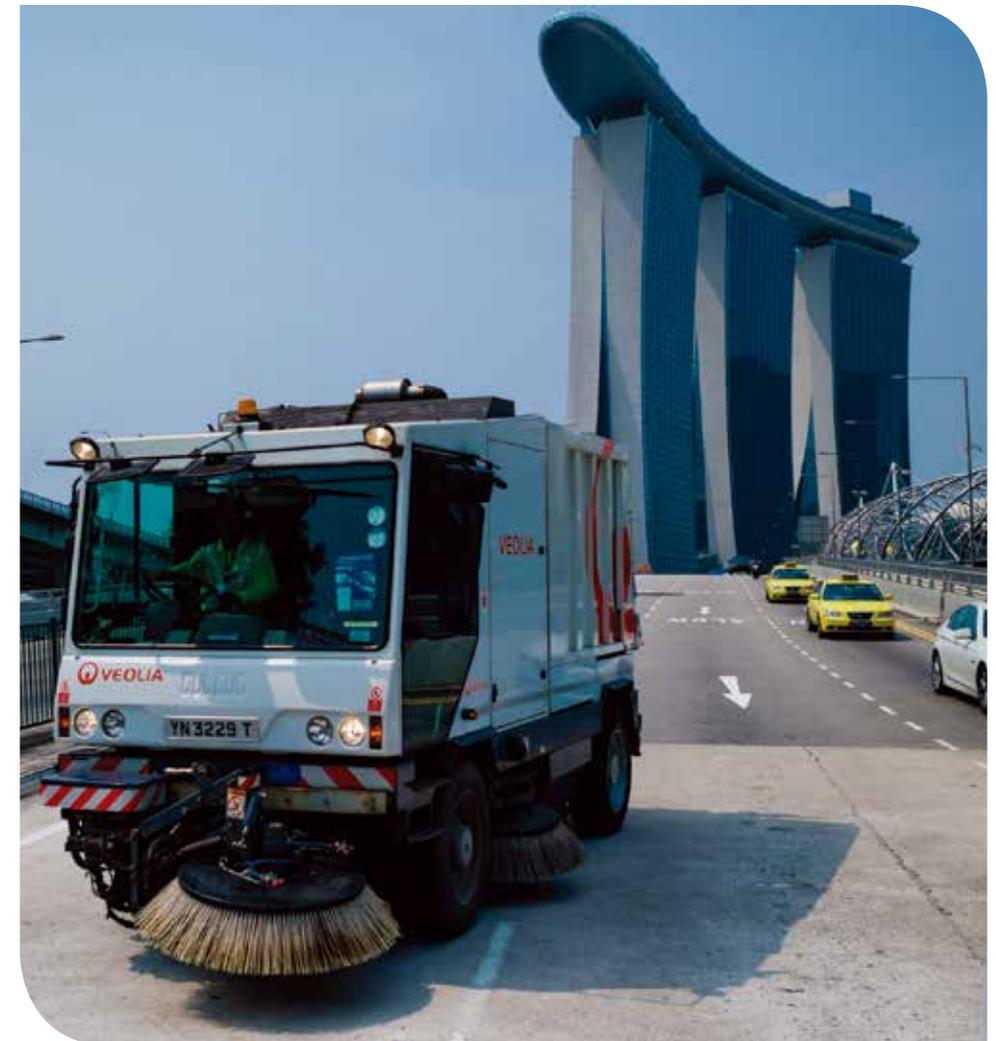


**VEOLIA IN ACTION**

**SINGAPORE BEAUTIFUL**

In 2013, the National Environment Agency (NEA) issued two tenders for public cleaning services for the Central region (Central-South & Central-North). The NEA sought to improve efficiency through a new approach, using integrated public cleaning services under one specialized contractor. Both contracts were awarded to Veolia and began in 2014.

Through these two contracts, Veolia provides for mechanical sweeping of public roads, pedestrian thoroughfares, footpaths and overhead bridges. Veolia also ensures drain cleansing, canal flotsam removal in major canals leading to Singapore's rivers, and estate management for public car parks, vacant land, parks and electrical substations.



# CULTURE IN ACTION: SEVEN AREAS OF LEADERSHIP

Showcasing the breadth and depth of its expertise, Veolia has identified seven sectors where resource-strain is driving powerful innovation and opening up new opportunities for environmental services. We are proud to provide the benchmark solutions.

## 1. CIRCULAR ECONOMY

The circular economy is already a reality. Industrial companies and local authorities are starting to produce alternative resources from existing processes and local supply loops are emerging.

### VEOLIA IN ACTION: BIOGAS FROM WASTE



In Plessis-Gassot, France, we recover 950,000 metric tons of non-recycled waste. By capturing waste biogas, we produce enough electricity to power the equivalent of 41,200 households with electricity and almost 3,000 households with district heating. Heating bills are over 90% lower than oil heating.

## 2. MINING INDUSTRY

For economic, regulatory and environmental reasons, mining effluent treatment is a major challenge which must be tackled. Our solutions help mines reduce water use while offering a bonus in the form of residual mineral recovery.

### VEOLIA IN ACTION: MINING EFFLUENT YIELDS MINERALS

For Iberpotash, a potash producer, we have significantly reduced water consumption at its mine in Spain's arid Suria area and we recover residual minerals from the solid waste.

### 3. FOOD AND BEVERAGE INDUSTRY

The world's leading industrial sector, with great potential for even small increases in efficiency industry-wide to have a huge global impact. The rapid growth in global population and food demand brings many challenges to the food industry to raise standards and reduce its ecological footprint. Veolia works with leading F&B facilities to bring them cost-effective and innovative solutions.

#### VEOLIA IN ACTION: BIOENERGY FROM MARS GROUP EFFLUENT



In the Netherlands, for the Mars Group, Veolia is transforming the wastewater from the world's biggest confectionery production plant into bioenergy and reducing the plant's energy bill by 10%.

### 4. OIL AND GAS

The oil and gas industries sit at the crossroads between major regulatory, societal, economic and operational challenges. Veolia helps ensure extraction is handled in an environmentally friendly manner

#### VEOLIA IN ACTION: REDUCING WATER IN OIL EXTRACTION

Veolia is partnering with Shell at its Carmon Creek (Canada) site to extract non-conventional oil deposits without impacting on the local water resources. Our plant manufactures the steam needed for the extraction process and ensures a recycling rate of 99%.

### 5. DISMANTLING INDUSTRIAL FACILITIES

The world's hugest machines — passenger liners, trains and oil platforms — have nowhere to go at the ends of their lives. Veolia provides complete solutions for complex situations while guaranteeing the highest standards.

#### VEOLIA IN ACTION: OIL RIG RECYCLING



Located in Scotland, our Greenhead base safely dismantles platforms onshore and recovers around 99% of the waste. In the coming decade, 600 offshore North Sea platforms will need to be dismantled.

### 6. DIFFICULT-TO-MANAGE MATERIALS

Low-level radioactive waste, chemical products and hydrocarbon derivatives are hazardous for human health and the environment. High level expertise and non-standard equipment are needed for their treatment.

#### VEOLIA IN ACTION: DEADLY STOCKPILE DECOMMISSIONED



At Veolia's Ellesmere Port (UK) facility, we are helping destroy Syria's stock of chemical weapons. 150 metric tons of chemical agents will be neutralized at this facility.

### 7. INNOVATIVE SOLUTIONS FOR CITIES

Constantly growing in size yet coming under budgetary fire, cities must optimize the management of their public services. As a trusted partner of cities, we are inventing new, more efficient models for utility management.

#### VEOLIA IN ACTION: PARTNERSHIP SAVES THE CITY TREASURY

In Rialto, California (US), we developed a new distribution of water service roles which generated significant savings for the city treasury.



# COMMITTING TO SUSTAINABLE DEVELOPMENT AT EVERY LEVEL

Our mission of “Resourcing the world” translates into nine durable commitments to the planet, the regions and our employees.

## A. RESOURCING OUR PLANET

### 1. SUSTAINABLY MANAGE NATURAL RESOURCES BY SUPPORTING CIRCULAR ECONOMY

We create virtuous and eco-responsible cycles by recycling products, materials and energy, and reusing them for other production processes.

### 2. CONTRIBUTE TO COMBATING CLIMATE CHANGE

In our activities, we are committed to reduce greenhouse gas emissions through the development of innovative solutions. We aim to increase the energy efficiency of our facilities, the production and use of renewable energies and to improve recycling and reuse.

### 3. CONSERVE AND RESTORE BIODIVERSITY

We foster favourable conditions for the preservation and the restoration of species and their habitat by taking into account biodiversity issues locally and deploying initiatives for the ecological management of our clients' sites and our own.





## B. RESOURCING THE REGIONS

### 4. BUILD NEW MODELS FOR RELATIONS AND VALUE CREATION WITH OUR STAKEHOLDERS

We assist our partners and clients in applying best-practice sustainability policy, in particular through development of new contractual models including economic, societal and environmental performance as key performance indicators.

### 5. CONTRIBUTE TO LOCAL DEVELOPMENT

Veolia contributes daily to the dynamics of local development in the areas where it operates. We develop accessible and non-intrusive solutions to improve citizens' comfort and access to information, while optimizing resource management and the performance of our services.

### 6. SUPPLY AND MAINTAIN SERVICES CRUCIAL TO HUMAN HEALTH AND DEVELOPMENT

We commit to ensuring that everyone has sustained and equal access to essential services. Specifically, we encourage local policies targeting underprivileged populations or areas.

## C. RESOURCING OUR PEOPLE

### 7. GUARANTEE A HEALTHY AND SAFE WORKING ENVIRONMENT

We are committed to protecting our employees worldwide. We achieve this through innovation in preventive safety management as well as accident prevention expertise and cultural reinforcement on health and safety.

### 8. ENCOURAGE THE PROFESSIONAL DEVELOPMENT OF EACH EMPLOYEE

We have developed a comprehensive training and human resources policy based on skills acquisition, career development and the acknowledgement of our employees' performance.

### 9. GUARANTEE RESPECT FOR DIVERSITY AND FUNDAMENTAL SOCIAL RIGHTS

Our responsible employment policy promotes diversity and equal opportunities for everyone. We highly value social cohesion and stability within the company, and are attentive to the quality of social dialogue, especially during the creation of partnerships.



# WHAT TO EXPECT: VEOLIA'S CORE VALUES

Veolia's values are what drive our constant improvement. Five values guide each and every action undertaken, at every level and with every employee.

Veolia's values are what drive our constant improvement. Five values guide each and every action undertaken:

RESPONSIBILITY, SOLIDARITY, RESPECT, INNOVATION and CUSTOMER FOCUS.

These core values form the base on which our economic, social and environmental performance is built.

## 1. RESPONSIBILITY

Veolia intends to participate actively in building a society that is committed to sustainable development. As a key player in the field of environmental services, day after day we take responsibility for the general interest.

## 2. SOLIDARITY

At Veolia, we serve both collective and shared interests through our business activities. We apply solidarity to every relationship entered into with our stakeholders, by developing solutions which provide essential services for everyone.

## 3. RESPECT

Respect guides the individual conduct of all group employees and is expressed through compliance with

the law, ethical guidelines and the group's internal rules; as well as the respect shown to others.

## 4. INNOVATION

Veolia has placed research and innovation at the centre of its development in order to provide durable solutions and services to its customers, the environment and society.

## 5. CUSTOMER SERVICES

We aim for ever-greater efficiency and quality in our services, by listening closely to our customers and striving to exceed their technical, economic, environmental and societal expectations. Veolia upholds transparency and ethical rules that enable the building of durable relationships based on trust with all its customers.

To ensure that these core values guide the day-to-day actions of our employees, we have integrated them in the annual appraisal framework by which our employees' behaviour and performance is assessed.

# PUTTING PEOPLE FIRST: OUR HUMAN RESOURCES CULTURE

Environmental services is a people business. For Veolia, this means a “people first” approach and no compromises on health and safety.

**E**nvironmental services is a people business. For Veolia, this means a “people first” HR approach and no compromises on health and safety. We are committed to creating a desirable working environment which favours the well-being and development of all our staff.

## THE SIX PILLARS OF OUR HR POLICY

### 1. SOCIAL DIALOGUE

We encourage open dialogue with our employees. By enabling them to express their ambitions, ideas and concerns, we can better support their development.

### 2. TRAINING

Training is second-to-none, with training delivered by experts from Veolia at our regional Training Centres and Veolia Campuses throughout the world.

### 3. CAREER DEVELOPMENT

Veolia actively engages in identifying talent and suggesting career growth possibilities. We believe all employees should benefit from opportunities that could motivate and enrich them professionally.

### 4. MOBILITY

Mobility is an opportunity for employees to change job functions or regions within the Group, enabling them to enrich their skills and broaden their experience. It also fosters the transfer of talent from one project to the next, and ensures skilled and experienced managers run future projects.

### 5. HEALTH AND SAFETY

Veolia places the utmost importance on the health and safety of its employees. Raising and maintaining safety standards is a top priority. We provide theoretical and practical Health & Safety (H&S) training and other initiatives to all our employees and contractors. We encourage the sharing of best practices, so solutions and lessons learned contribute to constant improvement.

### 6. DIVERSITY

Diversity in our workforce is an integral part of our Group identity. We believe it is a major asset in our ability to be successful. Veolia’s global HR policy promotes gender diversity and career paths as a source of innovation and performance for our customers, employees and for the countries in which we operate.

## THE MANAGEMENT TOOLS BEHIND HUMAN RESOURCES EXCELLENCE

### THE ANNUAL APPRAISAL: ENCOURAGING OPEN DIALOGUE

Veolia encourages an open dialogue with its employees. One of the tools used to encourage this is the Annual Appraisal, practiced throughout all our organisations and joint ventures and applicable to all staff.

This one-to-one meeting takes place between the employee and his/her immediate supervisor every 12 months.

It consists of a structured and prepared dialogue which makes it possible to discuss the employee's duties and objectives, evaluate the employee's achievement of past objectives, and discuss the employee's short and long-term development.

Employees may express their training needs and mobility wishes during the Annual Appraisal.

### HIGHLY TAILORED TRAINING APPROACH WITH COMPETENCY BASED MANAGEMENT

Employees at Veolia follow a Competency Based Training (CBT) approach to identify their training needs. This system is highly personalised and ensures every person is well trained for their role, no matter their background or qualifications. It also gives employees a very clear training path for their desired future career development goals.

There are two elements to the CBT approach: measuring employee competencies; and identifying competencies necessary or desirable for each job role.

The CBT approach covers over 400 competencies. These are divided into 30 categories covering management, technical and general skills. This set of competencies has

been developed by Veolia based on decades of experience on the skills required for a full range of jobs in environmental services such as waste, water and energy.

Under CBT, each employee is required complete a Competency Assessment with his or her supervisor at the time of their Annual Appraisal. The Competency Assessment involves the employee self-ranking a score in each competency required for the job. This scoring then discussed with the supervisor, who will approve training programmes as a result of the competencies highlighted as requiring training. This ensures that training is fully tailored to the needs of each individual.

### THE SOCIAL REPORT: UNDERSTANDING HR PERFORMANCE THROUGH REPORTING

The Social Report provides employees and management extensive knowledge of the Group's social performance. It covers essential issues such as:

- headcount, composition and variation;
- job mobility and promotion;
- training;
- working hours; and
- health and safety.

Such reports add to the transparency of the organisation and ensure a full, open and honest working environment.





## VEOLIA GLOBAL TRAINING IN 2014



### TRAINING AS A DRIVER OF PERFORMANCE

In order to serve as a model of excellence in employee relations, we offer our employees the resources they need to achieve their professional goals and increase their knowledge and expertise in environmental services.

The challenges related to training are threefold:

- our employees' skills must be upgraded constantly, as environmental services evolve rapidly and grow more complex.
- we have to anticipate future needs by training employees in the use new technologies; and
- quality career development must be promoted within the services.

Our training policy is a driver of the company's overall performance. It prioritizes the development of professionalism and helps forge our corporate culture. Open to the wider world, our training policy aims to reflect local needs and help solve the public challenges of employment.

### THE PRINCIPLES OF VEOLIA'S TRAINING POLICY

#### *Lifelong training for all*

We offer training to all categories of staff – with a special focus on employees in the field – from the time of hire to the end of their careers.

Courses are offered both for new employees, as part of initial training, and Veolia staff interested in validating their career experience by earning recognized credentials.

#### *Training recognition*

Skill recognition is an important part of training at Veolia. Recognition, in the form of diplomas or other certificates, is a source of motivation for our employees, as it increases their employability. For our HR management, it also helps set measurable and comparable standards of competencies.

Newly acquired skills are certified by diplomas specific to each occupation and recognized by the local authorities in the countries where they are awarded and by professional organizations involved in the training process.

Our work-study model enables trainees to

immediately put what they have learned into practice, and to enhance their expertise with the help of a network of internal mentors.

*Veolia Trains Veolia*

Veolia has a wealth of experienced employees in all fields in which we operate. To ensure that this expertise is transferred, the company embraces the principle of “Veolia Trains Veolia” where internal experts have the opportunity for teaching and transferring their experience to other employees.

Subjects range from technical to functional, and are taught according to local needs. In China for instance, the pool of experts includes an increasing number of local employees who have been developed as trainers in order to ensure effective training directly in Chinese.

To ensure the execution of the “Veolia Trains Veolia” principle, the Veolia Learning Team organizes a range of training programmes exclusively dedicated to trainers. One of the key programs is the Train The Trainer (TTT) series. It aims to improve internal professional trainers’ ability to run effective training programs, and focuses on equipping them with all-round training knowledge and skills, from design and delivery of training sessions to evaluation of effectiveness.

*A global network of campuses and partnerships*

First created in 1994, Veolia’s network of Campuses and training centres now spans 11 countries and 20 sites, offering our own global skills development platform.

Campuses and training centres account for 76% of “core business” vocational training hours, providing training in the key skills necessary to Veolia’s growth.

Our campuses are not only responsible for providing training options for companies, they also lead internal training networks, increase local team professionalism and develop an ambitious partnership policy

*Training locations in Asia*

Training is organized at local plants Veolia’s specialized training centres. Each training centre is part of our international network and delivers training that is adapted locally. The establishment of these centres supports the international development of our operations.

There are 3 training centres in Asia, including:

- Located in South Korea, the Industrial Technical & Training Centre is dedicated to industrial services. It is equipped with integrated water quality laboratory and pilot plants specialized in industrial treatment.
- The Veolia Campus in Shanghai, China, is a multi-purpose training centre hosting regional training programs.
- The Technical Training Centre, located in Changzhou, China, is dedicated to learning and development in drinking water activities. With its own pipe network incorporating pipes of different material and diameters – representative of the networks within Veolia’s projects in Asia.

**TRAINING PROGRAMS FOR MANAGERS IN ASIA**

*Management Development & Leadership Framework*

Veolia Asia provides a tailor-made management development training framework called the Management Development & Leadership Framework (MDLF).

MDLF focuses on developing the skills required by managers as they progress in the company, introducing managerial practices to correspond with their expanding roles.

Based on the managerial and leadership competencies in the Veolia Asia Competency Model, MDLF is classified into three key areas: Managing Self, Managing & Leading Others, Leading Business.

*Study and Training Expedition for Asian Managers*

STREAM is a corporate leadership program developed in partnership with the Veolia Campus in Lyon and the EM Lyon Business School. It aims at providing extensive understanding of Veolia Operations and the management issues in Asia as well as in France.

Lasting 18 months, there are total of 5 modules in the program. One module is taken in Lyon, while the rest take place in Asia.

Topics covered include operations, finance, team leadership, project management, risk management, carbon footprint, communications, customer services and strategy. The program also comprises site visits to Veolia facilities.

*Veolia Talent Programs*

Each year, managers from Asia attend the Talent Programs, a high quality program which brings together managers from all Veolia activities worldwide.

It aims to prepare future senior executives to take up strategic positions in the Group, by helping them improve their managerial skills and developing their internal network.

The program is threefold, and includes:

- strategic planning, in partnership with Wharton, University of Pennsylvania;
- leadership, in partnership with Babson College and IMD Business School; and
- entrepreneurship, in partnership with IMD Business School.

*Executive Seminar*

The Executive Seminar is a corporate training initiative run by Veolia Campus.

Overseen by the Chairman, CEO and Executive Committee, the program targets the Group’s senior executives and those identified by the Executive Committee members as having outstanding potential. The Seminar contributes to the development of an active international network of senior executives around the Group, and fosters a broader understanding of Veolia’s strategy, objectives and diverse activities.

Potential senior executives from all over the world are offered the opportunity to see how firms in other industries, even far-removed from ours, tackle issues we share with them, and thus transfer this insight to Veolia.





**NO  
COMPROMISE:  
HEALTH &  
SAFETY**

Veolia regards health and safety as a top priority. A third of all training hours in 2014 focused on health and safety, for example, and Veolia has pledged to provide even better protection going forward.

**O**n July 1, 2013, Veolia signed the Seoul Declaration of the International Labour Office (ILO) in Geneva, recognizing the fundamental human right to a safe and healthy workplace.

As part of its commitments, Veolia promotes the continuous improvement approach to Prevention, Health and Safety advocated by the declaration, trains stakeholders and fosters employee-employer dialogue on the issue.

The company adopts a preventive approach, with a safety audit at the beginning of every contract, a “near miss” recording tool, as well as strong cultural influences and appraisal metrics to ensure take-up of health and safety code. Our clients, employees and their families appreciate our strict no-compromise approach to protecting our workforce and the safety aboard our all projects.

**VEOLIA'S COMMITMENT TO IMPROVING PREVENTION, HEALTH AND SAFETY**

Improving health and safety at work benefits both our company performance and the well-being of our employees. The aims of our health and safety initiatives are to support the efforts already underway and involve employees at every level of the organization as well as outside stakeholders.

In addition, innovative on-site health and safety practices are regularly identified and implemented within the company, often at a project level, underscoring how safety permeates every aspect of our employee relations policy. Two of these recent practices have been recognized by Social Innovation Awards.

### MEASURES ADOPTED TO SUPPORT THIS INITIATIVE

The following measures are systematically implemented and locally adapted to increase preventive awareness and enhance risk prevention:

- worldwide dissemination of H&S policies and standards;
- H&S audits and regular inspections;
- constant monitoring followed by corrective and preventive actions;
- promotion of near-miss reporting;
- H&S trainings and conduction of emergency drills ;
- yearly H&S week and H&S campaign;
- best H&S practices sharing scheme; and
- safety in construction.

### RIGOROUS HEALTH AND SAFETY ACROSS ASIA

Raising safety standards in Asia is a constant focus for Veolia. To ensure all employees and contractors benefit from safe working conditions at all times, we have adopted a rigorous preventative approach to the management of H&S throughout the entire region.

1. **H&S audits** are conducted at the very beginning of each contract. The safety audit report includes a clear description of risk factors and the required corrective actions. Site inspections are also regularly carried out.

2. **An Occupational Health and Safety Management Manual** has been established and distributed to all managers in Asia to define H&S objectives and standards as well as their roles and responsibilities in maintaining these standards.

3. Veolia asks all its projects in Asia to perform **self-assessments** twice a year, to confront

their safety conditions to more than 200 H&S criteria established by the Group and covering both technical and managerial aspects of H&S. Performance indicators are regularly released to assess the progress.

4. Veolia's **cross-audit scheme** was first introduced in 2010 in China. It now involves around 30 project sites – drinking water, wastewater and industrial. A pool of internal H&S auditors, who have all received accredited OSHAS 18001 internal auditor training, has been established with one or two employees per project.

They inspect the H&S conditions of other projects in China with fresh eyes. The scheme presents a great opportunity for the sites to learn from each other and helps them detect potential improvement in their H&S conditions.

### EMPOWERING STAFF TO ACT FOR THEIR OWN SAFETY

According to health and safety best practice, Veolia believes employees on the frontline may have unique insights about the immediate safety risks associate with their role.

We therefore encourage employees to report the potential risks associated with certain job positions or tasks.

'I See I Act' is a system developed by Veolia to encourage staff to report unsafe behaviours or unsafe conditions. It is based on a monthly reward scheme for the best hazard report, corrective action or H&S initiative.

We have introduced the concept of 'Near-miss' to all our operations. A near-miss is a work incident which does not cause any injury to people but has the potential to do so.

The innovative "near-miss" concept is rigorously followed by Veolia, encouraging frontline workers in all our operations to report all the incidents and occurrences that almost resulted in injury. Encouraging the reporting of "near-miss"

incidents helps the company and staff to evaluate potential hazards in the workplace and prevent an actual incident of that type from ever happening.

Corrective and preventive actions are implemented and followed-up to prevent re-occurrence and to share the lessons learnt from these incidents throughout Asia.

### DELIVERING SPECIFIC H&S TRAINING

Health and safety trainings cover a

comprehensive range of topics, such as chemical usage and storage, H&S on construction sites, first aid, working at height, safety risk management, working in a potentially explosive atmosphere, for example.

Employees are trained either on-site or in one of the Veolia Technical Training Centres in Asia. These specially-equipped centres allow trainees to practice safe techniques such as confined space entry or chemical handling.





### RAISING EMPLOYEES' H&S AWARENESS

Communication is an essential part of instilling a health and safety culture. Veolia has invested in several key communications channels to keep the concepts of a safe workplace at the forefront of employees' minds.

An H&S Handbook has been developed and distributed to every operator. It explains in a very simple and visual manner the safety rules in 35 different job settings, such as chemical handling, confined space working or HV electricity operations. The pocket-size makes it convenient for operators to carry with them on-site, and the guide is a popular reminder of the basic safety steps.

Regional H&S campaigns have been launched on a yearly basis. They focus on a specific topic, such as the importance of wearing personal protective equipment (PPE), healthy living, hand washing and incident/near-miss reporting.

Every year, an H&S week is organized across our sites in Asia to raise employees' H&S awareness through fun and innovative ways. Activities include H&S contests, quizzes and games, seminars and safety drills.

### SHARING BEST PRACTICE TO SPREAD H&S CULTURE

Sharing of H&S best practices is instrumental in propagating a preventive safety culture.

Veolia has launched a series of initiatives in Asia to make sure that best practice and lessons learnt from our many projects are shared between all projects in the region.

An H&S network, based on specialized and operational H&S correspondents, has been created to disseminate information and best practices throughout the region. Should a significant incident occur within one of our projects, or even in another company performing similar activities, a safety alert is issued and disseminated to our projects in Asia.

A Veolia H&S awards ceremony is organised every year to reward the best H&S initiatives in Asia. Each project is required to submit at least one H&S best practice or initiative.

Following the awards ceremony, a best practices catalogue is distributed to further share the best initiatives. Each project is required to pick one idea for on-site implementation, spreading the good work further and supporting group-wide best practice becoming commonplace.



## EXTENDING SAFE PRACTICES TO SUBCONTRACTORS

Veolia strives to ensure the health and safety of everyone working on-site, which includes external personnel from subcontractors.

The company has strengthened subcontractor management in a number of areas, including:

- subcontractor investigation
- evaluation and selection
- regular on-site safety audits and
- the incorporation of H&S agreements into contracts.

### CONDITIONS FOR CONTRACTORS

A 'Conditions for Contractors' package has been developed, detailing every aspect of Veolia's safety management on-site. Before contractors can begin working on-site, they must understand and agree these strict conditions. As a safety measure, electricity isolation can only be performed by specifically-trained Veolia operators.

Subcontractors are also required to have relevant work permits (e.g. electrical work, confined spaces, work at heights etc.) prior to starting work, and are supervised to ensure compliance with the company's H&S policies.

H&S training is also organized for subcontractors before starting work at any Veolia project, to ensure they understand the requirements and policies for safe operations.



## VEOLIA IN ACTION

### IMPLEMENTING A CONTRACTOR MANAGEMENT SYSTEM TO PREVENT H&S PROCEDURES VIOLATIONS IN INDIA

In Nilothi, Veolia is currently building an advanced wastewater treatment plant. Due to the presence of external contractors on-site, infractions to H&S standards were observed on a regular basis, despite regular reminders of procedure. In 2014, a Contractor Management System was adopted at the Nilothi project. The solution was based on the careful selection of pre-assessed service providers and the inclusion of a Safety Agreement in the contract.

The Safety Agreement includes:

- checking of personnel qualification and work permits;
- providing H&S training and risk assessment to all the workers employed by the contractor;
- regular inspections to track non-conformities;
- a penalty to be deducted from the contractor's payment in case of H&S procedures violation; and
- an annual work review before work commissioning.

As a result, contractors showed a noticeable improvement in safety awareness and healthy working practices. The system also allowed a contractor database to be put in place, with reference to H&S information, and support future decision making.



# ADDING VALUE: OPERATIONAL EXCELLENCE

The foundations for Veolia's operational performance are our people and our shared objectives... plus state-of-the-art standards, benchmarking and best practices.

## OPERATIONAL EXCELLENCE

BEST PRACTICES

GLOBAL CENTRES OF EXCELLENCE

BENCHMARKING

VEOLIA STANDARDS

**V**eolia's culture reinforces an ethos of excellence. By encouraging initiatives to boost efficiency and translating innovative ideas into deployable solutions, we ensure the continuous improvement of our customer's operational performance. For example, all managers must submit an annual performance improvement plan, supported by a global benchmarking of projects worldwide. With this culture, Veolia customers join a high performance international network of technical expertise and experience. Information, skills and solutions are dynamically shared throughout our network, supporting success for our customers with the most competitive and sustainable engineering available.

## WORLDWIDE EXPERTISE

Our “Centres of Excellence” initiative bring expertise to each of our customers worldwide.

The Centres of Excellence are based around people, world-class experts and experienced operations managers who systematically implement our performance-oriented approach towards operations.

The Centres of Excellence hold expertise in key business activities: wastewater treatment; solid waste incineration; drinking water networks; cooling water; landfilling; sorting and recycling; hazardous waste, to name a few.

## SHARING VEOLIA’S COMMON VISION AND CULTURE

With the support of our Group Technical and Performance Department, the Centres of Excellence promote a common methodology and central expertise throughout the world. They help operational managers to identify the best ways to search for efficiency in our projects globally.

## LOCAL PERSPECTIVE

Each zone we operate has at least

one Centre of Excellence. Based on centralized operational data, local analyses and feedback from projects in the area, we are able to provide local expertise and operational excellence to our customers.

## BEST PRACTICES FOR CONTINUOUS IMPROVEMENT

Sharing Best Practices is a major element of continuous improvement behind our operational performance. Every replicable operational practice which can improve performance, such as a method, tool, equipment or organization, is considered a Best Practice. Best Practices are regularly updated and shared through our network of managers to benefit our clients and further improve their operational performance.

## A GLOBAL BENCHMARK

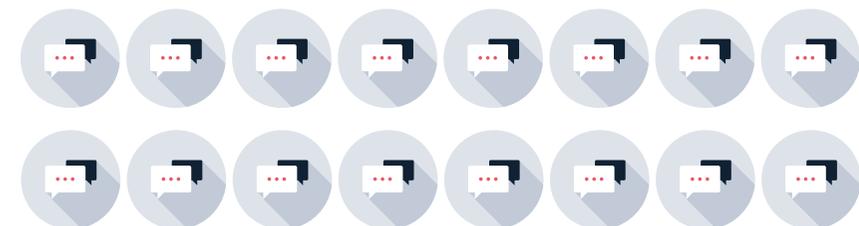
To provide standardised levels of operational performance worldwide, Veolia has established global performance standards to support operational managers. These standards highlight all mandatory principles and requirements which

## 25 Centres of Excellence



## 16 Centres of Excellence Communities

covering every Veolia activity



must be implemented locally and monitored closely.

Key performance factors and their associated indicators are reviewed yearly, on a country and global level. The benchmarks also document success stories, factors behind successful progress, and explanation of major discrepancies against reference values.

Managers can assess the performance of their project compared to Veolia's global standards and against similar projects within and outside the region.

The benchmarks allow managers to identify adequate solutions for improving operational performance and to submit a performance improvement plan to customers.

#### **KRABI'S RECIPE FOR HIGH PERFORMANCE**

In 2010, Veolia's Asia zone launched its Key Relevant Annual Benchmarking Indicators (KRABI), covering Veolia's water activity.

The annual report compares all Asia water and wastewater projects, following 91 performance indicators categorized into 4 sections: drinking water facilities, wastewater facilities, drinking water networks and customer service.

KRABI is a valuable tool for operations managers to identify the areas

where there is room for operational improvement, and highlights which projects they may turn to for sharing of best practices and solutions.

Given the success of this local initiative, Veolia recently launched a global KRABI to benchmark the performance of all countries.

#### **BRINGING IT ALL TOGETHER: TECHNICAL AND PERFORMANCE PLATFORM**

The Technical and Performance Platform brings together all the Veolia Standards, Benchmarks and Best Practices, and allows all documentation to be shared and viewed by our managers and Centres of Excellence worldwide.

The platform also allows managers to easily enrich the database from a straightforward interface, while they may also collaborate actively in forum exchanges and bring new ideas to the platform's growing community.

This dynamic International Technical and Performance network is a true Veolia advantage, supporting operational excellence in all our projects.

# ECO- INNOVATION

*“Without innovation in the clean tech space, there can be no green growth”*

- Veolia Innovation Accelerator participant

As part of the drive to provide sustainable responses to resourcing the world, Veolia develops innovative technologies, creates alternative solutions and designs efficient ways of using resources to promote new growth in better harmony with the environment.

Eco-innovation – with a focus on the needs of the customers – has always been central to our group’s strategy.

Veolia believes innovation is the key to manoeuvring our world towards a more sustainable future. Examples include creating smart cities, turning bio-resources into energy, promoting alternative forms of consumption and building new economic models. In the

industrial sector, innovation allows customers to achieve their goals while reducing their ecological footprint and staying a step ahead of ever-tightening environmental regulations. Innovation also provides solutions tailored to specific challenges: wastewater treatment and recovery; the development of high-performance treatment systems for industrial process water; monitoring and treatment solutions for atmospheric emissions from sites; treatment of solid waste; maintenance, cleaning and materials recovery solutions for facilities; energy performance in industry.



## A NETWORK OF RESEARCHERS SPURRING INNOVATION

Rising to the challenge of resource scarcity in the face of growing demand hinges on the creation of circular environmental services that span all of these fields.

In the face of resource scarcity and growing demand, environmental services cannot work in silos. The challenge is to create interlinked services and technologies which span not only their own field but support sustainable water, waste and energy

Veolia has put its expertise to work in meeting this challenge. We draw on a network of expertise comprising seven research centres worldwide, along with 850 researchers and developers and focused on four key goals:

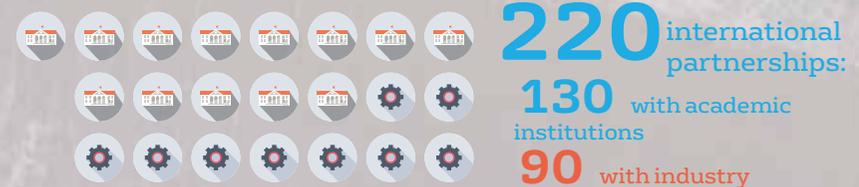
- protecting resources;
- reducing any impact on the natural environment;
- curbing greenhouse gas emissions; and
- ensuring sustainable management of urban development.

Significant intellectual and financial resources are needed to create and test new technologies for the circular economy, and then to implement them on an industrial scale. To pool resources, share knowledge and bring new services and processes to customers more quickly, Veolia has established R&D partnerships with a number of leading manufacturers and universities.

We now have R&D partnerships in Australia, Canada, China, the Czech Republic, Denmark, France, Germany, Israel, Italy, the Netherlands, Poland, Saudi Arabia, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States.

These collaborative ventures reflect Veolia's ability to build bridges between various fields of human endeavour, supporting better ways integrate ideas, technologies and concepts. Through our approach, we turn ideas into real projects which will support the future.

## VEOLIA RESEARCH



### OPEN INNOVATION

***“In creating the Veolia Innovation Accelerator, the company has leveraged its position as a technology integrator to contribute to collective innovation and make it available to as many people as possible.”***

**– Antoine Frérot, Chairman and Chief Executive Officer, Veolia**

The nature of environmental challenges requires a technological leap forward in all related fields. The scale of the task demands innovation on every front.

Through the Veolia Innovation Accelerator (VIA) program, Veolia has established a solid position in integrating technologies to detect, assess and deploy the most innovative environmental solutions from the world’s brightest start-ups and innovating companies.

Since its inception in 2010, VIA has reviewed some 400 pioneering clean-tech solutions every year. Following a selection process, Veolia offers human resources, research infrastructure and operational facilities for most promising candidates to help them

develop their ideas into practice. Innovations and dreams become reality, as they are incorporated into products and services which Veolia provides to customers.

Take a small desalination start-up, for example, which, with Veolia’s support, was able to develop its technology to industrial scale – from its first commercial installation of 550m<sup>3</sup> per day to a major desalination project of 15,000m<sup>3</sup> per day in 2013. The the company was later purchased by an industrial conglomerate in 2014.

### VEOLIA IN ACTION

#### **RACE AGAINST TIME TO DECONTAMINATE WATER AT FUKUSHIMA, JAPAN**

Following the devastating natural disaster at Fukushima in 2011, TEPCO made an urgent request for help in treating highly radioactive water and contaminated soil at the site of damaged nuclear plant.

Due to its nuclear and water treatment expertise, an Areva-Veolia partnership was chosen to treat 250,000m<sup>3</sup> of contaminated water,

In less than 82 days, Veolia and its partner designed and installed a tailor-made and innovative solution that combined some of Veolia’s most advanced water treatment technologies with Areva’s radiation absorption reagent, and ensured the highest level of safety for operators.

The equipment was adapted to withstand high levels of radioactivity, avoid any discharge of radioactive water into the sea, and contribute to restoring a cooling loop based on salt water.

The solution was able to treat 80,000m<sup>3</sup> of dangerous effluent in just two months, and reduced the radioactivity of the contaminated water by a factor of 10,000.



# PROTECTION AND EQUITY: THE ROOTS OF CORPORATE SOCIAL RESPONSIBILITY

Veolia's Corporate Social Responsibility (CSR) philosophy is a natural consequence of our culture, sustainable development commitments and mission to resource the world.

**W**e believe in protecting the world's resources, and supporting equitable treatment of all people, whether they are citizens, customers, contractors or staff. We believe in fair business, transparent accounting, responsible purchasing, and in supporting our suppliers' commitments to their own CSR.

Veolia works with these beliefs on a daily basis by consistently monitoring our CSR performance. And just as we strive for continuous improvement in technology innovation and performance, we also have created a clear path for continuous improvement in our social responsibilities.

Our methodical approach to assessment and continuous improvement is backed by indicators measuring our performance in environmental issues, human resources, sustainable purchasing and community access to basic services.

## PROTECTING THE WORLD'S RESOURCES AND ENVIRONMENT

Our environmental performance quite simply springs from our commitment to customers to design and implement solutions which

optimize the use of resources. Protecting the environment is second-nature for Veolia.

Managing the risks and impacts of our operations is particularly essential. Our internal Environmental Management System (EMS) allows us to closely monitor our performance and, based on the analysis of 100 key indicators, implement relevant action plans to minimize emissions and pollution, and save resources.

This system, which has been implemented in all our businesses since 2002, enables us to set challenging, world-class targets and take the necessary steps to achieve them.

81% of the group's relevant revenue is reviewed by EMS, reflecting our commitment to monitoring and managing our environmental performance.

Based on the analysis of the environmental challenges faced by our communities, regions and people, we focus our environmental performance efforts on four key areas:

- combating climate change;
- reducing pollution and protecting health;
- conserving resources; and
- assessing, protecting and increasing biodiversity.

### COMBATING CLIMATE CHANGE

We have developed a number of tools to monitor and reduce our overall greenhouse gas emissions, including: day-to-day management; controlling emissions at facilities we operate; and the use of renewable and alternative energy.

Veolia is also working to minimize carbon footprints at customer sites.

In 2014, we improved carbon efficiency to the level of 22.1 million metric tons of CO<sub>2</sub> eq. avoided. This was largely the result of greatly reduced methane emissions at landfill sites in operation, material recovery, cogeneration, waste-to-energy conversion and energy efficient operation.

### REDUCING POLLUTION AND PROTECTING PUBLIC HEALTH

Reducing pollution and waste from our activities are ingrained in our business.

#### *Eliminating water pollution*

Veolia is the world's leading wastewater service management operator for local authorities.

- 59.6 million people worldwide benefit from our wastewater services.
- 6.4 billion cubic meters of wastewater collected.
- 5.8 billion cubic meters treated at the 3,338 or so urban wastewater treatment plants we operate.
- The excellent BOD5 efficiency rating of our wastewater treatment plants (95%) demonstrates their operational efficiency.

#### *Minimizing atmospheric pollution*

Veolia brings all its expertise to bear on minimizing the impact of its activities on air quality. SO<sub>x</sub>, HCl, dust and NO<sub>x</sub> emissions at incineration plants decreased

significantly. Supporting global equality, all our emissions, no matter which market we operate, are well below the limits set by the EU Industrial Emissions Directive.

Managing dioxin emissions associated with incinerated waste is also a priority for the company in terms of public health. Veolia's waste management business has adopted the strict regulatory framework laid down by the European Union as the benchmark for its performance worldwide.

#### *Improving drinking water quality*

Veolia deploys technologies to produce and distribute water of the highest quality.



From the point of withdrawal from the natural environment to the consumers' tap, drinking water quality is continuously monitored. Indeed, Veolia carries out more than 4.7 million bacteriological analyses every year.

### CONSERVING RESOURCES

Veolia deploys solutions combining technology, moderated use and improved efficiency to conserve resources, both in the exercise of our own activities and on behalf of its customers.

#### *Reducing water footprint with WIIX*

Veolia has developed technical solutions to help its customers control their impact on water resources.

The Water Impact Index (WIIX) is an indicator enabling businesses and local authorities to analyse and adjust their water resource management and use. It can be combined with a carbon footprint analysis and is applicable to both municipal water, wastewater services and industrial systems.

The WIIX tool has been deployed as part of dozens of municipal and industrial contracts worldwide, including in Asia.

#### *Minimizing losses in water distribution networks*

In many cities round the world, water leaks account for a significant amount of lost water. Not only is this wasteful of treated drinking water, but it represents waste in the energy and chemicals used to treat the water in the first place.

Worldwide, Veolia has tackled this problem with an intensive programme of monitoring, measurement and diagnostics. Leak

detection and repair and loss reduction programs are routinely offered to our customers. Veolia also offers complementary services, such as more efficient metering, optimized network pressure management. We can even help industrial customers identify leaks in their own processes to save them money and resources.

#### *Water recycling*

Recycled treated wastewater is an attractive alternative resource, placing less stress on natural water resources. In 2014, the volume of wastewater recycled by Veolia increased by 49% compared with 2011. In terms of volume, 291.4 million m<sup>3</sup> of wastewater was recycled in 2014.

### VEOLIA IN ACTION

#### USING WASTE FROM FOOD TO TREAT LANDFILL LEACHATE IN GUANGDONG, CHINA

The Foshan Gaoming Municipal Waste Sanitary Landfill is a key project of the province of Guangdong and the city of Foshan, handling waste generated by five different districts.

The natural decomposition of organic material, along with chemicals and liquids discarded at landfill sites results in landfill leachate. Landfill sites are equipped to collect, store and treat leachate to avoid any impact on the environment and ground water sources.

A carbon source is usually needed to support the denitrification process in the treatment of leachate. The carbon sources widely used at landfills generate health and safety risks or are not cost-effective.

At Foshan Gaoming Waste Sanitary Landfill, a safe and cost-effective solution was recently implemented. Waste from the food and beverage industry, which would otherwise be incinerated or disposed of at a landfill, is now used as a carbon source.

*Conserving energy resources*

Veolia is committed to improving energy efficiency in order to conserve energy resources. We also view the respectful and responsible use of resources as an absolute imperative. That's why 29% of the energy consumed by our facilities comes from renewable and/or alternative sources.

*Reducing raw material consumption*

Veolia is firmly committed to recovery and recycling, in particular through the development of systems to recover materials from the waste we process and from the by-products produced by our other activities.

In 2014, Veolia's waste management business processed 46.4 million metric tons of waste and recovered materials and energy from 31.3 million metric tons.

Veolia has a responsibility to develop innovative, efficient waste management technologies and solutions that foster recovery (source-separated waste collection, material and energy recovery,

agricultural recycling) and to make them available to local authorities and industry.

**ASSESSING, PROTECTING AND INCREASING BIODIVERSITY**

Treating wastewater, collecting and processing waste and managing energy resources responsibly are all activities which contribute to the preservation and development of ecosystems. Veolia is committed to going even further by helping to design ecosystem services and deploying initiatives and solutions aimed at protecting and strengthening biodiversity.

*Increasing awareness of biodiversity through monitoring and commitment*

In 2014, Veolia renewed its commitment towards conserving and restoring biodiversity. Our target for 2020 is to perform a diagnosis and deploy an action plan at all our sites identified as having crucial importance for biodiversity.

The process of assessing biodiversity and

preparing the associated ecosystem management action plans is monitored for Veolia's water and waste management businesses. For example, in 2006, Sinopec chose Veolia as its partner to improve the operation and maintenance of its wastewater system and to increase the capacity and efficiency of reclamation units at the Beijing Yanshan Petrochemical Complex (BYPC) in Yanshan.

Today, 60% of the treated water is reclaimed and reused on site, thus considerably reducing the impacts on the local environment. A nearby reservoir, Niukouyu, sources its water from the treated industrial and municipal wastewater of the petrochemical complex. In cooperation with the Niukouyu Ecological Center, Veolia regularly assesses the biodiversity potential and sensitivity of the site and its environment. Over the years, the Center has noted the reservoir is hosting an increasingly rich biodiversity, proof that the flora and fauna have benefited from the efforts made to preserve the environment on site.

**VEOLIA IN ACTION**

**30% REDUCTION IN FRESHWATER IMPACT IN SHENZHEN, CHINA**

In the Shenzhen Special Economic Zone, one of the world's fastest growing hubs of business and industry, Veolia and its partner serve 10 million people through full-water services contract. Veolia launched an action plan to reduce the impacts of wastewater treatment on local freshwater resources. An advanced phosphorus removal process was implemented at the largest wastewater treatment plant to improve effluent quality. The result: the Water Impact Index was reduced by 30%.



## CONTRIBUTION TO LOCAL DEVELOPMENT

Veolia customers understand social performance to be an important indicator of project success. We are fully committed to providing services which enhance regional appeal and competitiveness, backed by a community strategy operating on three levels:

1. Continue to develop access to utility services;
2. Develop transparent and constructive relationships with stakeholders; and
3. Support local economic development based on targeted partnership approaches with government and industry.

## EXPANDING ACCESS TO SERVICES

Veolia's sustainable development charter expresses its commitment to "Contributing to local economic and social development, and to meeting international goals for access to essential services."

This commitment is expressed in tangible terms in tenders the company submits in regions and countries where access to services is a major human development issue and a formal

requirement from the authorities.

Through its contracts with local authorities around the world, Veolia provides almost 94 million people with drinking water, 62 million people with wastewater services, 51 million people with waste collection services and more than 12 million people with heating services worldwide.

Veolia takes particular care to provide all customers with resources and services tailored to the specific characteristics of their neighbourhood. For instance, the company develops mediation programs aimed at disadvantaged users to avoid the risks associated with remote locations or poor use of services.

## CONTRIBUTING TO REGIONAL DEVELOPMENT

Veolia contributes to the economic and social development of the municipalities and regions we serve, both through the delegated public services we provides and the substantial investments we make to develop, maintain and repair infrastructure.

The majority of the company's revenue from ordinary activities (ROA) is "redistributed" to stakeholders such as its employees, suppliers and external service providers, local and national tax authorities, banks and bond investors.

## VEOLIA IN ACTION

### EMPLOYEE SATISFACTION IN CHONGQING, CHINA

Veolia provides cogeneration heat and power to more than 80 industrial factories within Chongqing (Changshou) Chemical Industry Park.

Until recently, employees had no channels to register their complaints or submit ideas on management and technical problems. This lack of communication discouraged employees from involving themselves in company life.

To remedy the situation, a company-wide round table conference was organized. Employees attended and were invited to voice their concerns directly to the General Manager, who addressed them during the meeting or shortly after. Complaint and suggestion boxes were also set up at different locations on site, the contents of which are now collected by Human Resources at the end of each month.

A survey has shown that the employee satisfaction rate has since risen to 70% and above since implementing these new communication channels. Given the success of the round table, the meeting was upgraded to a quarterly frequency.

Veolia aims to maintain the percentage of its spending reinvested locally above 80%. These funds are invested in innovation, training, recruitment and support for community projects.

#### *Playing a key role in employment and employability*

The company's management approach and human resources and purchasing policies make it a key player in employment and employability in the regions served. Veolia also plays a leading role in skills development, equal opportunities and welfare protection for its own staff and those of its partner businesses and organizations.

#### *Encouraging local integration*

Veolia companies are developing initiatives aimed at supporting workforce integration by prioritizing recruitment through work-study programs, partnerships between the Campus Veolia and "second-chance" schools, hiring disabled staff and supporting social reintegration programs.

### **MAINTAINING A CONSTANT DIALOGUE**

Veolia's efficiency, transparency and legitimacy is supported by on-going dialogue with stakeholders inside and

outside the company. Neighbourhood gatherings, meetings with elected officials and site visits are organized to support dialogue with various local contacts. Community management services are included in the responsibilities of local subsidiaries' sales departments. Their aim is to build relationships with residents, keep them informed about the services we provide and listen to their needs.

#### *Promoting quality employee dialogue*

Veolia strives to ensure productive employee-employer dialogue at every level:

- at company or site level, to discuss issues affecting employees' day-to-day lives;
- at country level, working with employer-employee information and consultation bodies on all areas of national importance;
- in business and industry forums; and
- at corporate level, in French and European offices and committees, representing 33% and 68% of employees.

### **SUSTAINABLE PURCHASING**

Our sustainable purchasing policy incorporates social and environmental concerns into the purchasing process and relations with suppliers.

#### **RAISING AWARENESS AMONG OUR PURCHASING TASKFORCE**

Purchasing officers are trained to consider the environmental and social implications of the company's activities and incorporate them into the management of their specific purchasing areas.

Social responsibility issues are included in training courses. Meanwhile, purchasing guidelines, such as the Code of Conduct and Supplier Charter, help purchasers make independent decisions on a day-to-day basis.

#### *Developing responsible purchasing*

Our purchasing officers' commitment to sustainable development motivates them to establish responsible purchasing practices.

Depending on their specific purchasing areas, they may favour quality labels, identify opportunities for eco-design, or promote responsible behaviours among contract users.

### **SUPPORTING SUPPLIERS' CSR COMMITMENTS AND PERFORMANCE**

Purchasing officers make sure that suppliers share the company's values on Corporate Social Responsibility. Since 2010, the company's Purchasing Department has implemented a comprehensive system to monitor its suppliers' corporate social responsibility performance.

#### *Carefully selecting our suppliers*

When Veolia issues a call for tenders, suppliers are sent a copy of the Supplier Charter, which sets out, among other things, the purchasing process, the company's commitments and what it expects from its suppliers.

#### *Fostering supplier commitment*

Since 2004, the contracts we sign with our suppliers have included a specific clause on sustainable development requirements. Purchasing officers use CSR risk mapping for each purchasing category to identify suppliers in the most exposed areas and implement any risk-management actions required, such as CSR evaluations of active or potential suppliers.

The results of CSR evaluations are used to initiate targeted improvement processes in conjunction with suppliers.

**VEOLIA IN ACTION**

**MEETING THE CHALLENGE OF “WATER FOR ALL” IN THE INDIAN SUBCONTINENT**

Nagpur is a rapidly growing city of 2.7 million inhabitants, including 800,000 slum dwellers who had scant access to water. Many inhabitants had access to tap water for only 30 minutes per day and were reliant on street vendors for their basic water needs.

Working with the City of Nagpur,

Veolia is implementing a new water network to deliver 24/7 tap water access to every household in the city.

Community engagement is paramount for the success of the project. A Social Welfare Team was created as part of the customer services team, charged with informing residents about the 24/7 supply scheme and proactively responding to slum dweller's questions and requests through door-to-door surveying. 10 local customer care centres were created to assist local residents, and a customer relations team was formed to meet with residents before and after work was performed in their neighbourhood.



**VEOLIA IN ACTION**

**PATROLLING FOR THE COMMUNITY IN JAPAN**

Jenets, fully-owned by Veolia Japan, specializes in customer services including invoicing and collection of water and wastewater bills, management and development of customer information systems, and meter readings for more than 20 million inhabitants, including some districts of Osaka and Tokyo.

Jenets extends its support into the lives and living environment of residents in the area it serves – as a Veolia company, it is part of Jenets’ CSR mission to become one of the most important contributors to the Japan society.

Two programmes – “Patrolling for the elderly” and “Dementia trainings” – show how the strength

of the meter reading workforce and its presence in the community can bring benefits to society. Under the programme, Jenets’ meter readers have attended training to understand issues of dementia and to be on the lookout for problems arising from the growing number of elderly living alone.

While conducting meter reading activity, they will pay attention to the psychological and physical health of elderly customers, and report to the local authority if they detect anything abnormal or worrying.

Around 25% of water authorities served by Jenets across Japan have engaged in this activity. Studies show Jenets’ meter readers are a valuable part of the communities they serve, not only in providing high quality and flexible part-time employment but also as a patrolling force instilling a sense of community and safety on the streets.



**VEOLIA IN ACTION**

**MATERNITY BENEFITS IN URUMQI**

Veolia has been responsible for the modernization and operation of Urumqi's wastewater treatment plant since 2006.

Its management team has always adhered to the principles of equality and diversity in the workplace: women make up more than 40% of the workforce and occupy 59% of the management positions.

Veolia in Urumqi aims at continuing its efforts to further attract and retain female talents. To do so, promoting a better work-life-balance for mothers is essential.

Maternity leave in China usually lasts six months. During that time, women receive a maternity allowance which is below the average salary of most female employees in Urumqi.

To retain and further attract female talents, the company decided to cover the difference, meaning female employees receive a full salary during their maternity leave.

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