

Commitment to Sustainability

2015 Best CSR Initiatives in Asia

The People The Planet

RESOURCING

The Region

Resourcing the world

Veolia Asia

- China | www.veolia.cn
- India | www.veolia.in
- Japan | www.veolia.jp
- Korea | www.veolia.co.kr
- Singapore | www.veolia.com.sg

Chairman & CEO's message

“

Becoming the benchmark company in sustainable development is both a goal and a dream. True, it demands effort, but just as there can be no success without effort, there is no enthusiasm without ambition.

”



Antoine FRÉROT
Chairman and CEO of Veolia

The wellbeing of the planet, of the communities we serve, and of our employees matters. In fact, it is what drives Veolia's commitment to the following three areas of sustainable development:

Resourcing the Planet

Sustainably managing natural resources by supporting a circular economy

Developing strategies to combat climate change

Conserving and restoring biodiversity

Resourcing the Regions

Building new models for relations and value creation with our stakeholders

Contributing to local development

Supplying and maintaining services crucial to human health and development

Resourcing our People

Guaranteeing a healthy and safe working environment

Encouraging the professional development of each employee

Upholding respect for diversity as well as human and fundamental social rights

Through those commitments and its activities Veolia fully supports the Sustainable Development Goals initiated by the United Nations.

This report highlights Veolia's approach to resourcing the world and some of Veolia's best 2015 CSR initiatives implemented in Asia across waste, water and energy related contracts.

Areas of contribution include :

Communication

Corporate Social Responsibility

Customer Services

Finance

Health & Safety

Human Resources

Information Technology

Technical & Performance

Fostering a low carbon and circular economy while conserving biodiversity

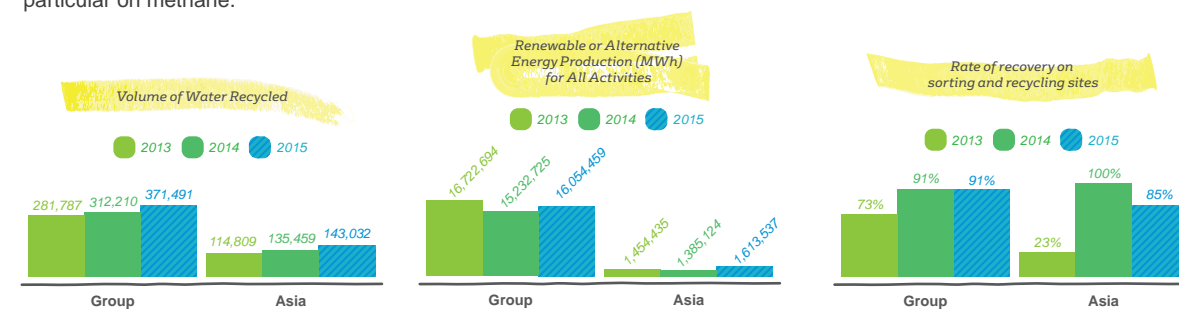
Veolia develops innovative and sustainable solutions to protect the balance of ecosystems, future-proofing our access to valuable resources.

By optimising the use of resources, we make sure that nothing is lost in the usage cycle. And in this way, we minimise, or even prevent, any downstream impact.

Veolia supports the global mobilization for the climate. Veolia is taking a stand for a robust and stable carbon price and binding measures on GHG emissions, in particular on methane.

By 2020, Veolia aims to achieve €3.8 billion in revenue linked to circular economy

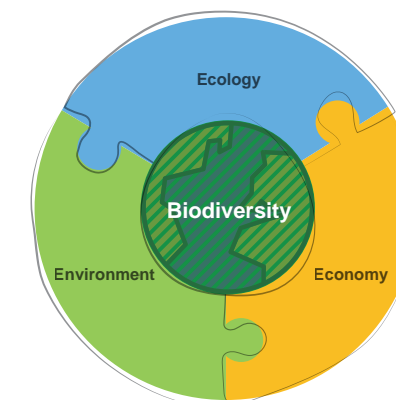
In 2015, Veolia achieved to cumulate 15.5 millions metric tons CO₂ eq. of reduced emissions and 6.2 Mt eq. CO₂ of avoided emissions



Biodiversity is the variety of all life on Earth, from the smallest bacterium to the largest mammal, from plants to humans.

It is important on many levels:

- Economically: biodiversity is responsible for the production of food, medications and raw materials.
- Ecologically: biodiversity has purifying functions that maintain the quality of water, air and soils, and contain the spread of disease.
- Environmentally: biodiversity helps mitigate the effects of droughts and flooding.



By 2020, Veolia aims to carry out biodiversity diagnosis and deploy an action plan in 100% of sites with significant biodiversity potential

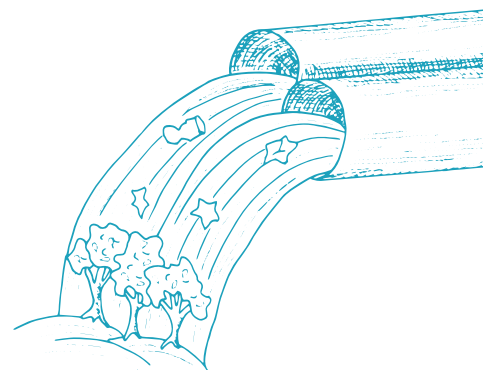
Contributing to local development

In 2015, our projects around the world have led to:

- 100 million people accessing drinking water,
- 63 million people being connected to wastewater services,
- 39 million people being supplied with waste collection services
- 6 million people have access to heating services.

In Asia,

- 42 million people are connected to drinking water
- 14 million people have access to wastewater networks
- 1.5 million people are being supplied waste collection services
- 1 million people have access to heating services.

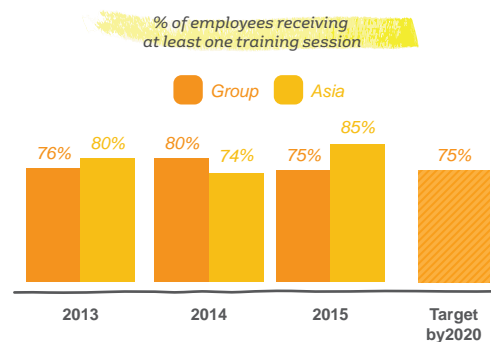


Encouraging professional development for employees

Veolia has always put our people first and has established the following as our 6 Pillars of People Management Approach:



By 2020, we aim to provide at least one training session per year to over 75% of employees



75% employees in Asia underwent safety training in 2015

Resourcing the Planet

Contribution to Corporate Social Responsibility:

- Carbon footprint management
- Water footprint management



Circular Economy Value Creation

GREEN EVOLUTION PROJECT

TAGAL Project, Dalian / China

In response to national and local Chinese environmental targets focusing on water saving, water reuse and circular economy, Veolia proactively initiated the "TAGAL Green Evolution project" to develop innovative and sustainable solutions, working well beyond our usual scope to bring significant added value to our client.

The TAGAL Green Evolution Project consists of pre-treatment and reuse of wastewater, as well as an energy saving project targeting areas, identified in an energy audit, in the major pumping systems and cooling tower fans.

The project has brought a guaranteed savings of 2 million RMB net per year, through various means of resource conservation.

- Reduced client's water consumption
- Chemical recovery of sodium hydroxide (NaOH) and surfactants (degreaser)
- Compliance with industrial wastewater discharge regulations
- Cost savings on overall energy consumption
- Decreased noise levels at the cooling towers (use of VSD)

In addition, Veolia became eligible for the "tax deduction benefit" based on the Chinese government tax exemption program, resulting in additional savings of up to 0.5 million RMB per year.

On the other hand, TAGAL was recognised as the first company with zero liquid discharge in China, reinforcing TAGAL's corporate identity.





Contribution to Corporate Social Responsibility:

- Biodiversity
- Contribution to local development



Biodiversity

POSITIVE LANDFILL ENVIRONMENTAL IMPACT THROUGH ECOLOGICAL MONITORING

The South East New Territories Landfill (SENT), Hong Kong

In Hong Kong, the SENT Landfill is expected to guarantee proper restoration of the land after use and proper management of the remaining active areas. With our strong commitment to biodiversity protection, we have implemented the following measures to advance our environmental target, ensuring our client's satisfaction and our social license to operate.



- **52% of the SENT Landfill areas have been restored.** Flora and fauna monitoring showed the existence of a high number of animal species and the establishment of plant communities at the restored areas.
- **18-year partnership with the Hong Kong Baptist University (HKBU).** Veolia joined hands with the university to assess proper restoration of the land. Evaluations, tests and reports are updated every six months to support the site in assessing its environmental impact.

- **Biodiversity diagnosis In 2015.** The SENT Landfill launched a biodiversity diagnosis, with support from HKBU, to reinforce its commitment to this issue. The assessment was carried out in the remaining areas to identify opportunities for improvement.

The project has raised employees' awareness about biodiversity challenges and also promoted social dialogue with local universities. Also, it positions the landfill site as one of the demonstration sites for restoration and biodiversity management in Asia.

Resourcing the Regions

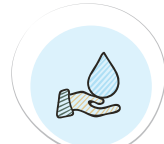


Contribution to Corporate Social Responsibility:

- Client relationship
- Contribution to local development
- Stakeholders relationship



Local development



Crucial services

SPONSORSHIP OF TNC LEADERSHIP PROGRAMME FOR THE YOUNG GENERATION

Veolia Hong Kong Office

Veolia sponsored The Nature Conservancy (TNC)'s Environmental Innovation and Leadership program to offer students between the ages of 14 and 17 an opportunity to translate their passion for the environment into real-world projects that have tangible impact on their schools and the larger community.

Dozens of Veolia employees volunteered to advise and mentor the students in developing and pitching their innovative ideas to educators, business executives, parents, as well as to the green community and government leaders.

PARTNERING WITH A LOCAL ENVIRONMENTAL PROGRAMME

SK hynix Project (Cheongju), South Korea

Veolia Cheongju, on an invitation from the local government Guem River Basin Environmental Office, joined the Miho stream improvement programme dedicated to cleaning the stream and promoting awareness on environmental issues.

Five Veolia employees helped raise funds, while other employees became directly involved in the cleaning process.

This programme improved Veolia's relationships with the local community, government and clients, and enabled Veolia to reinforce local environmental conservation actions.

VEOLIA FOUNDATION AND EMPLOYEES HELPING TO REVIVE EARTHQUAKE AFFECTED AREA IN JAPAN

Veolia Japan Office

Ishinomaki City, one of Veolia's main municipal clients in Japan, was seriously affected by the Great East Japan Earthquake on 11 March 2011.

To help revive the region, Veolia Foundation created a partnership with Nadia, an international volunteering group, which focuses on recovery efforts in Ishinomaki City. The Foundation and other donors provided funding for the relief efforts, and volunteers from Veolia Japan and Nadia helped rebuild playground facilities for the nursery.

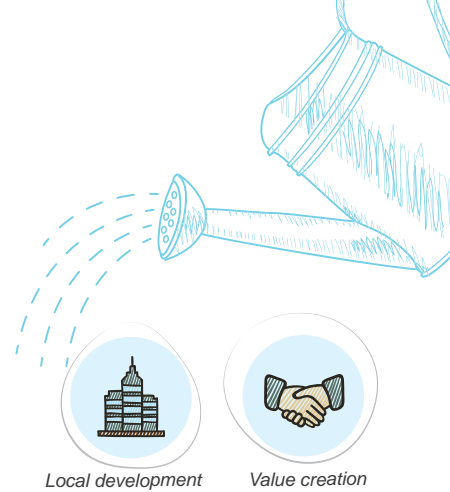
This project supported working parents by providing childcare and freeing the parents to go to work. As of April 2015, working parents of 86 children have benefitted from the nursery.

In the long run, enabling parents of young children to stay in the labour force can help revitalise the local economy.



Contribution to Corporate Social Responsibility:

- Client relationship
- Contribution to local development
- Stakeholders relationship



SUPPORTING SOCIAL ENTERPRISES

Hong Kong District Cooling Co., Ltd.

Keen to make contributions that go beyond ordinary business connections, HKDC has established a procurement guideline which encourages HKDC staff to give priority to suppliers or vendors in the "Social Enterprise" category or invite these companies to partake the tendering process. Such practice enables Veolia to contribute to promoting the development of local business.

CULTIVATING ORGANIC RICE WITH COMMUNITY ENGAGEMENT

LuTsao Incineration Plant, Taiwan

LuTsao Plant actively engenders community-friendly activities to raise awareness on environment protection in the neighbourhood, and to bring the community and the plant closer together in this shared goal. A 0.3 hectare trial farm was created to cultivate rice in LuTsao field. The team adopted organic farming methods in the entire rice cultivation process, from site preparation, to seeding and growth. No pesticides or chemical fertilisers were used. In addition, filtered water from the neighbouring biological pond was used to irrigate the rice farm.

As a result, the County Authority and local minority groups appreciated the plant's efforts to engage with and help the community, giving the company social license to continue operations.

BUILD A SCIENTIFIC COMMITTEE TO ENHANCE ACCESS TO POTABLE WATER IN BANGLADESH

Grameen Veolia Water Ltd., Dhaka / Bangladesh

With the Grameen Veolia Water Ltd. (GVW) project being Veolia's only project in Bangladesh, the team identified a need to build a platform for discussion on the ways to improve access to water in Bangladesh.

The Scientific Committee, composed of members from development organisations, NGOs and government, emerged as the requisite platform and aims to:

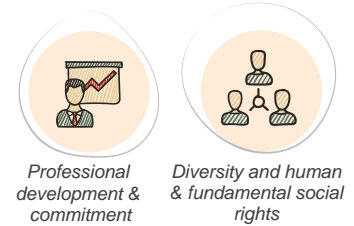
- Support the development of the GVW project
- Provide scientific, technical and institutional support for water management in Bangladesh.
- Discuss national water and development policies.
- Act as a high level platform on key issues related to water contamination and treatment, public health, and water management for development by bringing together a wide range of stakeholders.
- Become one of Bangladesh's leading committees on water management.

Resourcing our People



Contribution to Corporate Social Responsibility:

- Diversity and workers rights
- Social welfare, compensation and benefits
- Stakeholders relationship



GOOD MPF EMPLOYER AWARD

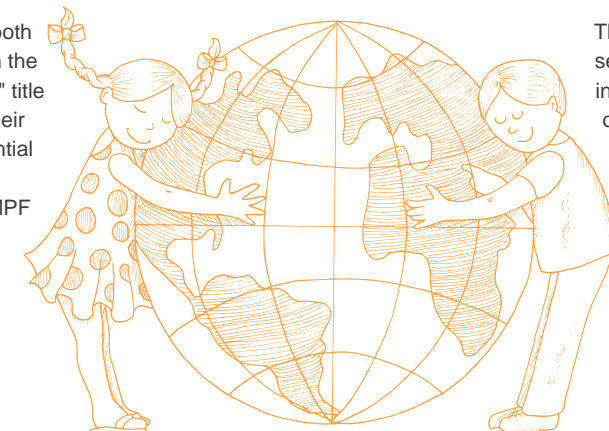
Veolia Hong Kong Office

Labour shortage has been an ongoing problem for the Chemical Waste Treatment Facilities (CWTF) and the South East New Territories (SENT) Landfill in Hong Kong.

Developing a reputation as a good employer has been identified as the key strategy to attracting candidates and remaining competitive in the labour market.

Both CWTF and SENT applied for the "Good MPF (Mandatory Provident Fund) Employer" title host by the Mandatory Provident Fund Scheme Authority (MPFA) of the HKSAR Government. To qualify, companies must provide retirement plans above the MPF minimum, and fully comply with administrative requirements from the MPF Authority during the year of the application.

In September 2015, both CWTF and SENT won the "Good MPF Employer" title and have increased their attractiveness to potential job applicants by displaying the Good MPF Employer logo on recruitment advertisements and company stationery.



W@VES - WOMEN@VEOLIA SINGAPORE

Veolia ES Singapore PTE Ltd

In Singapore, the feminisation rate at Veolia has traditionally been low, especially in operations. Strategies pertaining to gender diversification or empowerment of women have also been lacking.

In November 2015, Veolia Singapore formed the W@VeS committee (Women@Veolia Singapore) to enhance the wellbeing of women within the company. W@VeS consists of staff members at all levels.

To increase the number of female employees at Veolia Singapore, especially in operations and on the ground, the W@VeS committee introduced the "Women in Operations Referral Program" to intensify sourcing and discuss the possible upgrade of work equipment and sponsorship of driver licenses.

The programme resulted in the setting of a clear target on increasing gender diversity in operations, and the development of a proposal about benefits for women.

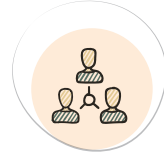


Contribution to Corporate Social Responsibility:

- Capacity building / training
- Diversity and workers rights



Professional development & commitment

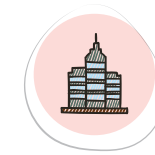


Diversity and human & fundamental social rights

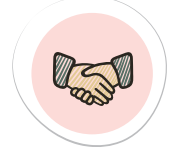


Contribution to Corporate Social Responsibility:

- Client relationship
- Contribution to local development
- Reliability and quality of services



Local development



Value creation



Crucial services

PREPARING OUR EMPLOYEES FOR VOLUNTEERISM THROUGH NGO TRAINING

Veolia India Office

Few companies in India have established employee volunteering programmes, despite the fact there are more than 2 million NGOs in the country.

At the same time, gender inequality remains one of India's most pressing social issues. Corporate programmes on women empowerment are few and far in between.

Veolia India has taken the lead to tackle both these issues simultaneously, building a volunteering programme to gather female employees in supporting two local NGOs – Kamalini and Shakti Shalini. Both of these organisations focus on advancing women empowerment objectives.

The programme kicked off fittingly on Women's day (8 March) 2016.

Together with the 2 NGOs, the Veolia India CSR and HR Departments jointly developed an awareness training for female employees, familiarising them with volunteerism and women empowerment.

The training raised Veolia employees' awareness about gender issue and violence against women, and inspired them to be drivers of change.

VWJ CONTRIBUTION TO MUNICIPAL'S MANAGEMENT PROGRAM

Veolia Japan office

Veolia and its client, Nagano Prefecture, identified areas on which they could collaborate for mutual improvement.

Nagano Prefecture wanted to provide training opportunities for its younger residents within a multinational corporate environment, while Veolia wanted to build better relationships with the regional government and increase its brand recognition as well as workforce diversity.

Veolia and Nagano Prefecture signed an agreement to transfer a junior female employee from Nagano Prefecture to Veolia Japan's Communications team for two years, from 2014 to 2016.

Consequently, Veolia is recognised as a strategic partner for being the first foreign company to collaborate with Nagano Prefecture. The arrangement was beneficial for all parties since it reinforced mutual understanding and improvements in both entities. The female employee also gained valuable experience.

UNDERWATER ROBOT

Industrial Water Business Line, China

Interruption of industrial processes due to maintenance cleaning generates significant financial losses. For instance, cooling basins need to be cleaned on a regular basis in order to guarantee cooling performance.

Since July 2014, a submersible and remote-controlled cleaning robot has been used to clean cooling system basins without having to empty the tank and interrupt normal function.

As such, operation costs have decreased through improved facility efficiency, and revenues have increased, realising the ROI within 3 years. Health & Safety risks were also minimised compared to manual cleaning. Such kind of added-value standalone service provides entry into a potential client site, creating the opportunity to further develop the business.

