

VEOLIA'S PURPOSE IS TO CONTRIBUTE TO HUMAN PROGRESS BY FIRMLY COMMITTING TO THE SUSTAINABLE DEVELOPMENT GOALS SET BY THE UN TO ACHIEVE A BETTER AND MORE SUSTAINABLE FUTURE FOR ALL. IT IS WITH THIS AIM IN MIND THAT VEOLIA SETS ITSELF THE TASK OF "RESOURCING THE WORLD" THROUGH ITS ENVIRONMENTAL SERVICES BUSINESS. AT VEOLIA, WE ARE CONVINCED THAT CONTINUING HUMAN DEVELOPMENT IS ONLY POSSIBLE IF ECONOMIC, SOCIAL AND ENVIRONMENTAL ISSUES ARE ADDRESSED AS AN INDIVISIBLE WHOLE. THIS BELIEF IS EMBEDDED IN THE HISTORY OF THE COMPANY, WHICH AS SOON AS IT WAS CREATED IN 1853, SHOWED THE WAY BY MAKING ACCESS TO DRINKING WATER AN ESSENTIAL ELEMENT OF PUBLIC HEALTH AND QUALITY OF LIFE. IN THE CONDUCT OF OUR CURRENT BUSINESSES IN WATER, WASTE AND ENERGY, WE PROVIDE OUR PUBLIC AND PRIVATE CUSTOMERS WITH ACCESS TO ESSENTIAL SERVICES AND EFFICIENTLY CONSERVE, USE AND RECYCLE. THE WELL-BEING AND IMPROVEMENT OF OUR ENVIRONMENT AND THE QUALITY OF LIFE OF OUR CUSTOMERS IS CENTRAL TO OUR BUSINESS AND ITS ECONOMIC MODEL. WE ARE A COMPANY THAT IS BOTH LOCAL AND GLOBAL WITH A HIGH LEVEL OF TECHNICAL KNOW-HOW AND LABOR, AND WHICH COMMITS FOR LONG PERIODS OF TIME. WE GUARANTEE LONG-TERM RESULTS FOR OUR CUSTOMERS BY LEVERAGING OUR LONG EXPERIENCE, THE QUALITY OF OUR SERVICES AND OUR HIGH CAPACITY FOR INNOVATION. WE ARE A WORKING COMMUNITY WHERE, IN ADDITION TO AN INCOME AND RESPECT FOR THEIR HEALTH AND SAFETY, EVERYONE CAN FIND A SENSE OF PURPOSE IN WHAT THEY DO, COMMITMENT TO REWARDING COLLECTIVE ACTION AND PERSONAL FULFILLMENT. THROUGH TRAINING, VEOLIA ENSURES THAT ITS EMPLOYEES, THE VAST MAJORITY OF WHOM ARE MANUAL WORKERS AND TECHNICIANS, DEVELOP THEIR SKILLS. THE COMPANY RELIES ON THEIR RESPONSIBILITY AND AUTONOMY AT ALL LEVELS AND IN ALL COUNTRIES, AND PROMOTES PROFESSIONAL EQUALITY BETWEEN MEN AND WOMEN. VEOLIA ALSO PROMOTES, PARTICULARLY ON STAFF REPRESENTATIVE BODIES, SOCIAL DIALOGUE, WHICH ENCOURAGES EMPLOYEES TO ADOPT OUR COLLECTIVE PROJECT AS THEIR OWN. WHEREVER IT OPERATES, VEOLIA COMPLIES WITH APPLICABLE LAWS AND REGULATIONS. IT ALSO APPLIES WIDELY-DISTRIBUTED ETHICAL RULES CONSISTENT WITH ITS VALUES OF RESPONSIBILITY, COMMUNITY SPIRIT, RESPECT, INNOVATION AND CUSTOMER FOCUS. VEOLIA'S PROSPERITY IS FOUNDED UPON ITS USEFULNESS TO ALL ITS STAKEHOLDERS IN THE VARIOUS REGIONS WHERE IT OPERATES - WHETHER CUSTOMERS, SHAREHOLDERS, EMPLOYEES, SUPPLIERS, CURRENT POPULATIONS OR FUTURE GENERATIONS. ITS PERFORMANCE MUST THEREFORE BE ASSESSED IN VARIOUS DIMENSIONS CORRESPONDING TO THOSE DIFFERENT COMMUNITIES CONCERNED. THE COMPANY PAYS THE SAME DEGREE OF ATTENTION AND REQUIRES THE SAME HIGH STANDARDS IN EACH OF THESE DIMENSIONS. IN THIS WAY, VEOLIA PREPARES FOR THE FUTURE, PROTECTING THE ENVIRONMENT AND RESPONDING TO HUMANITY'S VITAL NEEDS. VEOLIA'S PURPOSE IS TO CONTRIBUTE TO HUMAN PROGRESS BY FIRMLY COMMITTING TO THE SUSTAINABLE DEVELOPMENT GOALS SET BY THE UN TO ACHIEVE A BETTER AND MORE SUSTAINABLE FUTURE FOR ALL. IT IS WITH THIS AIM IN MIND THAT VEOLIA SETS ITSELF THE TASK OF

## OUR PURPOSE...

and its implementation in  
the Impact 2023 strategic program



"A BUSINESS IS SUCCESSFUL  
BECAUSE IT IS USEFUL AND  
NOT THE OTHER WAY  
AROUND."

ANTOINE FRÉROT  
VEOLIA CHAIRMAN

### At the heart of our approach

Convinced about the role and usefulness of businesses in meeting society's expectations, under the impetus of its Chairman and CEO the Veolia Group is one of the first French companies to have defined its purpose. Having made a major contribution to the academic and public debate on these issues and supported the Notat-Senard report which introduced the concept of "purpose", he became convinced that "a company is a mosaic of stakeholders whose expectations must be fairly taken into account when sharing the value created".

Veolia's purpose was developed through a long process of work and unprecedented collaboration involving the company's management bodies, employees, the Critical Friends Committee (external experts), clients, people' panels, and so on.

Veolia's purpose was adopted by its Board of Directors and presented at the Annual Shareholders' Meeting on 18 April 2019.

**There are four major issues around which this approach revolves:**

- in what way is Veolia useful to society?
- what is its mission?
- how is Veolia different from other companies?
- for whom and how is the wealth created distributed ?

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# "VEOLIA'S PURPOSE IS NOT JUST A SLOGAN, IT IS EXPRESSED IN A COMPLETE TEXT."

Veolia's purpose is to contribute to human progress by firmly committing to the Sustainable Development Goals set by the UN to achieve a better and more sustainable future for all. It is with this aim in mind that Veolia sets itself the task of "Resourcing the world" through its environmental services business.

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

In the conduct of our current businesses in water, waste and energy, we provide our public and private customers worldwide with solutions that facilitate access to essential services and natural resources, and that efficiently conserve, use and recycle those natural resources. Improvement of our environmental footprint and that of our customers is central to our business and its economic model.

We are a company that is both local and global with a high level of technical know-how and labor, and which commits for long periods of time. We guarantee long-term results for our customers by leveraging our long experience, the quality of our services and our high capacity for innovation.

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

Through training, Veolia ensures that its employees, the vast majority of whom are manual workers and technicians, develop their skills. The company relies on their responsibility and autonomy at all levels and in all countries, and promotes professional equality between men and women.

Veolia also promotes, particularly on staff representative bodies, social dialogue, which encourages employees to adopt our collective project as their own.

Wherever it operates, Veolia complies with applicable laws and regulations. It also applies widely-distributed ethical rules consistent with its values of responsibility, community spirit, respect, innovation and customer focus.

Veolia's prosperity is founded upon its usefulness to all its stakeholders in the various regions where it operates – whether customers, shareholders, employees, suppliers, current populations or future generations. Its performance must therefore be assessed in various dimensions corresponding to those different communities concerned. The company pays the same degree of attention and requires the same high standards in each of these dimensions.

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





# THE SEARCH FOR BALANCE

Fundamental and designed for the **long term**, Veolia's purpose is a **compass** that helps us set and keep our course over time. It is a shared progress approach that concerns all Veolia employees and benefits all stakeholders. It is being implemented through our Impact 2023 strategic program, guided by a vision of multifaceted performance, which places the same level of attention and requirements on its economic and financial, commercial, human resources, social and environmental performance. Our ambition is to make Veolia a **model company** in the ecological transformation.

## UN Sustainable Development Goals (SDGs)

Veolia plays a part in all 17 SDGs at different levels and has a direct impact in **13** of them.



1. Our stakeholders 2. Our performance 3. Our commitments 4. Our objectives

- **5 stakeholders:** Employees, Clients, Shareholders, Society, Planet.
- **5 commitments:** they express the **dimensions according to which Veolia's performance must be evaluated** and specify for each the course set by the Group by taking up the key axes of the text. They are linked to the UN Sustainable Development Goals (SDGs).
- **18 performance objectives:** they specify the Group's action priorities by dimension; they cover the **text of the purpose** and allow **all the BUs** to commit to a common approach **to implement this purpose close to the field.**



# IMPACT 2023, VEOLIA IS COMMITTED TO DELIVERING A MULTIFACETED PERFORMANCE

## At Group level:

19 performance indicators, associated with the 18 progress objectives for 2023, have been set. They are regularly audited by independent bodies and are included in the calculation of the variable remuneration of the Group's senior executives.

## At BU level:

Each BU has set its own targets for at least one objective for each dimension of multifaceted performance when developing its budget and its long-term plan, adapting, if necessary, the indicators to their day-to-day activities and their local context.

### ENVIRONMENTAL PERFORMANCE

#### Combating climate change

- **Indicators:**
  - **Reduction in GHG emissions:** progress of the investment plan to phase out coal in Europe by 2030.
  - **Target 2023:** 30% of investments planned by 2030, i.e. € 400 m by 2023
  - **Avoided emissions:** annual contribution to avoided GHG emissions (assessed against reference scenarios).
  - **Target 2023:** 15 Mt CO<sub>2</sub> eq

#### Circular economy: plastic recycling

- **Indicators:** volume of plastics recycled in Veolia's processing plants.
- **Baseline 2019:** 350 kt
- **Target 2023:** 610 kt

#### Protection of environments & biodiversity

- **Indicators:** progress rate for action plans aimed at improving the environmental and biodiversity footprint of sensitive sites.
- **Baseline 2019:** not applicable
- **Target 2023:** 75%

### Sustainable management of water resources

- **Indicators:** performance of drinking water networks.
- **Baseline 2019:** 72.5%
- **Target 2023:** > 75%

### HUMAN RESOURCES PERFORMANCE

#### Diversity

- **Indicators:** proportion of women appointed within Veolia's top 500 senior executives from 2020 to 2023.
- **Baseline 2019:** not applicable
- **Target 2023:** ≥ 50% from 2020 to 2023

#### Employee training and employability

- **Indicators:** average number of training hours per employee.
- **Baseline 2019:** 18h
- **Target 2023:** 23h

#### Employee engagement

- **Indicators:** commitment rate of all staff, measured by an independent survey.
- **Baseline 2019:** 84%
- **Target 2023:** ≥ 80%

### Safety at work

- **Indicators:** occupational injury frequency rate.
- **Baseline 2019:** 8.1
- **Target 2023:** 5

### COMMERCIAL PERFORMANCE

#### Processing and recovery of hazardous waste

- **Indicators:** Consolidated turnover of the segment "Treatment and recovery of liquid and hazardous waste.
- **Baseline 2019:** € 2.5 bn
- **Target 2023:** > € 4 bn

#### Development of innovative solutions

- **Indicators:** number of innovations (grains, boosters) included in at least ten contracts signed by the Group.
- **Target 2023:** 12 innovations in at least 10 contracts signed by the Group during the year

#### Customer and consumer satisfaction

- **Indicators:** customer satisfaction rate using the Net Promoter Score methodology.
- **Baseline 2020:** NPS: 41 for a turnover coverage rate of 57%
- **Target 2023:** NPS: > 30 for a turnover coverage rate of 75%

### ECONOMIC AND FINANCIAL PERFORMANCE

#### Turnover growth

- **Indicators:** annual growth of turnover.
- **Baseline 2019:** € 27.2 bn
- **Target 2023:** annual target

#### Profitability

- **Indicators:** group current net income
- **Baseline 2019:** € 760 m
- **Target 2023:** € 1 bn

### Return on capital employed

- **Indicators:** ROCE after taxes.
- **Baseline 2019:** 8.4% (after IFRS 16)
- **Target 2023:** annual target

### Investment capacity

- **Indicators:** free cash flow before discretionary investments.
- **Baseline 2019:** € 1,230 m
- **Target 2023:** annual target

### SOCIAL PERFORMANCE

#### Access to essential services (water and sanitation)

- **Indicators:** number of inhabitants benefiting from inclusive measures to access water or sanitation services under Veolia contracts.
- **Baseline 2019:** 5.7 M inhabitants
- **Target 2023:** +12% (vs. 2019 at constant scope)

#### Creation of jobs and wealth in the regions

- **Indicators:** socio-economic footprint of Veolia's activities in the countries where the Group is present, in terms of direct or indirect jobs supported and the wealth created.
- **Baseline 2019:** not applicable
- **Target 2023:** annual assessment of impacts globally and by geography in at least 45 countries

#### Ethics and compliance

- **Indicators:** % positive responses to the question "Are Veolia's values and ethics applied in my entity?".
- **Baseline 2019:** 92% for the Top 5,000 employees
- **Target 2023:** ≥ 80% of all respondents

# A SHARED PROGRESS APPROACH WITH AND FOR OUR STAKEHOLDERS

The opening up of the company to its stakeholders is at the very heart of Veolia's corporate purpose.

Veolia is committed to working with all its stakeholders and interacts regularly with them at a local, regional, national and international level.

Our main stakeholders are grouped into five categories: our employees, our clients, our shareholders, society and the planet.

Some of them are contractual: employees, clients, suppliers. Others not: territories, residents, nongovernmental organisations, media, future generations, etc.

It is essential that Veolia identifies, knows, listens to and understands its stakeholders. The aim is to set up active listening, to integrate them when possible in certain decision-making processes of the company, to engage with them, but also to be able to report to them on the multidimensional impact of the Group's activities.

It is a matter of strengthening our relationships with our stakeholders to find ways to converge to implement ecological transformation practically.

**The underlying aim is to construct together useful solutions that will have a strong impact for all concerned.**

- Governments / Ministries.
- Local / national / legal / supervisory authorities.
- Public authorities / citizens / residents / neighbourhood associations.
- Associations of elected officials.
- Competitor companies.
- Service providers (suppliers, subcontractors).
- Foundations and associations.
- Employers' and trade union organisations.
- Financial and non-financial rating agencies.
- Critical Friends.
- Experts, researchers and scientists.
- Academies, Universities and Schools (students).
- Partners (socially responsible companies, start-ups, research institutes).
- Public opinion (opinion surveys, industry reports).
- Focus groups / think tanks / opinion leaders.
- Media (TV, radio, press, internet, social networks).

- Environmental organisations.
- Associations and foundations.
- Experts / academics.
- International and European institutions.
- Governments (within and outside the OECD zone).
- Organisations of public institutions (UN, OECD, IMF, GRECO, etc.).
- Citizens and especially future generations.



- Local authorities.
- Manufacturers and the tertiary sector (key accounts and local players).
- States.
- Consumers, agricultural customers and end users.
- Prospects.

- Shareholders and directors.
- Investors / Social Responsible Investment (SRI).
- Banks / insurers and insurance brokers.
- Statutory / external auditors.
- Partners / joint ventures / consortia.
- Employees, apprentices, work-study students, interns (Group, Zones and BUs).
- Trade unions / employee representatives
- Candidates / former employees



# INVOLVEMENT

## AT ALL LEVELS

From its creation to its implementation, Veolia's purpose is supported and managed at the highest level of the company. It is the result of much work and an unprecedented collaborative process. It feeds into all of the Group's decisions and actions.

A coordination and governance mechanism has been put in place to support the entire Group in this process of meaning, cohesion and transformation.

## MANAGEMENT AND GOVERNANCE

### The Board of Directors,

which has approved the text and the indicators, monitors their proper implementation, notably through a dedicated purpose committee.

The Executive Committee and the Management Committee of the Group monitor it and decide on the allocation of resources.

The Critical Friends Committee, made up of independent experts, is regularly asked for its opinions, with the aim of challenging the company and helping it stay the course.

### The Steering Committee of the

purpose, made up of members of the Executive Committee and functional departments, is responsible for coordinating and driving the process within the Group.

The Strategy and Innovation department oversees Veolia's strategy with a view to multifaceted performance and in line with the Group's purpose.

Together with employee representative bodies, Veolia has set up a purpose monitoring committee to encourage all employees to own the purpose and be involved.

## IMPLEMENTATION CLOSE TO THE FIELD

### Managing priority actions of the Group:

Each objective is managed by a pair made up of an Executive Committee sponsor and a Group key expert.

Executive Committee sponsors are appointed to support the objectives at the highest level of the Group.

### The key experts:

- define a strategy for achieving the objective for the Group,
- propose a variation of this strategy in the various operational or functional entities concerned,
- participate in the design and analysis of action plans and monitor and support their execution,
- consolidate the Group's multifaceted performance indicators at global level.

### The Purpose Officer network:

This network accelerates the deployment of Veolia's purpose and multifaceted performance in their entity. They are the relays for their entity within a global network for:

- sharing best practices,
- monitor the advancement of the approach on their perimeter,
- collectively suggesting avenues for improvement.





Resourcing the world

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