

Commitment to Sustainability

2016 Best CSR Initiatives in Asia



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:

<p style="text-align: center;">Resourcing the Planet</p> <div style="text-align: center;"> </div> <p style="text-align: center;">Sustainably managing natural resources by supporting a circular economy</p> <div style="text-align: center;"> </div> <p style="text-align: center;">Developing strategies to combat climate change</p> <div style="text-align: center;"> </div> <p style="text-align: center;">Conserving and restoring biodiversity</p>	<p style="text-align: center;">Resourcing the Regions</p> <div style="text-align: center;"> </div> <p style="text-align: center;">Building new models for relations and value creation with our stakeholders</p> <div style="text-align: center;"> </div> <p style="text-align: center;">Contributing to local development</p> <div style="text-align: center;"> </div> <p style="text-align: center;">Supplying and maintaining services crucial to human health and development</p>	<p style="text-align: center;">Resourcing our People</p> <div style="text-align: center;"> </div> <p style="text-align: center;">Guaranteeing a healthy and safe working environment</p> <div style="text-align: center;"> </div> <p style="text-align: center;">Encouraging the professional development of each employee</p> <div style="text-align: center;"> </div> <p style="text-align: center;">Upholding respect for diversity as well as human and fundamental social rights</p>
--	--	--

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 2016 CSR initiatives implemented in Asia across waste, water and energy related contracts.

Areas of contribution include :

<p>Communication</p>	<p>Corporate Social Responsibility</p>	<p>Customer Services</p>	<p>Finance</p>
<p>Health & Safety</p>	<p>Human Resources</p>	<p>Information Technology</p>	<p>Technical & Performance</p>

Fostering a low carbon and circular economy while conserving biodiversity

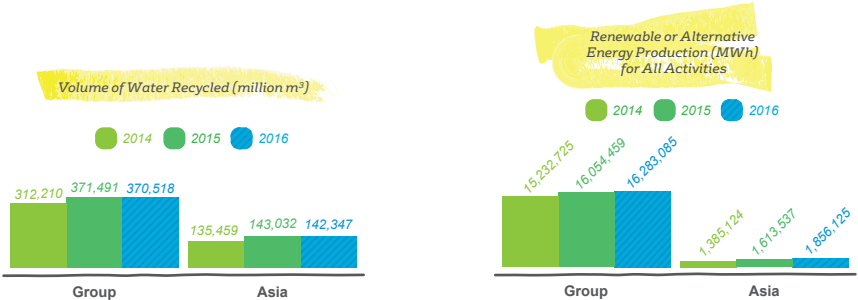
Veolia develops innovative and sustainable solutions to protect the balance of ecosystems, future-proofing our access to valuable resources.

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 mobilisation 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

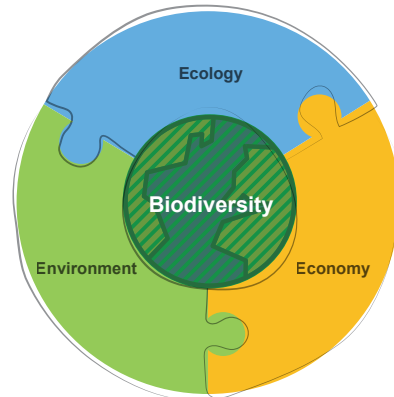
In 2016, Veolia achieved 13.8 million metric tonnes CO₂ equivalent of reduced emissions and 5.9 million metric tonnes CO₂ equivalent of avoided emissions.



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

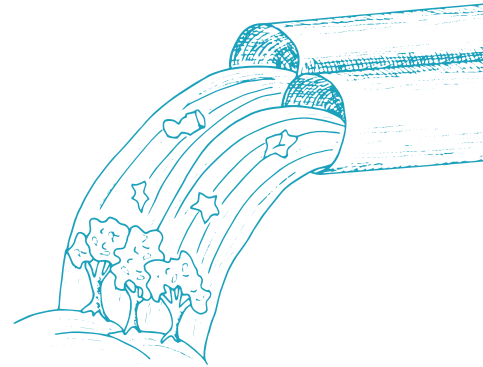
Contributing to local development

In 2016, our projects around the world have led to:

- 100 million people accessing **drinking water**,
- 61 million people being connected to **wastewater services**,
- 40 million people being supplied with **waste collection services**
- 8 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**
- 1.2 million people have access to heating services.

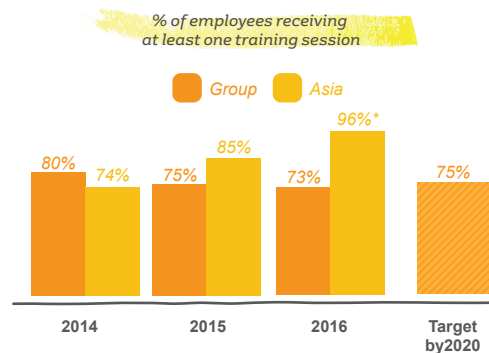


Encouraging professional development for employees

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



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



99%* employees in Asia underwent safety training in 2016

*2016 figures are excluding JVs

Resourcing the Planet



Contribution to Corporate Social Responsibility:

- Water footprint
- Carbon footprint



Circular Economy



Value Creation

WATER REUSE BENEFITING FARMERS IN OKINAWA

Nishihara Environment, Okinawa / Japan

In order to solve the chronic water shortage issue on Okinawa island, the Japanese Government decided to conduct a demonstration project on the recycle system of treated sewage water and to choose Nishihara Environment, a member of Veolia Japan Group, as a joint research body.

In partnership with Itoman City, Kyoto University and the consulting company Tokyo Design Office, Nishihara Environment developed a process using an ultra-filtration membrane and ultra-violet disinfection, which have three advantages:

- Easy to operate by full automation
- No by-product or residue
- Perfect inactivation of virus

The reuse plant of 1,000m³ per day started its operation in March 2016.

Key achievements:

- A win-win initiative fostering sustainable resources reuse and contributing to local community development
- The reuse process will be adopted in other water shortage areas in Japan
- A first and unique example in Japan which intends to secure the resource of agricultural water

BIOMASS AS SOURCE OF RENEWABLE ENERGY

Veolia Japan

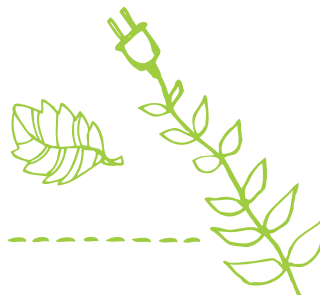
Our partnership with Japan's leading environmental services provider, Takeei, is focused on driving circular and local uses of natural resources.

The contract is an operation of 2 biomass power generation plants in the Tohoku region in northern Japan. Fuelled by local forestry industries, each of the 2 plants generates 49,400 MWh of electricity per year for the cities of Hirakawa and Hanamaki.

Veolia and Takeei will therefore help increase the production of renewable energy on the island of Honshu and prevent the emission of 41,100 tonnes of CO₂ per year.

A strategic partnership to:

- Enhance the city's competitiveness and attractiveness
- Combat global warming by increasing the ratio of renewable energy sources





Contribution to Corporate Social Responsibility:

- Biodiversity
- Capacity building and training



Biodiversity



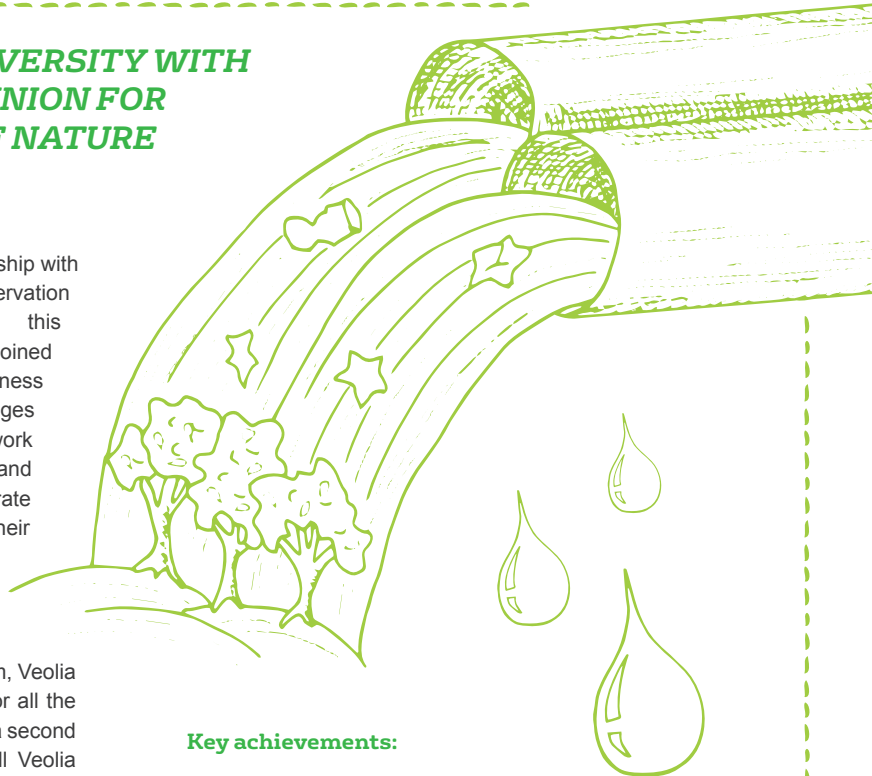
Professional development & commitment

PROMOTING BIODIVERSITY WITH INTERNATIONAL UNION FOR CONSERVATION OF NATURE

Veolia India office

Veolia India has formed a partnership with the International Union for Conservation of Nature (IUCN). Through this partnership, Veolia India has joined “Leaders for Nature” (Lfn), a business biodiversity network that engages multinational corporations to work towards greening the economy and mobilises companies to incorporate biodiversity considerations into their operation.

With the support of the IUCN team, Veolia India hosted its first workshop for all the managers on May 27, 2016, and a second one on October 3, 2016, for all Veolia India HQ employees. The workshop imparted knowledge about biodiversity and some local biodiversity issues, and fostered discussion on nature-based solutions and the ways to reduce the ecological footprint of our company through our processes.



Key achievements:

- Team building
- Raised awareness on biodiversity and its contribution to Veolia business
- Launched of five biodiversity assessments realised in compliance with the Group target

Resourcing the Regions



Contribution to Corporate Social Responsibility:

- Contribution to local development
- Stakeholders relationship



Local development



Value creation

NATIONAL ECO-FRIENDLY LABEL FOR SUPPLIER

Veolia China

Veolia and the China Society for the Promotion of Ecological Ethics (CSPEE) have been cooperating since 2014 to foster green practices in China's supply chains.

They decided to launch a pilot test on PEOP (Protected Eco-Origin Products) national eco-friendly label with one of Veolia's key local suppliers, pipe manufacturer Zhejiang Weixing HDPE.

Zhejiang Weixing HDPE passed the PEOP national eco-friendly label audit in May 2015 and successfully received a certificate.

Key achievements:

- Created shared value between Veolia and its key suppliers
- Demonstrated proactivity towards sustainable supply chain management
- Enhanced social license to operate

RECYCLING EDUCATIONAL OUTREACH @ LET'S TALK RUBBISH! EVENT

Veolia ES Singapore PTE Ltd

Singapore faces a pressing issue of a continuous decline in domestic recycling rates and an increase in recyclables contamination in our Commingled Recyclables Depository (CRD).

To raise awareness around this issue, Veolia Singapore initiated an educational outreach session to the residents by participating in the "Let's Talk Rubbish!" event held at the Tanjong Pagar Community Centre on 3 - 4 December 2016. The 2-hour Veolia Cash-For-Trash (CFT) event allowed residents to exchange their recyclables for cash. At an educational booth set up right next to the CFT station, Veolia employees shared information about recyclables collection in Singapore with the residents.

Key achievements:

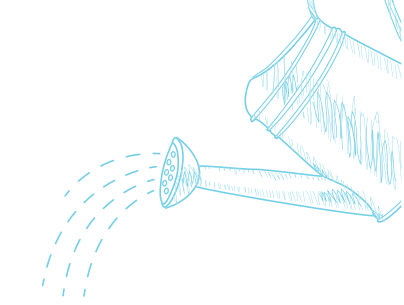
- Total collection of 1,152 kg of recyclable papers, 31 kg of aluminium and metal tin cans, and 618 kg of used clothes
- Raising residents' awareness on waste separation and recycling
- Contribution to local development





Contribution to Corporate Social Responsibility:

- Contribution to local development
- Stakeholders relationship



Local development



Crucial services

FOSTERING ACCESS TO HYGIENIC SERVICES

Veolia Hong Kong Office

In Hong Kong, over two million bars of soap, shampoo and liquid shower gels are thrown away by hotels each year and sent to landfills.

On December 20, 2016, in collaboration with 2 local NGOs, Soap Cycling and HandsOn Hong Kong, 33 volunteers from Veolia participated in a soap recycling activity to help sort and clean the soaps, and then repack them for distribution to underprivileged communities in Southeast Asia.

Key achievements:

- Recycled 118kg of soap bars and 300 bottles of shower gel
- Reduced landfill waste in Hong Kong
- Raised employee awareness on topics including volunteering activities, situation of the underprivileged communities and the increasing amount of non-recyclable waste in Hong Kong
- Contribution to the improvement of health and hygiene conditions of Southeast Asian communities, and reduced the potential spreading of fatal diseases

CONTRIBUTION TO ACCESS TO SANITATION WITH SULABH NGO

Nangloi project / India

Since 2013, Veolia has been improving the drinking water production and distribution for Nangloi municipality in India.

Sanitation has remained one of the main social and health related issues in India. According to UNICEF, about 50% of the Indian population still has no access to proper toilet infrastructure up to this day, and this has resulted in serious health consequences. Veolia Foundation responded to this problem by financing the building of 5 toilet complexes in Nangloi area.

These toilet complexes are constructed and operated by the Sulabh International Social Service Organisation, a non-profit voluntary social organisation dedicated to the Gandhian ideology of scavengers' emancipation.

Key achievements:

- Enhanced local acceptability
- Contribution to local development
- Complied with Group commitment to contribute to the United Nations' General Assembly sustainable development goals

Resourcing our People



Contribution to Corporate Social Responsibility:

- Developing skills and talents
- Diversity and workers rights



Professional development & commitment



Diversity and human & fundamental social rights

FOSTERING VEOLIA'S 12 LEADERSHIP ATTRIBUTES

Veolia Hong Kong, Shanghai & Seoul Offices

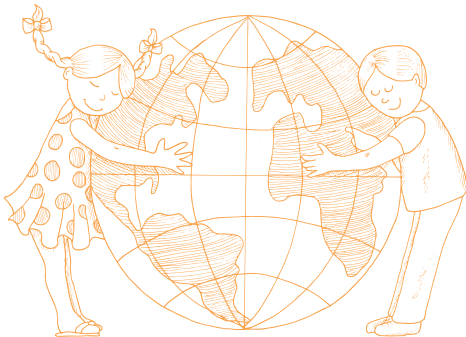
Veolia has 12 Leadership Attributes that are categorised into three levels, namely Managing Self, Managing & Leading Others and Leading Business.

In 2016, a series of Lunch-N-Learn sessions on these attributes have been organised in Hong Kong, Shanghai and Seoul offices, facilitated by top managers.

This event provided a good platform for idea exchange between employees and management.

Key achievements:

- Raised awareness and increased understanding on the 12 leadership attributes
- Visualised the attribute words and turned them into actions to be rolled out within Veolia



TOWARDS A BETTER GENDER BALANCE ON ENERGY PROJECTS

Veolia Harbin project / China

To increase the feminisation rate and promote gender diversity on the heating network and cogeneration site, Veolia Harbin Human Resources team decided to launch two initiatives, one internally and one externally.

First, 8 employees hosted a special job fair in Harbin Vocational and Technical College of Electricity to open new opportunities to female students and to encourage them in their application process.

Also, afternoon tea-time workshops were organised with 27 female front-line operators, 2 Human Resources and 1 Administrative employees to identify solutions to various issues faced in their daily duties, such as lack of strength in the heavy manual labour work, difficulty in keeping work-life balance after having a child, lack of client's trust regarding women in maintenance work.

Key achievements:

- Increased number of female workers from 118 to 128
- Best practices implemented on-site to improve women work conditions: make full use of available instruments to move big valves, cooperate with male employees to undertake physical labour tasks, and win trust from clients by showing professional knowledge and technical maintenance skills.

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