

OUR PURPOSE...

and its implementation in
the GreenUp strategic program

ECOLOGICAL TRANSFORMATION: THAT'S OUR PURPOSE

Ecological transformation means acting to reconcile human progress and environmental protection.

We develop and implement locally solutions to depollute our vital resources and preserve them from depletion, solutions to decarbonize our ways of living and producing and adapt them to the consequences of climate change.

All over the world, attuned to local cultures, we strive to improve the health and quality of life of communities.

At Veolia, we tackle economic, social and environmental issues as an inseparable whole to the benefit of the largest number of people.

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

ANTOINE FRÉROT
CHAIRMAN OF VEOLIA

“OUR PURPOSE EMBODIES OUR AMBITION:

TO BE USEFUL TO SOCIETY BY TAKING ACTION
TO RECONCILE HUMAN PROGRESS
AND ENVIRONMENTAL PROTECTION”

ESTELLE BRACHLIANOFF
CHIEF EXECUTIVE OFFICER OF VEOLIA

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The foundations of our approach

Convinced that businesses have a useful role to play in meeting society's demands, Veolia is one of the first French groups to have defined its purpose.

After contributing to academic and public debates on these topics and supporting the Notat-Senard Report, which introduced the concept of a “corporate purpose”, the Group became convinced that each company is a mosaic of stakeholders whose expectations must be equitably 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 and their representatives, the Critical Friends Committee (external experts), clients, people's 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.

This approach revolves around four major issues:

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

OUR PURPOSE

IN MOTION

2019

Veolia's Board of Directors adopted the purpose in April 2019. The Group became one of the first French companies to define its purpose.



2020

In order to implement its purpose, Veolia committed to a notion of multifaceted performance that places the same level of attention and requirements on its economic, financial, commercial, HR, social, and environmental performance. It is part of the Group's Impact 2023 strategic program.



2023

Veolia developed a short version of its purpose. The aim is to facilitate its internal adoption among Group employees and place a stronger emphasis on its key elements for all stakeholders, with the end goal of supporting, strengthening and accelerating its deployment.

The result was clear: 70% of the Group's employees became aware of its purpose (+10 points compared with 2022).



2024

The Group has committed to new multifaceted performance targets as part of its new GreenUp strategic program.

THE SHORT VERSION OF OUR PURPOSE



ECOLOGICAL TRANSFORMATION, IS OUR PURPOSE

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7

out of 10 employees are aware of the Group's purpose.

9

employees out of 10 who feel that their work contributes to the purpose once they are aware of it.

(source: Voice of Resourcers 2023)

THE FULL TEXT

OF OUR PURPOSE

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. Therefore, it selects its corporate officers and senior executives based on their ability to embody and respect all of its commitments and values.

Veolia's prosperity is founded upon its usefulness to all its stakeholders in the various territories where it operates: that's why it must be able to work with all public or private actors (clients, shareholders, employees, suppliers, current populations and future generations). Its performance must 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.



AN APPROACH BASED ON PROGRESS

SHARED WITH AND FOR OUR STAKEHOLDERS

Veolia's purpose is focused on opening up the company to all its stakeholders.

The Group regularly engages and interacts with these stakeholders on the local, regional, national and international levels.

Its main stakeholders are grouped into five categories: employees, customers, shareholders, society and the planet.

It is essential for Veolia to identify, know, listen to and understand its stakeholders. The goal is to pursue active listening, integrate stakeholders into some of the company's decision-making processes whenever possible, engage with stakeholders, as well as to report to stakeholders on the multifaceted impact of the Group's activities.

We aim to strengthen our relationships with our stakeholders in order to accelerate the operational roll-out of the ecological transformation.

“Some people talk about a permanent revolution, but at Veolia it's more like a permanent coalition!”

Laurent Obadia
Deputy CEO in charge of Stakeholders and Communications

- Governments / Ministries
- Local / national / legal and supervisory authorities
- Public authorities / citizens / residents / neighbourhood associations
- Associations of elected officials
- Competing companies
- Service providers (suppliers, subcontractors)
- Foundations and associations
- Employers' and trade union organizations
- 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)
- Think tanks / opinion leaders
- Media (TV, radio, press, internet, social networks)

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

- Local authorities
- Manufacturers and the tertiary sector (key accounts, 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
- Other financial partners

- Employees, apprentices, work-study students, interns (Group, Zones and BUs)
- Trade unions / employee representatives
- Job applicants / former employees

COOPERATION

WITH OUR STAKEHOLDERS

Ecological transformation requires companies to undergo profound change in order to implement the changes society needs. This means they must innovate: build new interfaces with society, new ways of monitoring and listening, new methods of relating to others and new ways of contributing to their surroundings. This is the prerequisite for successfully proposing solutions that are genuinely useful for everyone, which will ensure the company's prosperity.

Following the social dialogue conducted with employees and their representatives, Veolia decided 10 years ago to extend these discussions to representatives of society. As a result, the Group created a committee of "Critical Friends" in 2013 with the aim of building a forum for collective thought. The aim is to enrich the Group's senior management with the views of associations, public institutions, academia and corporate partners, who challenge the company in order to provide it with their independent opinions on strategic topics related to its purpose and its social, societal and environmental responsibility.

In order to strengthen this dialogue throughout our geographical areas, our Business Units, as well as within our regional contracts, Veolia has designed and developed the "*+1, ecology turned into action*" cooperation program, with the ambition of making it an accelerator of multifaceted performance.

This is an innovative methodology for stakeholder dialogue on the challenges of ecological transformation. The aim is to open up discussion and debate between players from different backgrounds, so that we can work together to deploy solutions that benefit as many people as possible.

Shared in open source format, the +1 method allows other companies and organizations to benefit from it. It can be adapted to different contexts, geographical areas and topics. It has been applied in a contract operated by Veolia (Arianeo, the new green energy production center for the Nice Côte d'Azur metropolitan area) and has also helped to support the development of the GreenUp strategic program.

More than 200 stakeholders were consulted, using the +1 method, to prepare GreenUp, Veolia's new strategic program

In line with the +1 method, Veolia consulted with its stakeholders to prepare its strategic program for 2027. The consultation took place locally and in-person within 8 pilot Business Units representing all the Group's Zones (Australia/New Zealand, Colombia, United States, France, Italy, Japan, Czech Republic, United Kingdom), and in conjunction with staff representatives from the Group's French and European offices.

More than 200 stakeholders took part in 3 working sessions with the aim of aligning the priority expectations of the 5 stakeholder categories. The priority expectations of these 5 categories are: **changes in business models and regulations, the local roots of solutions and collaboration, and raising awareness and mobilizing the various local players.**

"Furthering dialogue with our stakeholders is a key priority for us. Our challenge is to anchor ourselves locally and adapt our solutions to the specific needs of our regions. +1 is an excellent tool for this process."

Pavel Micka, Director of Performance and Transformation, Veolia Czech Republic

Key figures

12

+1 committee created

300+

stakeholders have tried out the +1 method since its creation

8

geographical areas involved

THE SEARCH FOR BALANCE

Founded and designed for the **long term**, Veolia's purpose is a **compass** that helps us set and maintain our course over time. It is a shared progress approach that involves all Group employees and benefits all stakeholders. It is implemented in our GreenUp strategic program, driven by a vision of multifaceted performance which places the **same level of attention and requirements** on economic and financial, commercial, social, societal and environmental performance. Our ambition is to make Veolia **the benchmark company** for ecological transformation.

The UN's Sustainable Development Goals (SDGs)

Veolia plays a part in all 17 UN SDGs at different levels and has a direct impact on **14 of them**.



- **5 stakeholders:** Employees, Clients, Shareholders, Society, Planet.
- **5 commitments:** these express the **dimensions in which Veolia's performance shall be assessed** and specify the course set by the Group for each one by reiterating the key points of the text. They are linked to the UN's Sustainable Development Goals (SDGs).
- **15 performance objectives:** these specify the Group's priority actions for each dimension; they cover the **text of the Group's purpose** and enable **all the BUs to commit to a common approach for implementing this purpose according to actual needs in the field**.

GreenUp, VEOLIA COMMITS

TO A MULTIFACETED PERFORMANCE

Veolia's purpose and values guide the operation of the entire company, as it strives to be useful to all its stakeholders.

Decisions taken at the head office and by the Business Units - budget discussions and performance dialogue, commitment to major projects and operations, variable compensation of teams, etc. - are assessed based on the five dimensions of multifaceted performance and the 15 priority objectives of the 2027 strategic program detailed below.

For each priority objective, an indicator and a target for 2027 have been defined. These 15 indicators are audited annually. They reflect the actual operational implementation of the purpose throughout the Group.

ENVIRONMENTAL PERFORMANCE

Decarbonization - scopes 1 and 2 reduction

- **Indicator:** Scopes 1 and 2 GHG emissions reduction
- **2023 baseline:** 35.5 Mt eq. CO₂
- **2027 target:** -18% vs 2021

Decarbonization - transformation of our assets (including coal exit and methane capture)

- **Indicator:** Decarbonization capex
- **2027 target:** 600 M€ cumulative over the 2024-2027 period

Water savings and resources regeneration

- **Indicator:** Fresh water saved
- **2023 baseline:** 1.4 bn m³
- **2027 target:** ≥ 1.5 bn m³

Depollution - Biodiversity

- **Indicator:** Biodiversity preservation on sensitive sites
- **2023 baseline:** 59% progress on plans to improve the environmental and biodiversity footprint of sensitive sites (scope as of 1/1/24)
- **2027 target:** ≥ 85%

HUMAN RESOURCES PERFORMANCE

Health, safety and well-being

- **Indicator:** Lost Time Injury Frequency Rate
- **2023 baseline:** 4.95
- **2027 target:** ≤ 4.1

Diversity and inclusion

- **Indicator:** Proportion of women among Group Management Committee
- **2023 baseline:** 25.6%
- **2027 target:** ≥ 30%

Employee commitment

- **Indicator:** Employee Commitment rate (Voice of Resources survey)
- **2023 baseline:** 89%
- **2027 target:** ≥ 85%

COMMERCIAL PERFORMANCE

Decarbonization of our customers - Scope 4

- **Indicator:** Erased GHG emissions
- **2023 baseline:** 13.8 Mt eq. CO₂
- **2027 target:** ≥ 18 Mt eq. CO₂

Growth boosters and innovation

- **Indicator:** Revenue growth on priority business segments (energy, water technologies, hazardous waste)
- **2023 baseline:** 20.6 bn €
- **2027 target:** ≥ 5% CAGR vs 2023 (at constant energy prices and exchange rates, excluding scheduled disposals as of 01/01/24)

Customer and consumer satisfaction

- **Indicator:** Customer satisfaction rate via extended Net Promoter Score methodology (score and turnover cover)
- **2023 baseline:** n/a
- **2027 target:** ≥ 30 out of 80% of the T/O

ECONOMIC AND FINANCIAL PERFORMANCE

Profitability

- **Indicator:** Current net income - Group share
- **2023 baseline:** 1.335 M€
- **2027 target:** ~10% (FX constant vs 2023)

Investment capacity

- **Indicator:** Free cash flow (before discretionary growth Capex)
- **2023 baseline:** 1.683 M€
- **2027 target:** Annual target

Return on capital employed

- **Indicator:** ROCE after tax
- **2023 baseline:** 8.3%
- **2027 target:** Annual target

SOCIAL PERFORMANCE

Supporting local communities

- **Indicator:** Residents benefiting from inclusive solutions to access essential services (all activities)
- **2023 baseline:** 7.8 M inhabitants
- **2027 target:** 8.4 M inhabitants (at constant scope 2023)

Ethics and integrity

- **Indicator:** Positive answers to the "ethic & conformity" question in Voice of Resources survey
- **2023 baseline:** 88%
- **2027 target:** ≥ 83%

IMPACT 20-23 REVIEW:

Driven by a collective dynamic, the transformation in the way we operate has enabled us to meet or exceed the majority of targets set for the Group's strategic program for 2020-2023 (Impact 20-23).

The frequency of lost time work accidents has improved considerably, from 8.1 in 2019 to 5 in 2023. The number of people benefiting from an inclusive system for accessing or maintaining water or sanitation has risen by 24% between 2019 and 2023, while revenue from the treatment and recovery of hazardous waste has almost doubled to €4.2 billion in 2023, compared with €2.5 billion in 2019.

INVOLVEMENT AT ALL LEVELS

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

Veolia has set up a coordination and governance system to support the entire Group in this meaningful, unifying and transformative process.

GOVERNANCE AND STEERING

The Board of Directors, which has approved the text and indicators, ensures that they are properly implemented, in particular through a dedicated purpose committee.

The Group Executive Committee and Group Management Board monitors the text and indicators, while deciding on resource allocation.

The Critical Friends committee, made up of independent experts, is regularly consulted for its advice, with the aim of challenging the company and helping it to stay on course.

The Purpose Steering Committee, made up of members of the Executive Committee and functional departments, is responsible for coordinating and driving the approach within the Group.

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

IMPLEMENTATION IN THE FIELD

Steering the Group's priority objectives:

Each multifaceted performance objective is steered by an Executive Committee sponsor and a Group objective coordinator.

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

The objective coordinators:

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

The network of Purpose Officers:

This network accelerates the deployment of Veolia's purpose and multifaceted performance in the Group's operational and functional entities. The Purpose Officers act as their entity's intermediaries within a global network for:

- sharing best practices,
- monitoring the progress of the approach within their perimeter,
- leading collective reflection on the continuous improvement of the approach.

"We must continue to educate people about the purpose and multifaceted performance, which are the company's true compass, and which each of us, at our own level, brings to life on the ground. The teams have now understood that they are sources of essential value for our business."

Aurore Yang, Purpose officer, Asia zone

NOTES

Resourcing the world

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