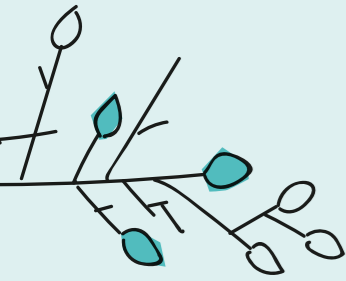


SUSTAINABILITY & CSR OVERVIEW

Veolia Central and Eastern Europe





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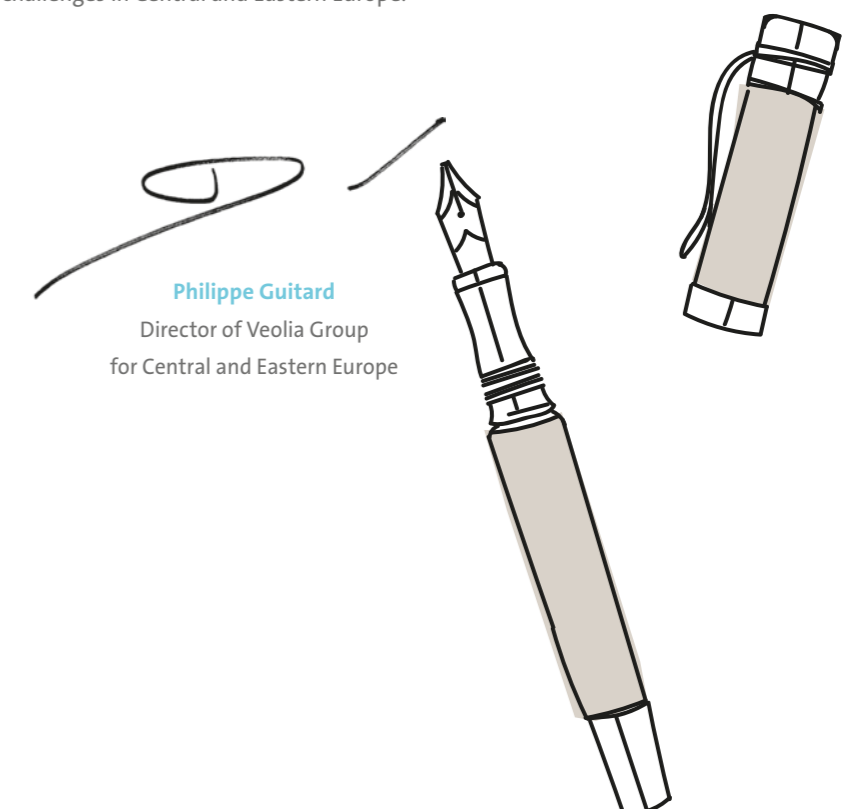
P 17 Our Commitments to the Women and Men We Employ

Today's business landscape is characterized by an unprecedented, accelerating and complex mix of risks and opportunities. Every industry and every sector - in every country - is facing new challenges, which they must confront in a changing operating environment.

Our entire market can be disrupted in a short time by innumerable factors, be it a new technology or a sudden lack of natural resources. New markets are emerging rapidly due to megatrends such as population growth, resource scarcity or global health risks.

Meanwhile, consumers and investors are better informed than ever before – and they want businesses to take responsibility for the pressure that our planet and its population are under. There is growing understanding – especially by business leaders and investors – that it is not enough for companies to be concerned only with short-term profits, because natural disasters, social unrest or economic disparity can damage long-term prosperity. These changes profoundly affect the way we organize our societies and run our businesses.

On the following pages, you will find specific initiatives and activities whereby we are responding to these challenges in Central and Eastern Europe.



Philippe Guitard

Director of Veolia Group
for Central and Eastern Europe

VEOLIA CENTRAL & EASTERN EUROPE INTRODUCTION

Veolia group is the global leader in optimized resource management. With nearly **169 000** employees worldwide, the Group designs and provides **water, waste and energy management solutions** that contribute to the sustainable development of communities and industries. Through its three complementary business activities, Veolia helps to **develop access to resources, preserve available resources, and to replenish them.**



VEOLIA WATER
CENTRAL & EASTERN
EUROPE:

692

WTP/WWTP
plants

12.7

million
people served

64,700

km
water/sewage networks

14,376

Employees



VEOLIA ENERGY
CENTRAL & EASTERN
EUROPE:

2,433

thermal
plants

22

million MWh
heat/cold produced

5.4

million MWh
electricity produced

5,200

km
DH networks

4.5

million
people served

9,820

Employees



VEOLIA WASTE
CENTRAL & EASTERN
EUROPE:

1.05

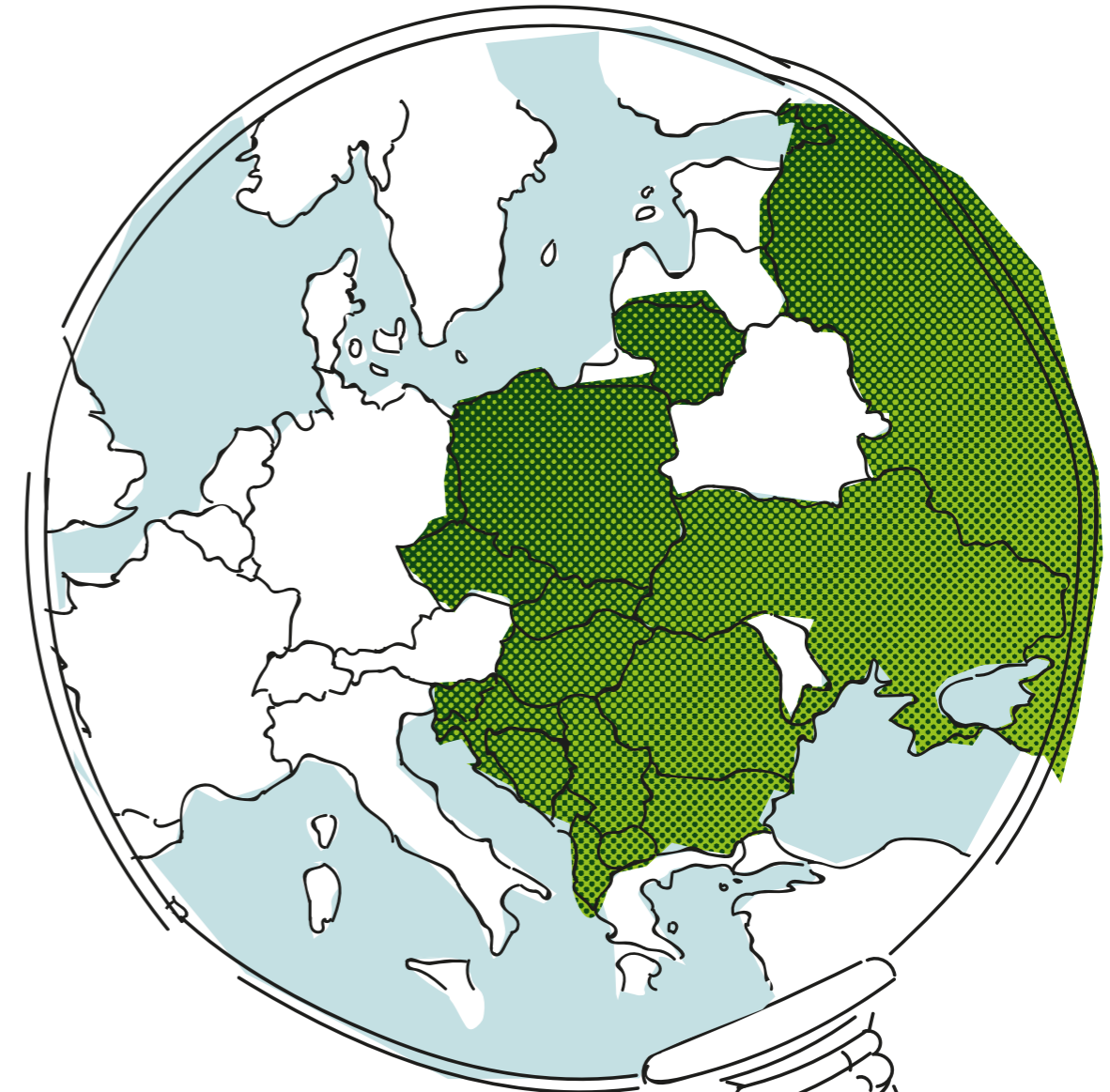
million tons
waste

600,000

people
served

517

Employees



KEY FIGURES 2017 VEOLIA CENTRAL & EASTERN EUROPE:

2,894.9

M€ Total turnover

17.9

million people served

25,215*

Employees

*(with SADE)

2,250

Industrial sites served



WE ARE PROUD TO BE AWARDED

[POLAND] Veolia Poland has received a high rating in **The All-Poland Ranking of Water Supply and Sewerage Companies prestigious charts** for 2017. The ranking was organised by the Polish economic daily newspaper Dziennik Gazeta Prawna. Veolia's subsidiary, PWiK, was placed fifth in the charts. The aim of the charts is to present to the public the leaders in the water and sewerage sector, to distinguish the best companies in the industry and, above all, to provide basic information about the water and sewerage sector in Poland. The charts analyse aspects such as the financial and technical condition, including the effectiveness in the remedying of failures, or expenditure on training and on improving employees' qualifications.

[CZECH REPUBLIC] In October 2016, Veolia Czech Republic won one of the most prestigious awards for sustainable business in the Czech Republic for its approach to fostering biodiversity. Veolia received the **TOP Responsible Company Award for the project of the year in the Environmental Leader category**. Moreover, in 2017 Veolia Czech Republic won the prestigious award in the category of Socially Useful Project 2017 with its **STARTer – Be Confident and Do Business** programme. The award highlights the most interesting activities in sustainable and responsible business. Veolia has also gained the **Silver Certificate in the TOP Responsible Major Corporation category** for its comprehensive strategy in all areas of corporate social responsibility.

[POLAND] During the 9th edition of the European Economic Congress (Poland, May 2017), Veolia was acknowledged in the **Foreign Investors in Poland category**. Veolia has been appreciated for its 20 years in Poland, specifically for its contribution to the development of energy and heat management as well as water, sewage and waste management. The company has been identified as a leading partner for local governments and industry thanks to its consistent policy of infrastructure expansion and modernization. In addition, Veolia has been recognized for implementing modern technological and investment solutions, which also includes a circular economy model.

[CZECH REPUBLIC] Veolia Czech Republic won the **Firm for Health** title for its Veolia Santé educational programme in April 2016. Veolia cooperated with the Environmental Services Institute and with the Firm for Health project to prepare an e-learning course focused on health risk prevention. The Veolia Santé programme focuses on the prevention of diseases, on occupational health support and on putting in place effective and sustainable mechanisms for improving the health of Veolia Group's employees.



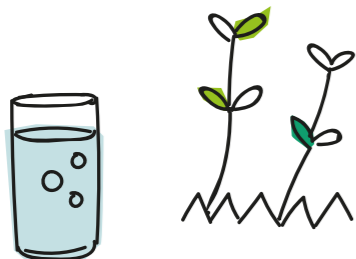
CREATING SUSTAINABLE SOLUTIONS

We must cultivate our innovation capacity in order to keep a competitive advantage and address new markets and environmental challenges. Innovation means performance improvements, productivity increases, and better reliability in operations. Innovation also means new development and new partnerships leveraging new technologies (namely digital technologies), new solutions, and new business models aimed at ensuring sustainability.

ENERGY EFFICIENCY & INNOVATION

The motto of the ONE VEOLIA group is Resourcing the World. Shaping clever solutions and new services bringing long-term value to our municipal and industrial customers while reducing the environmental footprint, is in our DNA. With the new ONE VEOLIA organization, we have put together the capabilities of water, waste and energy teams to work all together and go further in addressing complex environmental and energy issues efficiently.

[POLAND] Veolia in Poland, together with Volkswagen, has implemented heat recovery from air compressors. The recovered heat is transferred into Veolia-owned district heating network in the city of Poznań through a specially designed substation. It supplies heat to approximately 60% of the inhabitants of the city, as well as industrial plants, public institutions, and the district heating network, and is a recognized partner of the city and an important part of the development of its infrastructure.



[CZECH REPUBLIC] A Water-to-Energy project in Prague: The project of the **V-Tower building** in the Czech Republic is intended to use hot water as the primary source of thermal energy. The existing Veolia water pipeline will be used as a source for two heat pumps that will heat flats.

[HUNGARY] A Waste-to-Energy project in Hungary: **Bonduelle** washes and cans ready-to-eat vegetables at its two Hungarian sites in Nagyköros and Békéscsaba. This process generates a huge amount of wastewater that, since 2010, must be treated under Hungarian legislation. Partnered by Veolia, Bonduelle has therefore decided to recover this **wastewater to generate steam and provide heat to the factory buildings**.

[BULGARIA] The Kubratovo wastewater treatment plant treats domestic and industrial wastewater, and storm water entering the Bulgarian capital's sewerage network. This biggest wastewater plant in Bulgaria is **100% self-sufficient in green energy**. In 2010, Veolia took over a majority stake in Sofijska Voda and put in place new projects for optimization and environmental protection by reusing the waste from its operations. Green energy production from biogas at the plant increased steadily and in 2017, Sofijska Voda achieved 100% self-sufficiency in green energy.

[CZECH REPUBLIC] Across the whole Central and Eastern Europe zone Veolia strives to address the needs of **Heineken** breweries in Bulgaria, the Czech Republic



V-Tower building in the Czech Republic

and Romania with a view to **reducing the environmental footprint** by implementing the best-in-class energy and water services. A most recent example is the complete water treatment plant upgrade at Heineken's brewery in Krušovice, the Czech Republic, where Veolia has designed and implemented a two-stage water treatment process followed by reverse ion exchange units. To reduce the environmental footprint and wastewater production, reverse ion exchange was implemented as a two-stage, fully automatic system. Both parties are prepared to extend the current services in 2018, by Veolia taking over the complete energy management system of the brewery and investing in the measures that will further reduce the amount of energy consumed and carbon emissions produced. We expect an extension of this co-operation to include the management of the water/wastewater cycle.

ENTERING NEW MARKETS

[ARMENIA] Following an international call for tenders, Veolia has won, through its subsidiary Veolia Djur, the lease contract for all drinking and wastewater services in Armenia. Already present in Yerevan for more than ten years, Veolia will provide the entire Armenian population with its expertise and know-how. By 2030, **Veolia will be supplying drinking water**

24/7 to some three million Armenians. Under this contract, Veolia is entrusted with managing drinking water production and distribution and wastewater treatment facilities; and developing and improving the yield of the country's drinking water network. Drinking water production, distribution and billing will amount to almost 174 million cubic metres per year by the end of the contract. Veolia will be extending the service quality and continuity that it already provides to the one million residents of the country's capital, Yerevan, to the entire Armenian population.

[CZECH REPUBLIC] Veolia is returning to the Czech waste management market. It signed an agreement on the **acquisition of Tegamo's waste management service business** in February 2017. As a result, it has acquired major companies operating in waste management, regarding waste recovery and/or recycling to the maximum possible extent before disposal. Veolia's Waste Division specializes in the provision of comprehensive waste management services, including hazardous waste management, industrial wastewater treatment, and regeneration of cutting fluids and cuttings management and processing. It operates several facilities for waste management and recycling and owns a hazardous waste incineration plant.

ENGAGING OUR RESPONSIBILITY

Veolia wants to change the current and future world into a more pleasant place for life, where prosperity unites with respect for nature. Our goal is to ensure the necessary resources for humankind in such a way that these resources continue to renew and remain here for future generations. In order to succeed in this task, the Group has undergone a fundamental transformation. Its essence is a brand that also represents a commitment: **Resourcing the World**. To prove our social responsibility and commitments in the area of sustainability, we have decided to accept **nine key commitments** in three main areas. As regards each of the commitments, we have defined specific goals that we want to achieve by 2020.

Veolia fully supports the Sustainable Development Goals (SDGs) initiated by the United Nations

As a company operating worldwide, Veolia pays particularly attention to the goals set by the international community. Veolia participates at various levels in the

implementation of each of the 17 SDGs. The 2020 target for our commitment No 6 was tentatively defined before the adoption of the SDGs as follows: Contribute to the Sustainable Development Goals defined by the United Nations General Assembly in September 2015, as our contribution to the Millennium Goals.



OUR COMMITMENTS TO RESOURCING THE PLANET



1. SUSTAINABLY MANAGE NATURAL RESOURCES THROUGH THE CIRCULAR ECONOMY



[UKRAINE] Raising children’s awareness of the circular economy was an original scheme devised by Veolia Ukraine; between April and December 2016, it involved 6,500 schoolchildren. In line with the re-positioning under the Resourcing the World motto, this programme aims to improve the young audiences’ knowledge of the sensible use of resources and, in particular, of waste management. By rethinking consumer habits, secondary resources can be fed into the circular economy and hence be used several times over.

Veolia global target for 2020:
Generate a turnover of over €3.8 billion related to the circular economy.

[POLAND] Veolia Poland has won a contract, through its subsidiary EKO-ZEC, to collect and recover waste slag from the incineration plant in Poznań. The slag will be recovered and converted into building materials used for road building. It will make it possible to protect natural resources in accordance with the principles of the circular economy.

[CZECH REPUBLIC] In the Czech Republic, Veolia recycles fly ash from coal combustion and uses it to make high-quality materials for the cement and concrete industry. Materials made from recycled fly ash can be used in the construction industry and in road building as self-levelling compounds and road surfaces. In the Czech Republic, Veolia annually processes almost 370,000 tonnes of by-products from coal combustion, and Veolia Group thereby helps reduce the volume of landfilled waste and promotes environmental protection.



[SLOVAKIA] Veolia Slovakia wants to get the best out of old mobile phones. Throughout November 2016, the Energy Division employees participated in an environmental campaign called I want to get the best out of my old mobile phone. The main idea behind this campaign is to ensure the ecological disposal of dysfunctional and unused phones. Money raised from the campaign was donated to the Dobry anjel (Good Angel) non-profit organization to support families in need.

2. CONTRIBUTE TO COMBATING CLIMATE CHANGE



Veolia global target for 2020: Capture more than 60% of methane in the waste disposal facilities that we manage. 100 million CO₂ equivalent tonnes of emissions reduced over the period 2015-2020. 50 million CO₂ equivalent tonnes of emissions avoided over the period 2015-2020.



The energy challenge is one of the greatest tests faced by the world today. Energy use directly impacts on the environment through the extraction and consumption of natural resources for fuel as well as through greenhouse gas emissions and climate change resulting from the combustion of fossil fuels. One simple way of addressing these complex issues is to increase energy efficiency and the use of renewable energy. Economies must create more with less and deliver a greater value with less input, thereby using energy resources in a sustainable way and drastically reducing greenhouse gas emissions to fight climate change.

[HUNGARY] Pécs in Hungary is one of the very few cities in Europe making use of 100% local, renewable resources for their heating needs. In November 2013, Pécs, the fifth largest city in Hungary, put into operation the largest biomass-only cogenerated heat supply network in Europe. Each year, the city’s 170,000 residents keep warm with 400,000 tonnes of wood and 180,000 tonnes of straw from around twenty farms in the region. Long-term contracts to supply the two power plants have been put in place with farmers and forestry and sawmill operators in the region. To make the general public aware of this arrangement, in March 2015 the power plant opened a visitor centre called Green Zone.

[CZECH REPUBLIC] Energy Transition – the GAMMA project. Focusing on coal-fired facilities owned by Veolia (Poland, the Czech Republic), we intend to launch projects creating value by progressively turning to technologies limiting (or avoiding) carbon emitting fuels and/or by dismantling the carbon emitting facilities that can be decommissioned through a better optimization of energy sources (and related costs) over time. Based on the project list and priority ranking that we prepared in 2016, we determine the (rough) planning for the implementation of each project for converting carbon emitting facilities to greener fuels. For each project, we will adopt an approximate starting date / commissioning date. We are going to start with the Karviná CHP plant (in the Czech Republic) and the Poznań – EC II Karolin (in Poland) in the first phase.



3. PRESERVE AND RESTORE BIODIVERSITY



Veolia global target for 2020: Make a diagnosis and deploy an action plan in 100% of the sites where biodiversity has been identified as presenting a significant challenge.

To help prevent worldwide biodiversity loss, we are acting at two levels. By continuously improving the performance of our businesses we reduce their environmental impacts, thus preserving biodiversity. By ecologically managing the sites entrusted to us we create conditions favourable for maintaining local species and their habitat, thus restoring biodiversity.

[CZECH REPUBLIC] [SLOVAKIA] [POLAND] [HUNGARY] [BULGARIA] By the end of 2017, Veolia had carried out 33 biodiversity assessments at our operating sites (the Czech Republic, Slovakia, Poland, Hungary, and Bulgaria) with a view to designing measures in support



of biodiversity. Our goal is to support the diversity of natural species by monitoring and evaluating the impact of businesses on local ecosystems and implementing measures aimed at preserving biodiversity. Measures fostering biodiversity in multiple ways are then implemented within the plants based on the assessment.

[CZECH REPUBLIC] In March 2016, a new modern visitor centre, **Water House**, was opened near the largest

water treatment plant in the Czech Republic, Želivka. Visitors can enjoy an interactive exhibition that engages all the senses of children and adults alike. The house is operated by the Czech Union for Nature Conservation, and Veolia Czech Republic is the general partner of the centre. The Water House is an ecology visitor centre with an interactive exhibition that shows visitors two facets of water: water as an essential condition for life – an irreplaceable raw material, and water as a biotope for plants and animals.

[HUNGARY] The South-Pest Waste Water Treatment Plant in Hungary does not only use traditional two-stage biological filtering but has also increased treatment efficiency with the help of live plants and an artificial root system; due to a Hungarian development, the Organica® Food Chain Reactor, the quality of the treated water discharged into the receiving Ráckeve-Soroksár Danube branch therefore exceeds the European standards. Now the plant combines the latest knowledge about wastewater treatment and it is at the forefront in Europe with regard to its technology, its equipment and its cleaning completeness.

[CZECH-SLOVAK] The Secret City Life is a new Czech-Slovak project executed in cooperation with NGOs since January 2017. Its aim is to provide education supporting the protection of nature diversity, with a focus on urban biodiversity. During the project, students and teachers will become “discoverers” and join forces in an effort to educate people around them about biodiversity in their city or village. As part of the project, students will map the surroundings of their schools, where the objective will be finding interesting places and plant species, and subsequently entering them in the **PI@ntNet application**. Through joint effort, schools will create an urban biodiversity network while establishing a basis for offering the Czech and Slovak version of the application to the public.

OUR COMMITMENTS TO RESOURCING THE REGIONS

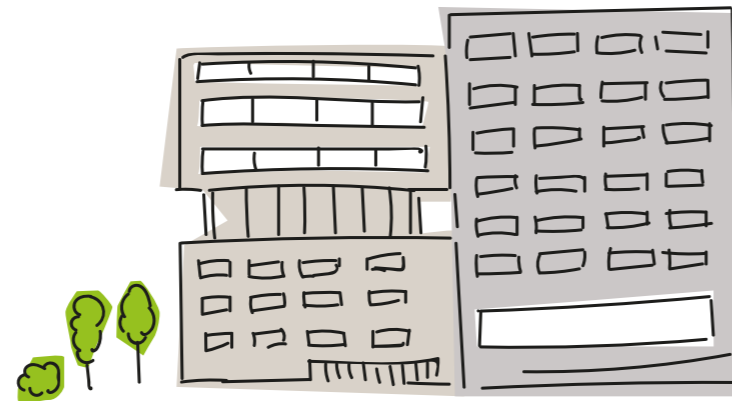


4. BUILD NEW RELATIONSHIP MODELS AND CREATE SHARED VALUE WITH OUR STAKEHOLDERS



Veolia global target for 2020: Have a major partnership based on creating shared value established in every zone and every growth segment.

Veolia Group works to maintain good relationships with all of our suppliers, shareholders and clients, pledging to provide the best possible customer services. We have our own Ethics Guide and we adhere to a responsible purchasing strategy. We cultivate win-win partnerships with key local players and develop digital tools adding value to operations and delivering valuable services to our customers.



[CZECH REPUBLIC] Veolia Czech Republic also uses the unique **Smart Water Integrated Management (SWIM) system**. Its components include depicting the results of drinking water analyses in a geographical information system (GIS) and a mobile sampling system used by the laboratory in the Water Quality Control Unit.

[HUNGARY] **Hubgrade, a performance monitoring centre, in Hungary** is tasked with managing client data to optimize their performance and reduce their environmental impacts.

[POLAND] **Keep the heat** is a project organized by the city of Poznań, Poland, in cooperation with Veolia. The project is aimed at promoting energy-efficient technologies and technical solutions. It also promotes energy-efficient practices and behaviour. Simplified infrared camera pictures report, through photos and information, on the locations of heat losses in buildings. As a result, energy-efficient behaviour is being promoted significantly.



5. CONTRIBUTE TO THE DEVELOPMENT AND ATTRACTIVENESS OF THE REGIONS



Veolia global target for 2020: Maintaining expenditure reinvested in the regions above 80%

Through our long-term partnerships, and our in-depth knowledge of local conditions, we shape customized projects to contribute to the dynamism and economic development of the regions on a daily basis. Our foundations have been supporting community-focused, non-profit projects across countries for many years. We are involved in social projects, organize volunteer work, protect the environment, and contribute to environmental education of children and young people.

[CZECH REPUBLIC] **STARTer** is a long-term programme for small start-up businesses. It helps to reduce unemployment in regions and disadvantaged people to play a fuller role in the community. Over 17 years, we have spent more than EUR 3.5 million to support the creation of 2,150 new jobs, 310 of which have been for disabled people.



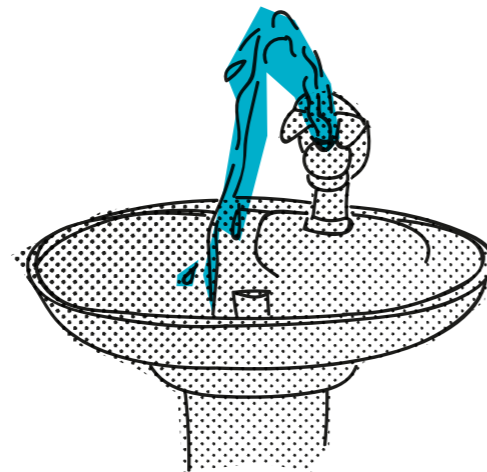
6. PROVIDE AND MAINTAIN SERVICES ESSENTIAL FOR HEALTH AND HUMAN DEVELOPMENT



Veolia global target for 2020: Contribute to the sustainable development goals as defined by the United Nations General Assembly in September 2015, in the same way as we contributed to the Millennium Development Goals.

[ROMANIA] Veolia Romania, its Apa Nova Bucuresti subsidiary, helps with two social aid funds to finance deprived people in collaboration with the Municipality of Bucharest. Apa Nova Bucuresti makes **donations to private customers for service pipe installation and repair and also for being able to pay the bills** issued by ANB, as follows: either through direct donations to people in financial difficulties or suffering from severe health problems and handicaps etc., or through invoice discounts. The Town Hall selects the cases that benefit from this social aid. In 2016, 1,066 people (312 families) in financial difficulties benefitted from the social aid fund allocated by Apa Nova Bucharest for the programme agreed with the Municipality of Bucharest; for 2017, there were 781 people (226 families).

[BULAGRIA] Inclusion of some Sofia neighbourhoods (the Roma population) is a very important topic for Veolia



Bulgaria. We lose a lot of water in these areas (three million cubic metres per year); the loss is due to technical problems and, in particular, due to the fact that we cannot bill. Veolia Bulgaria is deepening a partnership with the local HASED foundation that has long been working in these neighbourhoods on health issues with good results (a cooperation agreement was signed in October as part of a strategic memorandum of cooperation). Under HASED's methodology, we have started regular educational work with children in three age groups to raise community awareness of the environmental value of water. The objective of this partnership extends beyond a purely technical approach, which would not work without taking into account the cultural specifics of these communities. This innovative partnership is also meaningful from a business perspective, because by reducing unbilled water losses in the foreseeable future, we will reduce our costs.

[ARMENIA] Within the Municipal Services, Yerevan Djur CJSC (Armenia) is providing **unbilled water to the public drinking fountains**. This translates into approximately two million cubic metres of water delivered to the public free of charge.

OUR
COMMITMENTS
TO THE WOMEN
AND MEN
WE EMPLOY



7. ENSURING A SAFE AND HEALTHY WORKING ENVIRONMENT

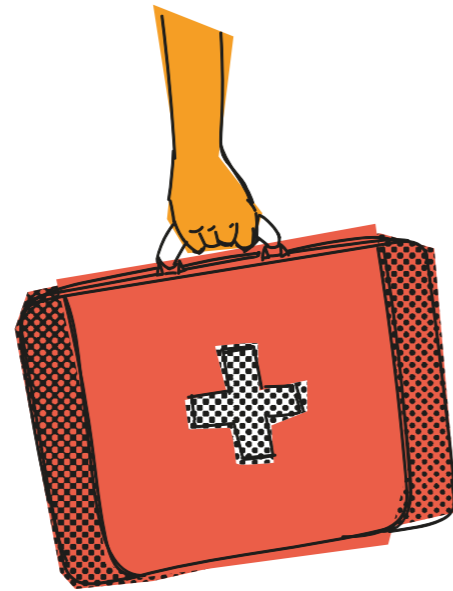


Veolia global target for 2020: Achieve an occupational accident frequency rate of less than or equal to 6.5. The accident frequency rate is the number of accidents per million hours worked and is the Group's preferred indicator. In the CEE Zone the frequency rate is 1.8.



[SLOVAKIA] Machine-based automation is leading to more and more employees working on their own. This situation puts employees likely to be working alone at a greater risk when faced with an accident or hazard. To ensure their safety, Energy Services in Slovakia have devised a **warning system** specifically for such staff. After a testing and training phase, the system was installed in operating centres. The system raises the alarm very swiftly. A device out of the normal position sends a signal to an operator. They must assess the situation immediately. If there is no response they send the nearest person to give first aid.

[CZECH REPUBLIC] In the Czech Republic, Veolia has drawn on **practical first-aid** training to devise a cancer prevention scheme. E-learning modules promote healthy lifestyles, emphasizing primary prevention of excessive



weight and obesity, one of the leading causes of deaths in the Czech Republic. The modules are open to everyone. In June and November 2016, **practical seminars on cancer** were organized for female and male employees. In November 2017, there was a course on heart disease. The primary purpose of the seminars was to teach the students how to examine themselves, which is one of the methods of an early detection of the disease. The participants learned more about effective prevention and, in particular, they had an opportunity to practise self-examination on a dummy.

[ROMANIA] Veolia Romania launched a **mobile platform for greater safety at work**. To enhance safety in confined spaces, in June 2016 Romania's Water Division launched a mobile training platform specifically dealing with confined spaces and first aid. This had numerous advantages; it could be tailored to the participants' technical requirements and be set up in less than eight hours. Since the initial session, over 4,000 employees within the organization have been trained; 500 staff members from other entities and 200 staff members from external service providers have also benefited from this course.

8. PROMOTING THE PROFESSIONAL DEVELOPMENT AND COMMITMENT OF EVERY EMPLOYEE



Veolia global target for 2020: Deliver training to over 75% of employees annually.

Maintain the rate of commitment for managers at over 80%.

[BULGARIA] "Let's visit!", launched by Bulgaria's Water business in 2015, gives employees an opportunity to explore the Group's other departments, to discover various business activities and operating processes, and to network. There are numerous benefits: a better understanding of individuals' roles and responsibilities, internal cooperation and stronger teamwork, and business processes coordinated between departments. The visits, two hours long, take place on the last Friday of every month. "Let's visit!" now covers 18 sites visited over 18 months and 250 employees who agree that they now have a better understanding of the Group.

[POLAND] Following the engagement survey conducted in 2015, the Veolia HR teams in Poland, in close collaboration with all the management teams, rolled out a tailored programme for **promoting operations managers' skills: SPARK**. Three two-day modules are split into sections focused on managerial attitudes, improving efficiency, and better understanding the role of a manager in the organization. A closing survey helped to confirm the positive impact of the training.

[CZECH REPUBLIC] Training for Veolia Group's employees in the Czech Republic and Slovakia is largely provided by an internal organization, **Institute of Environmental Services**, or IES, which offers over 600 courses and training programmes, many of them accredited by the Czech Ministry of Education, Youth and Sports. IES is an important element in Veolia's Campus network of training centres.



9. ENSURING RESPECT FOR DIVERSITY AND FUNDAMENTAL HUMAN AND SOCIAL RIGHTS WITHIN THE COMPANY




Veolia global target for 2020:
Ensure that over 90% of employees have access to a social dialogue mechanism.

requirements, developing the working environment, effectively allocating and organising work, ergonomics, promoting cooperation across generations, and supporting and promoting our employees' physical and mental health.

[CZECH REPUBLIC] In the Czech Republic, Veolia is tackling the challenge of an ageing population by tapping the potential of its employees aged 50+ to maintain key skills in the company under the best possible conditions. In March 2016, Veolia Czech Republic set up an **Age Management** project team to expand the company's current personnel management strategy to embrace specific systemic activities, which will include the Veolia Senior Academy (VESNA) project with the accent on maintaining the company's know-how. Above all, it is about a responsible personnel and corporate response to health, restructuring, redefining of jobs and performance



Resourcing the world  **VEOLIA**

Veolia Central and Eastern Europe

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