

# Impact Report

## **Middle East & Africa**

### 2017-2018





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# Our ecosystem

The world in which we live takes many forms and is constantly changing. Thanks to our flexibility, not only can we match the changes in the world around us, but we can plan ahead for future changes. The geography, politics, demographics and societal priorities of the two regions where we operate, the Middle East & Africa, are complex. To list just some of the major challenges facing these regions: demographic growth, urban concentration, diffuse pollutions, economic expansion and water stress.



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Managing essential services on behalf of towns and industrial firms comes with political, economic, customer- and image-related as well as ecological risks. We constantly interact with multiple stakeholders such as civil society, suppliers, public authorities, journalists, shareholders, subcontractors and our employees. In this context, the long-term viability of our actions can partially be evaluated based on our ability to share our targets in terms of services and share the added value created at a local level. We contribute to the local economy in both of the regions within our ecosystem.



## AFRICA AND ITS URBAN TRANSITION



**A**frica is growing, but so are the risks facing it. Africa recorded growth of 5% over the last decade, and continental demand is constantly rising.

In this context, the considerable growth recorded by towns in Africa is not sufficiently supported by the infrastructures required to attract companies to the regions and by acceptable living conditions for all population groups. Urban expansion and rising population figures will inevitably lead to tension in towns. Tension will arise over resources, primarily drinking water, followed by the environmental and

sanitary consequences of discharging wastewater. The latter will increase in proportion to the number of inhabitants and the volume of water used.

The construction of the large towns of the future must be supported by sustainable partnerships with all local contributors, boosting a more circular economy: collecting and reusing waste, providing access to energy, drinking water and water treatment services, and successfully transforming the immense potential of African towns. The main priority is to provide towns with the means of combating global warming.





Considering increasing global demand, volatile prices, and increasingly restrictive environmental regulations, the oil and gas industry must face three major challenges: reduce costs, optimize their industrial output and improve their ecological footprint. In addition, some Middle Eastern countries are starting to prepare for post-oil economy and considering the future means of ensuring growth.

In this respect, managing natural resources is a strategic focal point in a region which faces structural water stress. The survival of the local populations in the Middle East depends on the careful management of regional resources, as the Middle East can only access 1% of the world's hydrological resources compared with 6% of the world's population. Waste management is a key issue, including hazardous waste management, considering the demographics and economic operations in the region.



## THE CHALLENGE OF A CHANGING MIDDLE EAST

The Middle East is expected to record **2.9%** growth in 2018



Household water consumption reaches the highest levels in the world in the Gulf countries, with

**550**

litres of water consumed per day, per inhabitant on average



At this rate, in 2035, the Gulf countries will consume

**8%** of the world's resources compared with

**4%** of its population



Finally, geopolitical issues are critical in this part of the world: the recent diplomatic crisis between Qatar and some Gulf countries, constant tension with Iran, the current and future reforms underway in Saudi Arabia, to give just a few examples, are expected to have many social, economic and environmental consequences.



# Our commitment

**R**esourcing the world engages its responsibility. While growth and prosperity maps are being redrawn, we are committed to creating economic value, sharing with our stakeholders and preparing for the long term. Access to essential services, a fair distribution and the protection of resources, the fight against global warming, attractiveness of the regions, etc. are all issues to which all our teams attempt to find matching solutions on a daily basis.





**We have been active on the African continent for more than 20 years and are proud to have contributed to the economic and social development of African cities and industries while protecting the environment and combating pollution. We provide long-term support for the regions and industries in the Middle East, promoting competitive solutions reinforcing towns, improving energy efficiency and optimizing available water resources. We also assist cities with finding international funding for secure access to essential services. This is our approach to making a local contribution to the long-term success of the regions.**



## PROTECTING THE NATURAL WEALTH OF THE COUNTRIES IN WHICH WE OPERATE

**O**ur ambition is 'Resourcing the world' on a daily basis, in other words, to meet the major environmental priorities on a planetary scale: protect natural resources, fight global warming and maintain biodiversity. We launch solutions based on a combination of technologies, logic and efficiency for this purpose. We work to reduce the water footprints of towns and industry, to optimize the productivity of the flows we manage and to reduce our use of raw materials. Veolia has been assessing and checking the impact of its operations on the environment and on public health in a totally transparent manner since 2002, via its environmental management system (EMS).

## Cleaning-Up Coasts

Wastewater treatment is a primary focus for Veolia's investment in Morocco, aiming to support the strong growth of the regions. Sanitary, social, economic and environmental aspects are all considered as priorities. All treatments have been constructed according to the most modern quality standards. The pollution clean-up programme is part of a global policy to promote sustainable development and improve the quality of living of inhabitants.

The towns of Rabat and Temara (with approx. 1.5 million inhabitants) previously discharged their wastewater directly onto the Atlantic coast and onto the banks of the Bouregreg River, damaging the environment and contaminating bathing areas. The Redal wastewater treatment units are a key link in the pollution clean-up system for the Atlantic Coast and in the Bouregreg Valley for the towns of Rabat, Salé, Skhirat Témara, Harhoura and Ain Attiq, and can be used to eliminate all direct wastewater discharges. The Amendis pretreatment unit was commissioned in 2011 and represents one of the most critical infrastructures in the treatment programme for the Tétouan and Tanger area.



## Working for Mining Sites With the Highest International Standards

AngloGold Ashanti (AGA) confirmed its trust in Veolia by extending the operating and maintenance contract for the water treatment plant for its Iduapriem gold mine in Ghana. This contract confirms the quality of the high added value solutions, which our group can provide to its customers in the mining sector, aiming to satisfy the most demanding environmental standards while reinforcing the efficiency of their operations.

Veolia is committed to boosting operational efficiency, guaranteeing supplies and reducing its environmental footprint in accordance with the requirements of the Ghanaian environmental protection authorities.





## CONTRIBUTING TO THE ECONOMIC AND SOCIAL DEVELOPMENT OF THE POPULATION



Redal has launched various partnerships with different associations working to improve literacy and vocational training to encourage the social insertion of women from poor families.



*Vocational training is recognized as an effective means of providing people living in precarious conditions with an opportunity to recover a certain level of stability and dignity. Thanks to Redal's support, we managed to train young women in cooking skills, and they were able to start their own business and earn income. We helped these women by passing on know-how.*

Amendis continues to promote sustainable development by supporting an environmental awareness programme.



*Our partnership with Amendis is part of a societal policy aiming to provide support for the population in the form of awareness, educational and training initiatives focusing on sustainable development suitable for the local context and matching expectations and needs. The aim is to create eco-citizens, with shared responsibility accepted by all citizens on a daily basis.*

Veolia has supported towns in managing and optimizing their water, material and energy resources for 165 years. Veolia provides solutions which help improve access to resources, as well as protecting and renewing these resources, thereby boosting their environmental, economic and social efficiency. Veolia also helps public authorities to meet many new challenges: guaranteed access to quality services, the consideration of societal factors (solidarity, employment), saving natural resources, reusing waste and reducing carbon footprints.

We are able to meet these challenges thanks to the complementarity of our expertise and our complete control of local water / waste / energy loops. We bring our strengths together and prepare complex, made-to-measure, solutions. We position ourselves as a creator of environmental and economic value, able not only to operate in the field, but also to support and develop new services, establishing win-win partnerships with our customers.



### Assisting a national operator to re-boost the energy sector in Guinea

A renovation project for the power sector led by the World Bank was adopted by the Guinea-Conakry government in 2012 in order to put an end to the serious crisis currently affecting the energy sector in this country.

In October 2015, Veolia concluded a management contract (4 years) with the national power operator, Électricité de Guinée (EDG), aiming to create the right conditions for recovery and to improve its technical, commercial and financial energy.

In accordance with the contractual indicators, this project focuses on key aspects of customer relations management, technical performance, planning, facility operations and maintenance, financial management, human resource management, purchasing and stock management.



#### Improvements over the last 2 years:



**+57%**  
in receipts



**+600%**  
in meters connected



**-40%**  
in power cuts





## ENSURING OUR EMPLOYEES APPRECIATE VEOLIA AS AN EMPLOYER

### Affirming our Human Resources policy

**A**s a key player in sustainable development, Veolia is responsible for applying and developing an effective and ambitious social model. This model must reflect a human-focused firm, federating its personnel around strong values, and preparing for the future while fully committed to the present. Our strategy for the Middle East & Africa reflects this priority.

Our employees are committed to managing our operations, contributing to corporate performance and assisting the populations on a daily basis. Their skills and technical knowledge represent the main assets of our company. We are constantly training our employees to guarantee their employability. We are proud to be able to guarantee good living, working and professional development conditions for our employees, regardless of their location and hierarchical level.



### Betting on a policy to improve local skills

**W**e involve local contributors to prepare and implement strategies to improve local skills. By adapting and assimilating its methods and expertise, Veolia holds the real keys to success.

We grant priority to developing skills and helping to create a corporate culture based on learning, to promote independence and social cohesion. Applying a formal continuous development training plan is critical in all of our partner firms. The training plan mainly focuses on the following strategic lines, regardless of the country: Operational Excellence, Customers, Corporate Social Responsibility, Quality, Health, Health & Safety and the Environment and New Information and Communication Technologies.

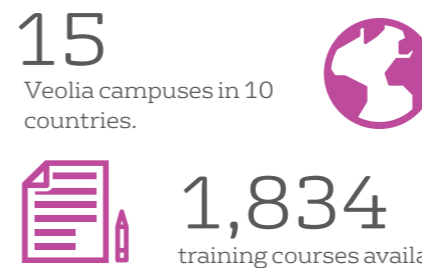
#### TARGETS:

- Improve the skills of employees.
- Help to develop corporate culture.
- Support Group performance.
- Guarantee a healthy and safe working environment.

#### COMMITMENTS:



#### CAMPUS NETWORK:



**Arzika Oumalhairou**  
SEEN laboratory assistant



*Thanks to my training on how to track network water quality, I was able to acquire good laboratory sampling and handling practices to ensure and monitor the quality of drinking water and to ensure that the results of the different analyses match the recommendations of the World Health Organization (WHO).*



**Muna Khames**  
Customer services manager, UAE

*Thanks to my 'Customer service skills' training, I was able to gain more experience and new skills in terms of customer satisfaction. I can now use my knowledge in practice with my team and am aware of how to effectively manage customer relations and life cycles.*



# Our Strategy

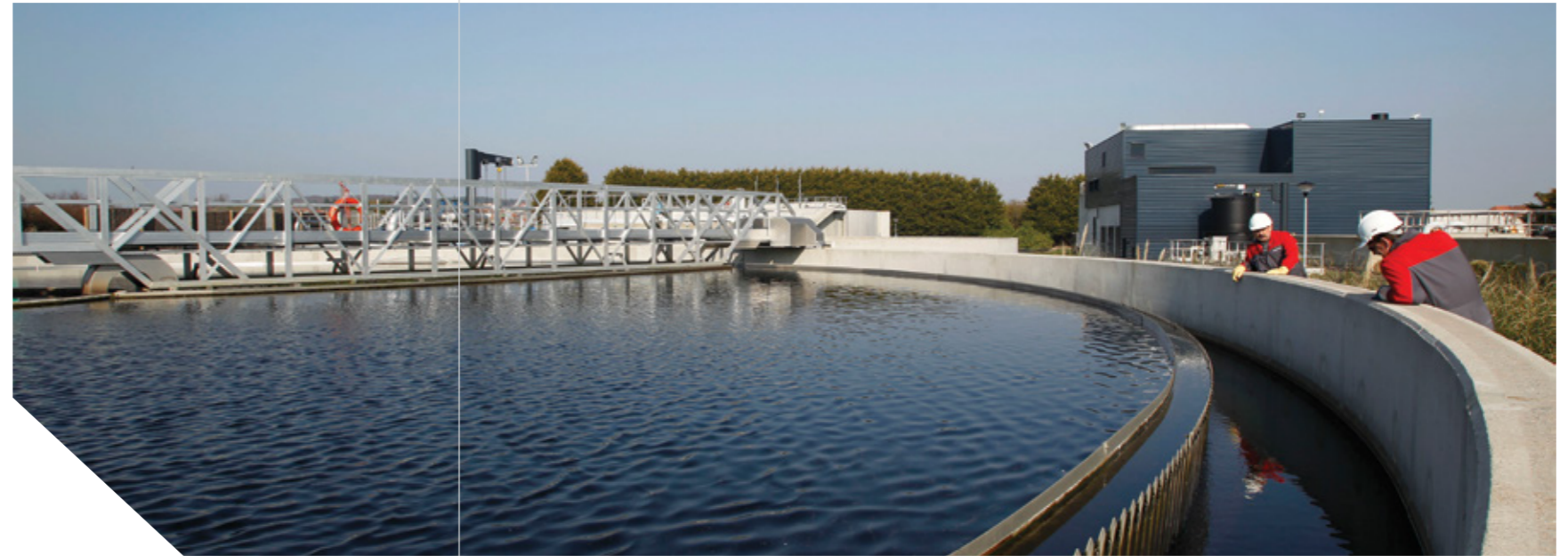
**W**e have been committed to working in partnership with the Middle East & Africa for the last 21 years. We adapt to regional customs and local needs in all 14 countries where we work, providing sustainable solutions to the challenges of urban development and clean industry in Africa and performance in the context of resource use in the Middle East. Our strategy is systematically based on three cornerstones: economic development, social development and the protection of the environment. The 8,000 employees in the region focus on these three points as part of the daily tasks and commitments.





Our ability to adapt quickly, our discipline when it comes to execution and our historical expertise are key factors in facing the priorities in these two regions: water stress – the rapid development of industry – the growing needs of the population – diffuse pollutions.

Our teams are also constantly working to develop new digital solutions to render our operating sites more effective, offer improved monitoring interfaces to our customers and support consumers throughout the digital transformation.



### Our strategies



**Cities :** Contribute to the access to key services and the protection of resources.



**Industry :** Bring environmental solutions.



**Towns :** Meet the need for complex infrastructures and propose effective and sustainable water, waste and energy management options.

**Industry :** Provide environmental services for the oil and gas industry.

**Commercial :** Enova – Promote regional leadership of the smart management of building energy services.



## A FRAGMENTED STRATEGY BASED ON CLIENT TYPE AND GEOGRAPHY

**W**e operate under two main types of contracts, local authorities and industrial operators, including the tertiary. Our assignments are not the same depending on whether we are working for cities or industry. Their expectations and contractual procedures vary substantially based on their types of operations. Our strategy is therefore fragmented by customer type and region, as no single strategy can be applied to the entire area. However, in the Middle East & Africa, Veolia has three main business segments: water and treatment management, ordinary and hazardous waste management, and energy service management.





## CUSTOMIZED DEVELOPMENT MODELS

### Supporting a greener growth for industries

Industrial operators are facing crucial challenges for their development: sustained growth targets in a context of increased competition, ever-stricter environmental regulations, resource depletion in the areas of their production sites, and the social acceptability of their operations. They also need to control production costs and operational risks. They therefore look for partners able to cover the entire range of their operations.

Our strategy on the industrial market involves supporting industrial operators with the management of these key

priorities by offering a full range of works and services to improve their competitiveness and their environmental and social impacts, with five sources of leverage to create value :

- **The right to operate** (reusing process waters, plants with zero liquid discharges)
- **Operational efficiency, cost killing** (optimized water and energy consumption, competitive waste elimination systems)
- **Optimize output**
- **Financial engineering**
- **Brand image and social and environmental responsibility**

### Optimized water management in Ghana

Veolia ensures the operation and maintenance (O&M) of the water treatment plant for the Iduapriem mine located in West Ghana via its subsidiary Veolia Ghana Limited.

Optimizing all on-site treatment operations includes primary settling combined with an ozonation process and a reverse osmosis phase. This 2-year O&M contract was recently extended and confirms Veolia's leadership in water treatment for the mining industry. AngloGold Ashanti operates gold mines in 10 countries and is one of the leading firms in the mining industry.

Our added value: transparent indicators and process expertise. We manage water in a responsible manner to guarantee that the effluents discharged meet the requirements of the Ghanaian 'Environmental Protection Agency'.



### Managing industrial wastewater from the SIPCHEM petrochemical plan

Veolia has managed the operating and maintenance of the wastewater treatment plant at the SIPCHEM petrochemical plant since 2009: this was the first delegation contract signed in the petrochemical industry in the region of Jubail, Saudi Arabia.

Veolia has implemented the best operating and maintenance practises from the start of the contract, allowing the customer to achieve their targets in terms of environmental conformity. In addition, Veolia has identified technology which can be used to recycle 80% of wastewater on sites. Thanks to Veolia's management services, the customer can focus on their core trade. Studies are currently underway to optimize the recycling of water, targeting zero liquid discharge (ZLD).





## DEVELOPING THE ATTRACTIVENESS OF THE REGIONS



**V**eolia deploys solutions and develops an integrated approach to its business segments for towns based on five cornerstones of the creation of shared value. These cornerstones are naturally complementary and can be adapted to the context, limitations and decisions of municipalities.

Towns in emerging countries face colossal requirements in terms of new infrastructures. They must manage time and financing requirements and be able to operate on a long-term basis, ensuring effective delegated management for all partners. We can propose sustainable solutions to towns to protect resources, the standard of living of their citizens and the environment, while developing urban infrastructures. We can rely on our 165 years of know-how in environmental services for this purpose, and invent crossed solutions (water-energy-waste) to meet the complex priorities of new metropolises.

Our job is to help towns to improve their ability to handle extreme events, use smarter solutions, reduce their dependence on natural resources, create more inclusive societies and offer a pleasant place to live to attract the most demanding town dwellers. On this basis, we launch offers to meet the different requirements of towns in the Middle East & Africa.

### Resilient City



Resilience is a core concern in the Middle East & Africa and is becoming a major theme for many stakeholders. We are developing performance contracts, which help firms to prepare for extreme events, and to significantly improve the quality and efficiency of water services in particular, on the basis of controlled indicators with figures.

### Circular City



We are launching new business models to promote the development of the circular economy within the regions. In our eyes, renewing resources means recycling materials, opting for renewable energies and recovering biomass/biogases, to name just a few examples; protecting resources means reducing consumption and enhancing energy efficiency, for example.

### Giving a Second Life to Treated Wastewater

Windhoek, Namibia, is one of the only cities in the world to recycle its household wastewater into drinking water, and the only one to be doing it on this scale. Veolia and its partners have been managing the wastewater recycling plant since 2002, transforming the wastewater into drinking water for 350,000 inhabitants in this town which faces chronic water shortages.

The WINGOC (Windhoek Goreangab Operating Company) operating and maintenance contract has a 20-year term and was signed in 2001 with the municipality of Windhoek. Veolia Africa (67%) and VA Tech Wabag (33%) are the two partners in this project. This process represents an international benchmark, as Windhoek and Singapore are the only towns to produce drinking water from wastewater to this day.



### 100% of wastewater from the town of Ajman will be reused in 2020

Almost half of the wastewater treated is currently re-used for irrigation, watering parks, gardens and leisure parks and as processing water for industry in Ajman in the United Arab Emirates. We are planning to recycle all wastewater from the capital of the Emirate of Ajman by 2020. Thanks to this local circular economy loop, Ajman will be able to protect a large percentage of its water resources. This process will also avoid the release of 6,000 tons of CO<sub>2</sub> each year.





## Inclusive City



In inclusive cities, no population groups are excluded from the development process. On this basis, we promote access to essential services for as many inhabitants as possible, and particularly for the most vulnerable groups. We also encourage the involvement of citizens and all stakeholders in the operation of our services.

## Developing a Social Policy With Access to Drinking Water in Niger

Access to water remains a critical priority in this country in West Africa. We use our technical expertise to the benefit of our social policy and contribute to the deployment of an extensive drinking water access policy based on social rates, the installation of social connections and drinking fountains in order to ensure the distribution of drinking water to as many urban inhabitants as possible, at a cost which is compatible with the income of the local population. Each fountain supplies 250 individuals on average and is managed by an inhabitant. These fountains are an effective means of rapidly providing clean water to many families in areas with limited infrastructures and/or resources.



## Smart City



Smart cities are more connected and better managed, they optimize the operation of their infrastructures, and boost their competitiveness and sustainability. By combining new technologies with our expertise in the business segment, we can help to improve the level of services available to citizens.

## Using Drones to Optimize Energy Management

In order to act as an innovative and smart leader in integrated energy and facility management, we also need to design drone inspections for our smart tools. Enova has received its official permit to fly drones around the sites of its customers for technical and thermographic inspections of buildings and photovoltaic solar systems and to detect energy leakage, insulation problems and fluid leaks.



## Livable City



We deploy solutions in cities to maintain the standard of living of citizens in an urban environment. We use our expertise in the protection of biodiversity and reducing the environmental footprints of towns, mainly based on renewable energies, for this purpose.

## Taking Action for Clean Beaches in Morocco

Since 2004, Amendis has been part of the 'Plages Propres' programme launched by the Mohamed VI Foundation for the protection of the environment. Each year, we take action alongside of local authorities to ensure that summer holiday makers are aware of the need to protect the environment. Redal has designed the 'Ecolo'Plage' educational programme, in partnership with the 'Association Marocaine des Petits Débrouillards', aiming to ensure that children are aware of the need to protect the beaches and the environment.

Ba-kacem beach kept its "Pavillon Bleu" label in 2017 for the 5th year running. Thanks to the ISO 14,001 certification for the Environmental Management System of the treatment unit, Tanger beaches have even successfully obtained the famous Pavillon bleu label awarded to beaches with some of the highest quality bathing waters in Morocco.





## INVENTING NEW MODELS



In a global and highly competitive economic environment, companies can no longer continue to operate in a closed cycle. Companies must open up to unprecedented types of partnerships generating shared value in order to stay competitive. In our eyes, co-construction is a priority source of leverage for growth. In this respect, we invent original economic or contractual models with our customers and partners, attempting to create complementary expertise enabling us to take up new opportunities.



### Boosting a unique dynamic to promote the environment

Considering environmental priorities and the immense challenge of reducing poverty, which primarily affects women in Niger, Empow'Her – an international organization supporting businesses run by women – and Veolia, via its subsidiary, Société d'Exploitation des Eaux du Niger (SEEN), have launched the Niamey Oasis, a third party location with two ambitions:

Supporting the economic integration of women via entrepreneurship

Ensuring the population's awareness of the challenges inherent to sustainable development

This eco-space with a surface area of 1,000 m<sup>2</sup> was opened in January 2018 in the presence of Mrs Lalla Malika Issoufou, First Lady of Niger and Oasis sponsor, and focuses on recycling, reusing and planting. The Oasis project will also create jobs in Niger, particularly via training and support programmes for female entrepreneurs.



**Abdou Salami Cissé**  
Managing Director of  
the Niamey Oasis



*Co-constructing this project with Veolia is a real opportunity. We are contributing our knowledge to a unique project, targeting both women and the environment. If women are provided with support, they are able to change so many things in this country!*

### Extending Our Services Into the Rural Environment: Veolia & Odial

We are launching global supply solutions for drinking water and power to the benefit of peri-urban and rural African populations in partnership with Odial Solutions. 400 million inhabitants living in rural sub-Saharan Africa do not have access to drinking water. And while one town dweller out of three can access power, only one rural inhabitant out of six can make the same claim. This model requires urban areas to make a small financial contribution in order to reduce the cost of a litre of water or a kilowatt-hour to a level compatible with the financial capabilities of rural populations. We had previously led a pilot project with Odial in Niger in 2016, with 128 small drinking water adduction networks fitted with solar pumps. This joint action reflects the two groups' full intention to follow the Sustainable Development Goals (SDG) adopted by the directors of all member states of the United Nations in September 2015.

### Structure a New Sector: AfricWaste

This innovative waste collection platform has been operational since October 2017 and is intended for mass recycling and the launch of a secondary raw material market (starting with PET plastic bottles purchased in the informal sector). The pilot project will be run for 2 x 6-month periods in two parts of Abidjan: the Akouédo discharge (1,200,000 tons of waste annually) and Treichville, located in the south of the town. A mobile application can be used to put informal recyclable waste collectors (sorters, wholesalers, etc.) in contact with the platform.

This project can be used by informal workers to increase their income by reusing waste previously considered as valueless. It can be used to collect and reuse PET waste and clear bottles from gutters, lagoons and streets previously left abandoned.







### Smart Meters in Partnership with CityTaps

We work in partnership with CityTaps, a startup which aims to supply tap water to each and every home and improve the health of deprived city dwellers.

CityTaps has developed an original solution: a prepayment service including a smart prepaid water meter unique in the world. Customers can pay for their water before use using their mobile phones, regardless of the amount. Thanks to this option, households can optimize their expense management. One year after installing 135 meters in Niamey, SEEN subscribers are highly satisfied.

CityTaps is planning to extend the project and install an additional 1300 meters in the country by the end of 2018.

## DIGITALIZING OUR SERVICES

In 2017, 50% of inhabitants aged under twenty owned a mobile phone in the Middle East/Africa. This young generation is eager for new technologies and is keen to use ICT. We decided to place our actions at the heart of these changes to optimize the experience and customer satisfaction.

### Simplifying the Customer Interface

Amendis and Redal have modernized their communications media by upgrading their websites and creating Facebook and Twitter accounts. Tens of thousands subscribers have already signed up. Amendis has

developed an online agency to match the needs of its customers. Customers can complete their operations thanks to the platform, which is accessible via the web.

In 2018, the SEEN officially launched the 'SEEN SMS' service, in partnership with the MOOV telephone operator. The text service can be used by customers to receive their invoices by text message as well as text alerts reminding them of payment deadlines.

The SEEN has also deployed the SEEN SAWKI solution, which can be used by all customers in the country to pay their invoices using their mobile telephones.

## Developing additional solutions

Enova's operational efficiency is structured around three pillars: individuals, processes and tools. Integrating human factors, effective processes and smart systems are all key features of our 'best in class' services offering guaranteed results. We have highly qualified personnel, tracked and monitored procedures and a network of complementary smart tools using advanced technology.



### Enova Hubgrade Supervision Platform

Enova has launched its Hubgrade supervision centre, a smart supervision platform, which collects, analyses and reports all operating data for resources: energy and water consumption and waste produced. Hubgrade inspects and supervises the use of the resources of multi-functional buildings using a sophisticated data analysis system allowing our analysts to compare the results with best practices. Hubgrade identifies fields for optimization and maintenance, which are subsequently applied by our teams.

## Mobile Applications

Thanks to Veolia's Enova smartphone application, customers can access data on the Energy & Facilities Management services in real time via functionalities such as automatic status updates and instantaneous task reports. Enova is also now working to improve the functionalities of this tool, by allowing B2C users to supply ad hoc services suitable for the needs of the beneficiaries.



In developing countries where waste management is globally part of the informal economy, such as in Abidjan-Côte d'Ivoire, digital options can be used to improve existing practices by connecting the different players in the sector via applications developed for us by start-ups.



# Our long-term performance

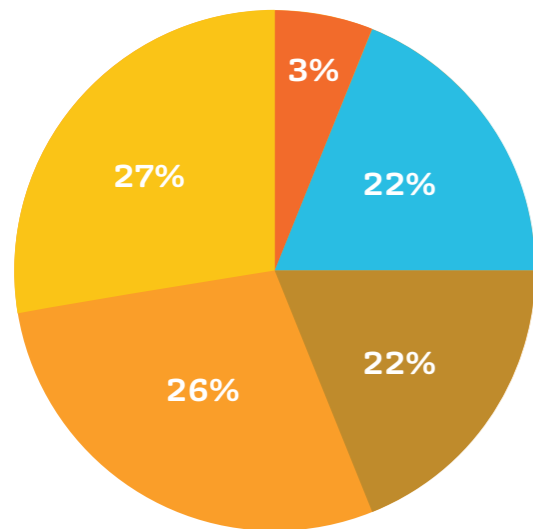
**W**e contribute to the appeal and social and economic dynamics of the regions. Our services cannot be relocated, they are produced in the area where they will be used. On the other hand, we are responsible for creating shared value for the local populations, suppliers and subcontractors, employees and shareholders with economic and social effects on the entire ecosystem of our activities. We redistribute the income generated by our services locally.



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We support new businesses and the lively 'frugal' innovative spirit which reigns in Africa. We are working to create long-lasting low-cost solutions to protect water and energy resources in the Middle East. We are convinced that a joint approach to innovation with technological, financial or industrial partners is indispensable in order to help achieve the Sustainable Development Goals (SDG) and ensure a positive impact on cities and the industry.



Percentage of turnover associated with the SDGs for Veolia MEA in 2017

## WE CREATE AND SHARE ADDED VALUE

All companies must gain the trust of their ecosystem members. They must explain their added value and usefulness. They must be able to propose innovative partnership techniques based on creating shared value with our different stakeholders.

We have been actively working in the Middle East & Africa for 21 years and are positioned as a catalyst for regional and industrial growth. We are contributing to the progressive replacement of the traditional linear set-up (produce - use - throw away) with a new circular economic model, based on co-construction, improved usages and recycling.

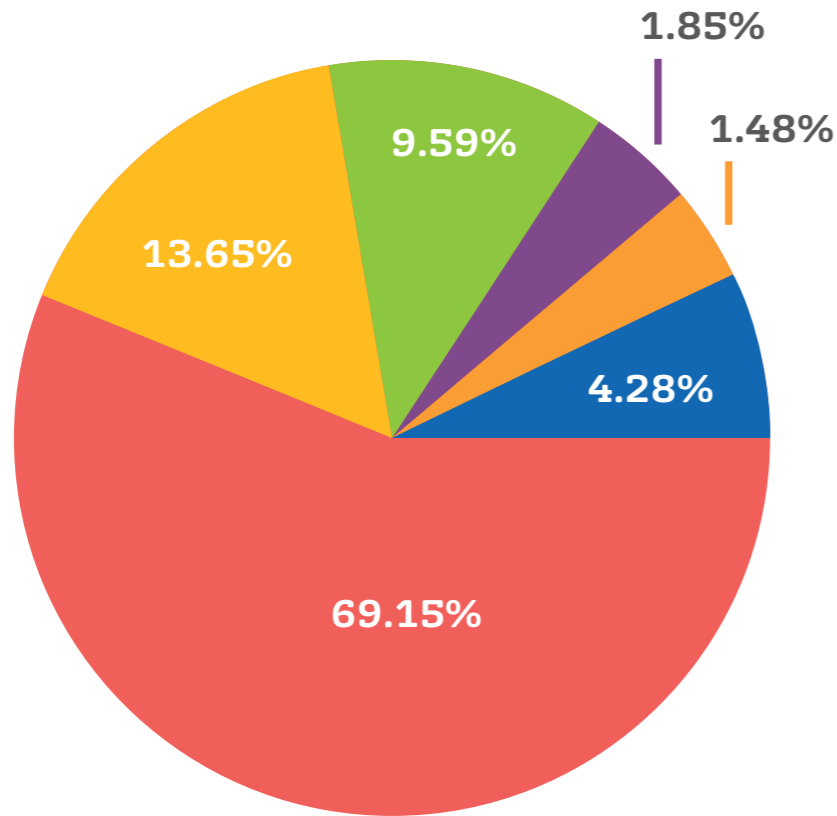


## WE CONTRIBUTE TO LOCAL DEVELOPMENT

### MOROCCO (Redal)

Turnover for 2017: **3,539 million MAD**

Redistribution of turnover between 2002 and 2017: **40.5 billion MAD**



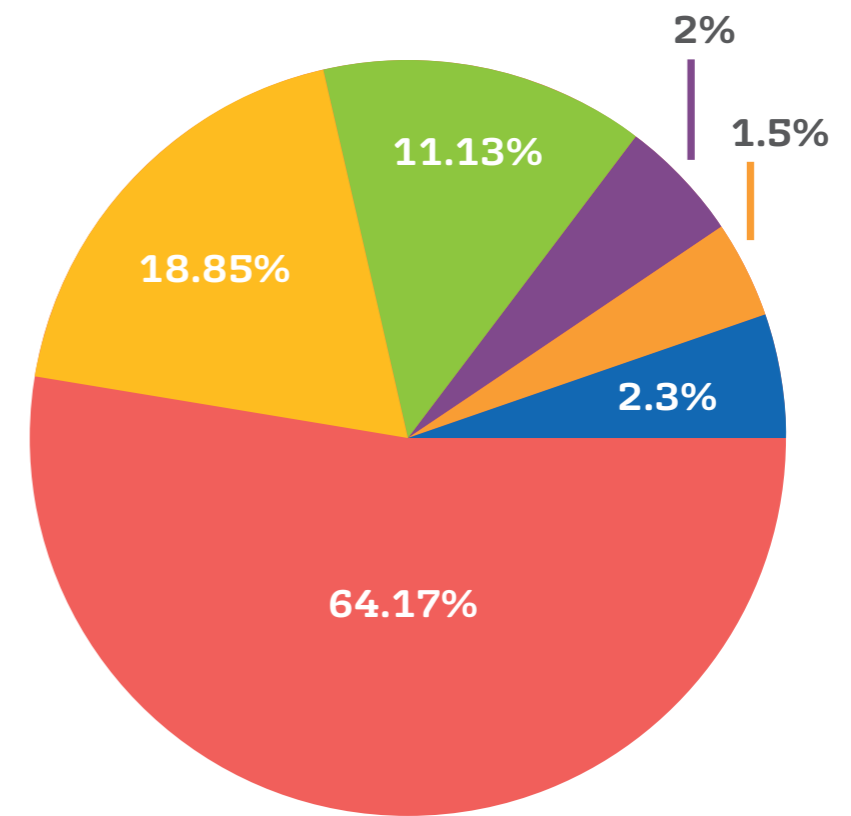
#### Certifications in 2017

ISO 14001 - Environmental Management  
 ISO 9001 - Quality Management  
 OHSAS 18001 - Health & Safety Management  
 Pavillon bleu label - Skirat beach  
 National Road safety award

### MOROCCO (Amendis)

Turnover for 2017: **3,277 million MAD**

Redistribution of turnover between 2002 and 2017: **34 billion MAD**



#### Certifications in 2017

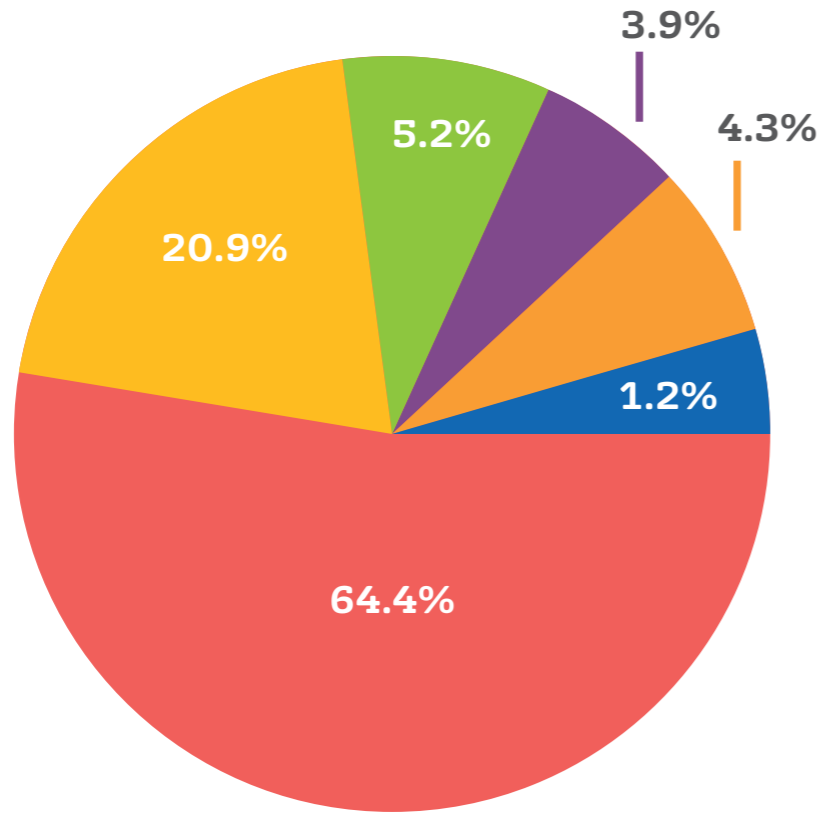
ISO 14001 - Environmental Management  
 ISO 9001 - Quality Management  
 OHSAS 18001 - Health & Safety Management  
 CAP 26000 - Societal Responsibility  
 Pavillon bleu label - Ba Kassem beach at Tanger / Amsa beach at Tétouan  
 National safety at work award  
 Quality encouragement certificate



**NIGER**

Turnover for 2017 : **25,295 million CFA**

Redistribution of turnover between 2002 and 2017 : **231 billion CFA**



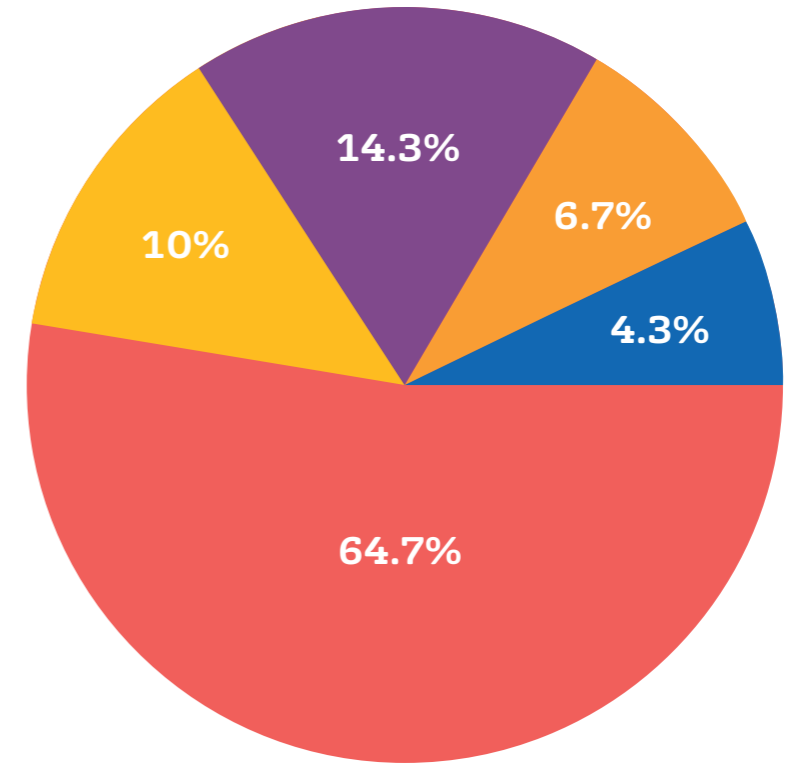
- Bank **2.86 billion CFA**
- Tax authorities, excluding VAT **10 billion CFA**
- Shareholders **9 billion CFA**
- Share devoted to investment **12 billion CFA**
- Employees **48.27 billion CFA**
- Suppliers and service providers **148.86 billion CFA**

**Certifications in 2017**  
 ISO 9001 - Quality Management  
 ISO 14001 - Environmental Management  
 ILO OHS 2001 - Health & Safety at work Management

**NAMIBIA (Wingoc)**

Turnover for 2017 : **72 million NAD**

Redistribution of turnover in 2017



- Bank **3 million NAD**
- Tax arrangements, excluding VAT **4.8 million NAD**
- Shareholders **10.3 million NAD**
- Employees **7.2 million NAD**
- Suppliers and service providers **46.6 million NAD**

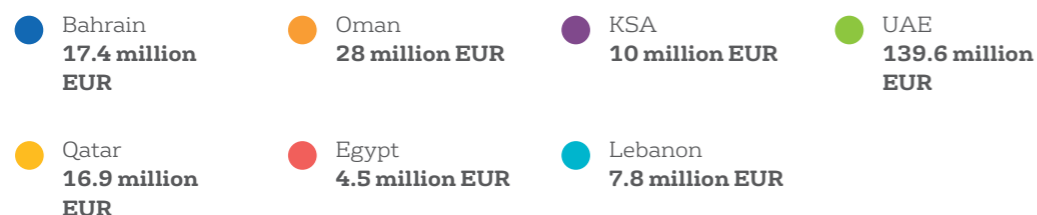
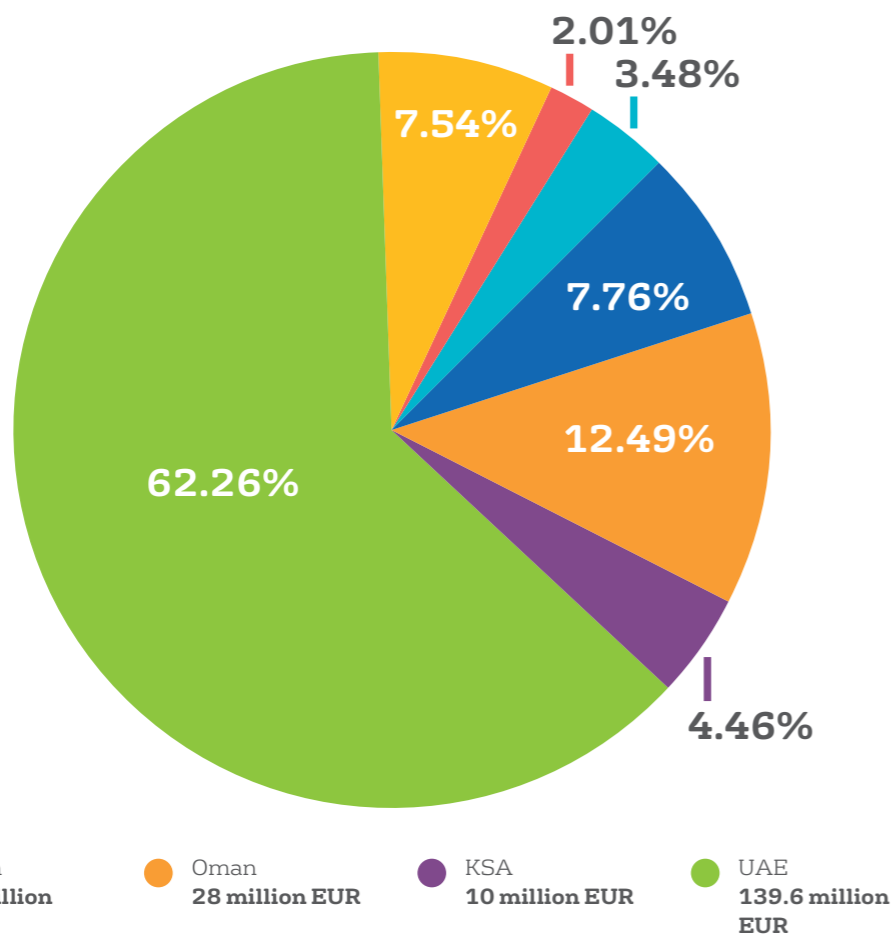
**Certifications in 2017**  
 ISO 9001 - Quality Management



## MIDDLE EAST

Turnover for 2017: **224.2 million EU**

Our contribution to local development in the Middle East is significant, but cannot be assessed in the same way as in Africa. We can boast many contracts and "Business Units", which are consolidated using specific techniques depending on the legal set-up



**Enova : Certifications in 2017**  
 ISO 14001 - Environmental Management  
 ISO 9001 - Quality Management  
 ISO 55001 - Asset Management  
 BS OHSAS 18001 - Health & Safety Management  
 ISO 50001 - Energy Management  
 Dubai ESCO Accreditation - Energy service providers  
 Sharjah ESCO certification - Energy service providers  
 Dubai chamber CSR label - CSR

**Veolia : Certifications in 2017**  
 ISO 14001 - Environmental Management  
 ISO 9001 - Quality Management  
 ISO 55001 - Asset Management  
 BS OHSAS 18001 - Health & Safety Management  
 ISO 50001 - Energy Management  
 Dubai chamber CSR label - CSR

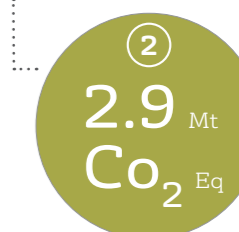
## WE ARE COMMITTED TO AMBITIOUS CSR TARGETS

Sustainable development is essential for our planet, and for us too. We offer technologies based on the principle of circular economy to reduce carbon emissions, treat water and reduce consumption for all of our operations.

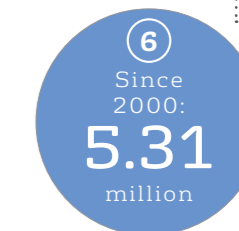
We have chosen to describe our commitments and our performance based on three dimensions: Planets, Regions and People. Since 2014, nine commitments, based on teamwork within the Veolia group, have enabled Veolia to advertise and manage the priorities of its corporate social responsibility strategy.

	COMMITMENT	TARGETS 2020
<b>ENVIRONMENTAL PERFORMANCE</b>		
1	<b>SUSTAINABLY MANAGE NATURAL RESOURCES BY SUPPORTING THE CIRCULAR ECONOMY</b>	Achieve €3.8 billion revenue in the circular economy
2	<b>CONTRIBUTE TO COMBATING CLIMATE CHANGE</b>	Over the 2015-2020 period, achieve 100 million metric tons of CO <sub>2</sub> eq. of reduced emissions and achieve 50 millions of CO <sub>2</sub> eq. of avoided emissions  Capture more than 60% of methane at landfills
3	<b>PROMOTE AN ECO-FRIENDLY APPROACH TO PRESERVE BIODIVERSITY</b>	Carry out a diagnosis and implement an action plan at 100% of sites with significant biodiversity issues
<b>SOCIAL PERFORMANCE</b>		
4	<b>BUILD NEW MODELS FOR RELATIONS AND VALUE CREATION WITH OUR STAKEHOLDERS</b>	Have established a major partnership based on creating shared value in every zone and every growth segment
5	<b>CONTRIBUTE TO LOCAL DEVELOPMENT</b>	Maintain expenditure reinvested in the regions above 80%
6	<b>SUPPLY AND MAINTAIN SERVICES CRUCIAL TO HUMAN HEALTH AND DEVELOPMENT</b>	Contribute to the United Nations Sustainable Development Goals, in the same way as we contributed to the Millennium Development Goals
<b>WORKFORCE-RELATED PERFORMANCE</b>		
7	<b>GUARANTEE A HEALTHY AND SAFE WORKING ENVIRONMENT</b>	Achieve an injury frequency rate of less equal to or below 6.5
8	<b>ENCOURAGE THE PROFESSIONAL DEVELOPMENT AND COMMITMENT OF EACH EMPLOYEE</b>	Deliver training to over 75% of employees annually  Maintain the manager commitment rate at over 80%
9	<b>GUARANTEE RESPECT FOR DIVERSITY AND HUMAN AND FUNDAMENTAL SOCIAL RIGHTS</b>	Ensure over 95% of employees have access to a social dialogue mechanism

Reduced total emissions for 2015 - 2017 :



People connected to drinking water :



Frequency of accidents in 2017 :







### Think further ahead with the Think Tank (Re)sources

We consider that innovation is partly based on our ability to exchange ideas with other stakeholders, pass on messages and convince decision makers at the highest level. We created the Think Tank in 2004 for this reason.

The Think Tank (Re)sources bring together thirty members from a wide range of backgrounds, who all share the belief that access to essential services – water, wastewater and energy – represents an absolute priority for development. Their contributions enrich sometimes conflicting debates on established points of consensus and can be used to apprehend water and energy problems from several different angles – regulatory, economic, social and even sanitary – however, the constant focus is on finding hands-on long-lasting solutions for access to essential services.



### International Health & Safety at Work Week 2017

In order to anchor the health and safety at work culture, Veolia has been organizing the International Health and Safety Week since 2015. The main theme of the 2017 edition covered 'managing high-risk activities'. Thanks to this event, all Veolia Middle East & Africa employees, regardless of their positions, are committed to safety at work and the prevention of risks.



## COMMITTED EMPLOYEES REPRESENTING OUR CUSTOMERS

Our teams contribute to 'Resourcing the world' on a daily basis, representing Veolia's intangible assets. We are therefore looking to mobilize a new generation of experts, ready to take action at our sides.

The #WeAreResourcers programme involves demonstrating the way Resourcers see the world. This programme reinforces the pride of staff, as they are placed at the core of the value chain we create.

We are supported by talented teams, who share and incarnate our vision of the world. Without our staff, we would be nothing: together, we are resourcers.



**Ibrahim Akine Atta**  
Performance director  
- SEEN, Niger



*My work comprises hands-on and innovative initiatives, which contribute to the development of the water sector in Niger, and have done so for more than 30 years. I am particularly proud to have deployed CSR at SEEN, which both promotes the well-being of employees and supports projects with high potential for the local population.*



**Souad AZAMI**  
Third Party study manager for the Studies and Works Division  
- AMENDIS, Morocco



*My division is active and energetic and supports the development of the town of Tanger, contributing to its larger-scale impact. By being part of this team, I am able to improve my skills as an engineer and develop new ones. Thanks to this solid experience, I will be able to ensure success in future challenges and reinforce the position of women within Amendis.*



**Hassan Shaukat**  
Plant director  
- Veolia, United Arab Emirates



*Working in a wastewater treatment plant brings a set of daily challenges combined with multiple achievements. I am incredibly proud because we are involved in a project, which clearly shows that the recycling of wastewater contributes to a greener and better environment, not only for us, but also for the future generations!*



# Our Governance

**V**eolia Middle East & Africa is a region, which covers water-energy-waste activities in the Middle East & Africa. We bring together over 69 legal entities and employ 8,000 members of staff.

Our activities are led by an Executive Committee, which guarantees permanent support, assistance and checks for operators, support teams, and all of our entities. This Executive Committee monitors the application and adaptation of Group standards and is also in charge of liaising with corporate functions in order to contribute to key Veolia Group indicators.







## OUR BOARDS OF DIRECTORS

In addition to bringing in more female members, we focus on the diversity of member profiles, from France and elsewhere around the world, ensuring wide ranging advice, and a balance between the different company stakeholders on the board.



## OUR COMPANIES ARE ALWAYS LOCAL

Veolia is undoubtedly an international group, however, its roots are primarily local, or regional, working to the benefit of its customers, focusing on the long-term, as the protection of the environment is a long-term consideration by definition.

At Veolia Middle East & Africa, we systematically sign contracts while making sure to select local partners, ensuring our integration in the regional ecosystem and our positioning as local players. Our business segments are local in nature, and irrigate the economies of the regions served.

On this basis, over 90% of our turnover returns to our stakeholders such as employees, suppliers, subcontractors, tax authorities, banks and investors.

Including

### Africa



### Middle East





## AN INTEGRATED RISK MANAGEMENT POLICY

In a complex and sometimes unstable international context, the risks involved in operating in the regions of Middle East & Africa can have a significant impact on the group's financial situation, results and image, as well as its prospects. The long-term relations constructed with our customers are based on our ability to plan ahead and manage the risks inherent to the operations under our remits.

We have implemented a coordinated risk management and prevention policy. The group risk division is supported by an international network of 'risk managers', combining local and global risk management in order to determine, plan ahead for, coordinate and handle all aspects likely to affect the achievement of the group's targets.

## SINCERE DIALOGUE WITH OUR STAKEHOLDERS

Wherever we work, we launch local initiatives to enrich dialogue with the local communities and inhabitants: targeted information or awareness actions, district meetings, meetings with elected representatives and associations, site visits and open doors days for the general public.

Shareholders, employees, customers, suppliers as well as associations and civil society, start-ups, public authorities, regions, etc. We work on the principle of an extended design of our relations with our stakeholders, based on listening and confidence. All of our performances are shared collective achievements: cooperation leads to progress, our partners help us to become a better company.

### Advisory Committees

The Advisory Committee within the Middle East & Africa region was created with a view to providing supervisory teams with the considerations of external observers on the macro-economic and institutional context, trends, environmental priorities and the social responsibilities facing the region. Members of the Advisory Committee represent the main types of stakeholder with whom we interact at local level: civil society, academic staff, non-governmental organizations, international institutions, related industries, miscellaneous experts, etc. The Advisory Committee for the Middle East & Africa is a site for exchange and proposals, with no formal legal liabilities.

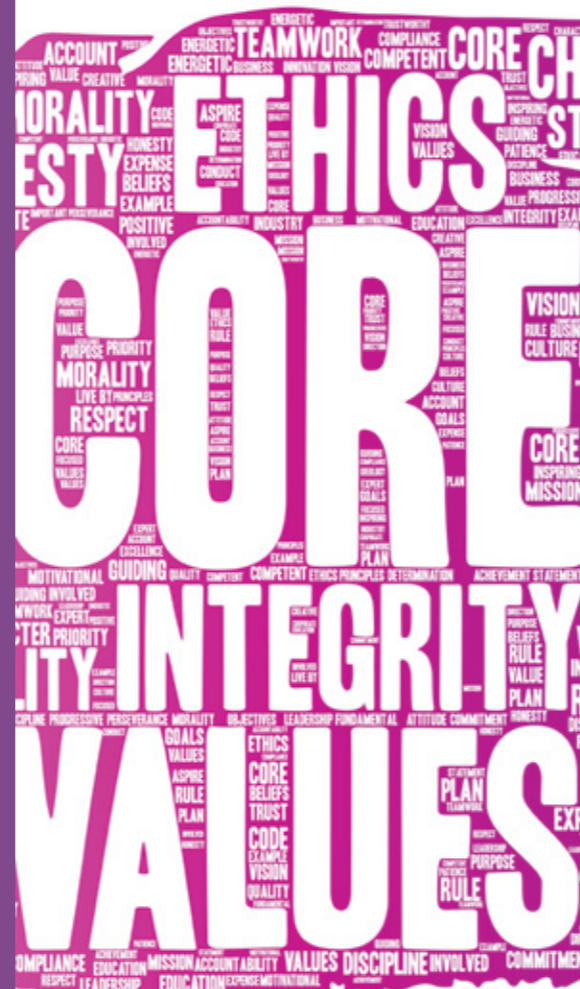


### Applying Our 'Ethics and Conformity' Rules

Due to the group's international scale, close attention must be paid to compliance with values and codes of conduct based on human and social rights according to international treaties and laws. Regardless of the geographic context, and regardless of the economic situation, our operations must be conducted in compliance with national regulations and the recommendations of international organizations, particularly in terms of respect for principles, the consideration of cultural diversity and the protection of the environment.

Veolia's fundamental values are **responsibility, solidarity, respect, innovation and a customer focus** and form the basis for our performance.

In this context, we have been preparing internal rules against corruption, money laundering, the financing of terrorism, unfair trade and environmental damage for many years, as well as similar rules on human rights and privacy. We systematically deploy these group standards, which are subject to regular internal audits.





# Our Profile

**A**s an international benchmark in environmental services, we support the towns and companies in the Middle East & Africa in their transformation into a more realistic economy, with a smaller carbon footprint, greater solidarity and less pollution. We support them down their road to a reduced environmental impact and greater social impact. This is our footprint.





Thanks to our activities and creativity, we are on the front line in professions currently preparing for tomorrow's world. Just as new treatments must be invented to handle new types of pollution, and new resources must be found to cover new shortages, 'Repairing' today's world and preparing for the future, 'resourcing' the planet, are all our day-to-day targets. This is our approach to boosting general interests.



## VEOLIA IN SHORT

**25.1**  
billion euros in  
turnover in 2017

**96** million  
inhabitants  
supplied with  
drinking water

**62** million  
supplied with  
wastewater  
service

**47**  
million metric  
tons of waste  
processed

**45**  
million  
megawatt hours  
produced



**V**eolia 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.

In 2017, the Veolia group supplied 96 million people with drinking water and 62 million people with wastewater service, produced nearly 55 million megawatt hours of energy and converted 47 million metric tons of waste into new materials and energy.

DISCUSSION WITH

# PATRICE FONLLADOSA

Chief Executive Officer of  
Veolia Middle East & Africa



We have always moved forward working with a logic based on co-creating and sharing added value in all of the countries where we operate.

## Which do you consider as the key features in 2017?

Dynamics have recovered in both the Middle East and Africa this year. Results are healthy in our business segment, and many requests for proposals are underway.

What mostly struck me in 2017 was the general increase in importance of conformity and compliance around the world, and their growing role in how we do business. History is changing, national and international regulations are tightening. It is both a requirement and a great opportunity for our group which requires discipline from all.

## What major changes are you expecting in the Middle East & Africa?

Africa is growing, but so are the risks facing it. Africa recorded a growth of 5% over the last decade, and continental demand is constantly rising. The population is expected to double by 2050, accompanied by unprecedented urban concentration. The new needs emerging in towns in terms of drinking water, wastewater treatment, energy and waste are clearly visible. Managing the urbanization of Africa is a real challenge due to the fast-moving pace of life and its size. We must demonstrate that we are the benchmark company for urban services and large complex network systems for these growing towns, to ensure that they become sustainable towns and great places to live.

The priority for industry is to assist firms to expand based on the best international environmental standards, to increase their market shares and guarantee their operating potential.

Three types of priorities apply in the Middle East: geographic, political and economic. This region faces structural water stress, and aims to manage and protect its natural resources as far as possible to ensure low consumption. In political terms, the diplomatic crisis between Qatar and its neighbours, as well as the member of new conflicts, have rendered regional operations and influences more complex. Major reforms are also underway in Saudi Arabia, with a wide range of impacts. Finally, after a slowdown, indicators reflect renewed growth in 2018 and some countries are increasingly considered the post-oil economy. These factors represent openings, which we must take to develop more sustainable services such as reusing wastewater, treating and reusing dangerous waste, or the energy efficiency of buildings and large commercial complexes.

## How does Veolia help to transform towns?

We must construct sustainable cities now more than ever. With more than half of the world's population living in urban areas, a figure that is expected to rise, a healthy environment and social context in cities will become prerequisites to ensure the appeal and the performance of urban services.

Our group can offer precisely this expertise, our teams can design solutions and systems, plan for changes and risks, manage infrastructures and repair facilities for essential services in towns in order to boost performance and ensure great community living.

Digital tools are undoubtedly catalysts for improvements in this context: connected objects, mobile exchange interfaces for liaising with public authorities. New technologies can be used to both improve operational performance and create new services.

## Why do you consider joint construction as a key approach?

Our growth strategy will be based on partnerships, particularly for Veolia Africa and Veolia Middle East. Thanks to these partnerships, we will be able to boost our potential for growth and ensure long-term operations. We are multi-local players and, once again, our services cannot be relocated. They are used right where they are produced.

We have always moved forward working with a logic based on co-creating and sharing added value in all of the countries where we operate. Wealth must be shared in our regions, perhaps more than elsewhere.



# VEOLIA EAST

A local and sustainable operator

**21**  
years of operation

A total turnover of **1.2** billion\*



\*December 2017 figures within the allocated scope

present in **14** countries

**90%**  
of expenses are reinvested in the regions

Frequency rate of accidents at work in 2017  
**1.58**

CSR commitments

Total reduction in emissions for 2015 - 2017  
**2.9 mt Co<sub>2</sub> Eq**

Stakeholder involvement

**64%**  
joint ventures



**90%**  
manager commitment rate



# MIDDLE AFRICA

**8000**  
employees



Africa



Middle East



Committed teams

**82%**  
local employees



**80%\***  
on permanent contracts



\*excluding Enova

**600**  
million m<sup>3</sup>/day of drinking water produced



Optimized resource management

**35,000**  
tons of waste collected and recycled



**8.5**  
million people provided with access to water



**3.8**  
million people provided with access to energy



**6.6**  
million people supplied with wastewater service





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Resourcing the world