

VIGILANCE PLAN 2020



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# INTRODUCTION

This document presents Veolia's vigilance plan (the Plan) in application of French law no. 2017-399 relating to the duty of vigilance of parent companies and subcontracting companies. This plan is based on "reasonable due diligence measures to identify risks and prevent severe impacts on human rights and fundamental freedoms, on people's health and safety and on the environment".

Under this law, the Plan must include the following items:

- a risk map;
- an assessment of subsidiaries, suppliers, and subcontractors;
- a whistleblowing system;
- action plans;
- a monitoring and assessment system.

Note that the structure of this plan does not necessarily follow the same order as the list of items above. This is a deliberate choice which reflects Veolia's appropriation of the duty of vigilance law's requirements.

In addition, the Plan applies to the entire Group.



## 2020 ACTIVITY REPORT

The system deployed by Veolia as regards the duty of vigilance has matured in 2020, taking advantage of the progress made in 2019, especially with respect to governance and steering. Thus, despite a difficult health context, significant projects were led:

■ **Development of guidelines formalising the Group expectations as regards the implementation of the duty of vigilance (see section 6.8):**

this standard aims to form a base on which business units can rely in order to meet these requirements. By extension, it will also be a tool to evaluate the effectiveness of the system deployed at operational level, thus contributing to reinforce the “monitoring and assessment” pillar of the law. This standard will be subject to the approval of the Group Human Rights and Vigilance Committee in 2021.

■ **Review of the human rights system following the update of the risk map (see section 4.1):**

the previous human rights risk analysis having been completed by the Group in 2016, the Group Human Rights and Vigilance Committee decided to get it updated in 2020. Contrary to the previous risk map, the scope of this study covered the whole Group. The conclusions thereof contribute to adapt Veolia’s human rights system, consistently with the legal requirements on the duty of vigilance.

■ **Deployment of the new format for the Group Environmental Management System’s annual campaign (see section 6.3):**

the 2020 campaign involved an increased number of business units compared to 2019. It was conducted based on a detailed environmental risk typology, resulting from a review led by a dedicated working group comprising employees from Group risk, technical, sustainable development and compliance departments.

The improvements made to the Group duty of vigilance framework such as described above are in line with the improvement approach promoted by the law.

## GOVERNANCE

This section details the governance architecture implemented by Veolia to meet the law's requirements: resources allocated to develop the Plan, methods to monitor it, and, finally, essential characteristics of the whistleblowing system.

### 2.1 RESOURCES COMMITTED

The following individuals and functions help manage and implement the Plan:

- Group Secretary General
- Functional departments:
  - purchasing
  - public affairs
  - compliance
  - sustainable development
  - legal
  - human resources
  - risks
  - business and performance support
- Human Rights Manager reporting to the Compliance Department
- Network of compliance directors and officers
- Network of sustainable development directors and officers
- Network of human resources managers
- Representatives of operational areas

The Human Rights Manager is in charge of managing and coordinating the duty of vigilance process for the entire Veolia Group.

### 2.2 PLAN MANAGEMENT

The Human Rights and Vigilance Committee (the Committee) is the essential steering body for the Plan. In particular, made up of the individuals and functions listed above, it forms the cornerstone of the monitoring and assessment system as required by the duty of vigilance law. The Committee notably rules on:

- the selection of monitoring indicators, their performance, and their relevance;
- the nature and completeness of the publications relating to the duty of vigilance;
- the validity of the conclusions of the dedicated risk mapping implemented;
- the results of the action plans: progress, relevance, effectiveness, etc.;
- the follow-up given to alerts falling within the scope of the duty of vigilance law reported via the whistleblowing system;
- any ad hoc measure/question relating to the duty of vigilance.

### 2.3 WHISTLEBLOWING LINE

In accordance with the law's requirements, Veolia has implemented a whistleblowing system, available both to Group employees and third parties, to ensure that situations relating to the duty of vigilance are reported. Through this system, authors of reports are able to remain anonymous if they wish, even if this method is not recommended as it does not guarantee optimum processing of the reports received.

The Group Ethics Committee is in charge of this procedure. On receipt of a report under the duty of vigilance law, the Ethics Committee transfers it to the Compliance Department for processing. Further to its investigations, the Compliance Department

submits its conclusions to the Ethics Committee which then closes the alert and archives it after having informed its author.

The link to be used by third parties to seize the Ethics Committee is set out below:

<https://veolia.whispli.com/fr/tiers-ethique>

## METHODOLOGY

In order to develop the Plan, the methodological approach applied needed to be specified as it determines the content of Veolia's response to the law's requirements.

### 3.1 SCOPE

As stated in the introduction, the Plan applies to all Group activities (Water, Waste, and Energy).

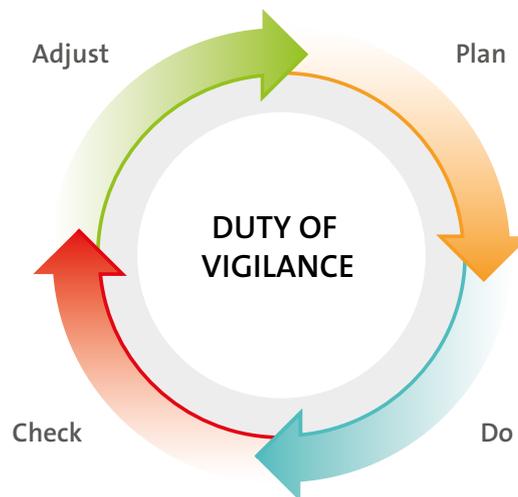
Veolia is present in 55 countries<sup>(1)</sup> and employed 178,894 people as of 31 December 2020. The Group is organised into ten geographic zones (Water France, Recycling & Waste Recovery in France, Central and Eastern Europe, Northern Europe, United Kingdom & Ireland,

Africa & Middle East, North America, Latin America, Asia, Australia & New Zealand), plus an additional global zone for worldwide speciality companies (Veolia Water Technologies, SADE, etc.). The organisation within the geographic zones is structured per country (operational unit or business unit) and the country directors are also responsible for the different business lines in their scope.

### 3.2 APPROACH

The concern for monitoring and assessment promoted by the duty of vigilance law is part of a continuous improvement process. The latter is based on the Plan-Do-Check-Adjust (PDCA) approach, which can be mapped out as follows:

This method appears relevant due to the cyclic operation it is based on. If the method is implemented satisfactorily, this triggers a positive dynamic combining reflection, achievement and adaptation, which is meant to help organisations improve their performance.



(1) Countries in which Veolia has permanent operations with personnel and employed capital of more than €5 million.

### 3.3 RISK MAPPING

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Risk assessment is an essential step in developing the Plan. Its results have a decisive influence on the policy and actions taken to meet the duty of vigilance law's requirements.

It should be emphasised that, unlike standard mapping, which is generally focused on the organisations sponsoring them, the duty of vigilance risk assessment is focused outwards on the direct impacts that the business activities may have on third parties<sup>(1)</sup>.

Veolia's risk mapping is based on its own methodology developed by the Group's Risk Management Department. This approach is adapted, if necessary, to take into account the specificities of each of the themes falling within the scope of the law: human rights and fundamental freedoms, health and safety, environment, and supply chain.

The main risk mapping methods used are:

- working groups participated in by functional departments;
- questionnaires to encourage feedback to nurture analysis and reflections during the risk assessment;
- discussions between the head office and operations to ensure consistency and feed the sorted results of the mapping process.

For the sake of clarity, a separate presentation of the conclusions of the mapping for each of the duty of vigilance law's themes seemed the most relevant (see part 4 – Risk mapping results).

### 3.4 INDICATORS

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Monitoring indicators contribute to the duty of vigilance law's effectiveness because they help guide:

- deployment of the actions taken and the assessment of their effectiveness;
- reflection on the application of the law by Veolia.

Their performance is presented in part 7  
– Key performance indicators.

(1) Including employees of companies concerned by the application of the duty of vigilance.

## RISK MAPPING RESULTS

In line with the methodology developed in section 3.3, mapping conclusions are grouped into four separate sections corresponding to the duty of vigilance law's themes.

A presentation in the form of tables was favoured, the use of a materiality matrix not necessarily seeming the most relevant approach to best understand the issues related to the risks identified during the mapping stage. Similarly, a breakdown by theme seemed more judicious for a clear understanding by the Group's stakeholders of the duty of vigilance risks induced by Veolia's activities.

The summary tables are structured as follows:

- **Risk category:** generic title of the identified risk;
- **Example(s):** illustration of the materialisation of the risk;
- **Possible cause(s):** factors that may be causing the risk;
- **Possible consequence(s):** potential impacts in the event of an incident.

It should be noted that the tables below present the main risks related to duty of vigilance themes; however, they are not exhaustive. The risk mapping will need to be regularly updated to ensure continuity of their relevance over time.

### 4.1 HUMAN RIGHTS

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Following on from the analyses conducted in 2014 and 2016, and as acted in 2019 by the Human Rights and Vigilance Committee, the human rights risk map was updated in 2020 through a survey. It relied on a methodology developed by the Risk Management Department, combining the results of studies conducted at Group level with contributions from the operational entities. Contrary to the previous surveys, the 2020 one was completed on a Group-wide basis. A little over 520 employees took part in it. The latter were selected so as to ensure the panel was representative of the human rights issue: purchasing, human resources, health and safety, business development, risk management, sustainable development, compliance, and executive managers.

The study found that the three most significant "human rights" risks for Veolia are:

- environmental and natural resources incidents;
- discriminations;
- health and safety.

This observation illustrates the interdependence of the topics covered by the law on the duty of vigilance.

On this basis, it was decided to present the risks such as the survey revealed them in the summary table below. However, in order to preserve the overall legibility of this chapter, issues linked to the environment and employees' protection at work are treated in the two dedicated sections on pages 10 and 11.

RISK CATEGORY	EXAMPLE(S)	POSSIBLE CAUSE(S)	POSSIBLE CONSEQUENCE(S)
<b>Environmental and natural resources incidents</b>		Refer to section 4.3	
<b>Discriminations</b>	<ul style="list-style-type: none"> <li>• Discrimination against lesbian, gay, bisexual, transgender, and intersex people</li> <li>• Disability</li> <li>• Origins, religion, nationalities</li> <li>• Workplace gender equality: percentage of employment of women, percentage of women in management, percentage of female executives, percentage of women sitting on the boards of directors of Group companies, including Veolia</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of manager involvement</li> <li>• Lack of a human resources framework and procedures to deal with these subjects</li> </ul>	<ul style="list-style-type: none"> <li>• Career hindered or blocked</li> <li>• Ostracism</li> </ul>
<b>Health and safety</b>		Refer to section 4.2	
<b>Freedom of association and right to collective bargaining</b>	Workers unable to organise their representation	<ul style="list-style-type: none"> <li>• Local legislation prohibiting unions</li> <li>• Management's refusal to dialogue with workers</li> </ul>	Deterioration of the company's social climate
<b>Lifestyles of local communities</b>	Native community affected by the presence of Veolia's activities	Lack of inclusion of local communities in projects	<ul style="list-style-type: none"> <li>• Relocation of communities</li> <li>• Impact on communities' productive activities</li> </ul>
<b>Forced labour</b>	Immigrant workers who may be taken advantage of due to their migrant status	Unfavourable cultural and legislative environment	Rights of vulnerable workers regarding issues such as pay, paid leave and freedom to terminate their employment contracts
<b>Child labour</b>	Children illegally sorting waste in landfills managed by Veolia	<ul style="list-style-type: none"> <li>• Unsecured site</li> <li>• Existence of a sizeable informal sector</li> <li>• Poverty of local populations</li> </ul>	<ul style="list-style-type: none"> <li>• Negative impact on the level of education</li> <li>• Injury</li> <li>• Death</li> </ul>

*N.B.: Risks relating to suppliers and subcontractors are covered in section 4.4.*

*The risk of a cultural gap must be kept in mind to ensure the effectiveness of Veolia's human rights policy.*

*The Group's initiatives to promote these issues internally could effectively be frowned upon and even backfire in certain countries in which Veolia operates.*

## 4.2 HEALTH AND SAFETY

RISK CATEGORY	EXAMPLE(S)	POSSIBLE CAUSE(S)	POSSIBLE CONSEQUENCE(S)
Traffic at work	<ul style="list-style-type: none"> <li>Traffic on public roads</li> <li>Machinery co-activity on a site</li> </ul>	<ul style="list-style-type: none"> <li>Vehicle traffic standard insufficiently known and implemented</li> <li>Accidents caused by third parties</li> </ul>	<ul style="list-style-type: none"> <li>Injury</li> <li>Death</li> </ul>
Work in confined spaces	<ul style="list-style-type: none"> <li>Work in sewers</li> <li>Work in a tank</li> </ul>		
Handling hazardous goods and chemicals	<ul style="list-style-type: none"> <li>Handling chemicals in laboratories</li> <li>Unloading chemicals</li> </ul>		
Hot work	<ul style="list-style-type: none"> <li>Use of an oxyacetylene torch</li> <li>Use of hand-held tools (grinder, etc.)</li> </ul>		
Excavation and trenching works	<ul style="list-style-type: none"> <li>Landslide (earth instability)</li> <li>Landslide of an excavation open on one side</li> </ul>	Non-compliance with safety standards	<ul style="list-style-type: none"> <li>Injury</li> <li>Death</li> </ul>
High-pressure – Hydroblasting	<ul style="list-style-type: none"> <li>Cutting and/or perforation by water jet</li> <li>“Whiplash” physical trauma, blows received from an out-of-control flexible lance head</li> </ul>		
Use of electricity	<ul style="list-style-type: none"> <li>Electric shock</li> <li>Electric arc burns</li> </ul>	<ul style="list-style-type: none"> <li>Non-compliance with regulations and industry standards</li> <li>Non-compliance with safety standards</li> </ul>	<ul style="list-style-type: none"> <li>Injury</li> <li>Death</li> </ul>
Lifting operations	<ul style="list-style-type: none"> <li>Hazards links to loads (slinging problems, etc.)</li> <li>Contact or collision of a crane or its load with people or facilities</li> </ul>		
Work at heights	<ul style="list-style-type: none"> <li>Work on a building’s flat roof</li> <li>Use of ladders</li> </ul>	Non-compliance with safety standards	<ul style="list-style-type: none"> <li>Injury</li> <li>Death</li> </ul>
Securing facilities	<ul style="list-style-type: none"> <li>Incomplete lockout of energies (electrical, mechanical, hydraulic, pneumatic, etc.)</li> <li>Equipment that can move by force feedback</li> </ul>		

### 4.3 SERIOUS ENVIRONMENTAL INCIDENTS

The elements set out in the table below are based on the results of the 2020 annual campaign of Veolia's Environmental Management System (EMS) (see section 6.3). The EMS makes it

possible to identify the risks linked to degraded operating conditions or accidents likely to lead to serious environmental incidents in the facilities operated by the Group.

RISK CATEGORY	EXAMPLE(S)	POSSIBLE CAUSE(S)	POSSIBLE CONSEQUENCE(S)
<b>Discharges and emissions into the environment</b>	Exceeding regulatory thresholds for releases of wastewater treated by an effluent treatment plant	Technical failure of the system monitoring the quality of the wastewater to be treated	<ul style="list-style-type: none"> <li>• River pollution</li> <li>• Potential impact on human activities in the area concerned</li> </ul>
<b>Quality and compliance</b>			
<b>Fire/explosion on a Veolia site</b>	Leak in a chemical storage room	Smoke detection system failure	<ul style="list-style-type: none"> <li>• Explosion</li> <li>• Interruption of operation</li> </ul>
<b>Health and environment</b>	Exceeding Legionella bacteria thresholds in domestic hot water networks and/or air-conditioning facilities and/or in air cooling towers	Detection and monitoring system failure	<ul style="list-style-type: none"> <li>• Interruption of operation</li> <li>• Potential impact on the health of the people exposed to these micro-organisms</li> </ul>

*This plan does not cover the fight against global warming as this does not fall within the scope of the law on the duty of vigilance, the primary aim of which is to protect workers and populations in the context of global supply chains. Beyond compliance with legal texts, the climate change issue is nonetheless a major subject*

*which falls within our collective responsibility. In this respect, Veolia's commitment and actions to fight against global warming are described in detail in our 2020 universal registration document<sup>(1)</sup>, in particular in the extra-financial performance report (see section 4.2.3 – Combat climate change).*

(1) <https://www.veolia.com/en/newsroom/publications>.

#### 4.4 TIER 1 SUPPLIERS AND SUBCONTRACTORS

RISK CATEGORY	EXAMPLE(S)	POSSIBLE CAUSE(S)	POSSIBLE CONSEQUENCE(S)
Poor working conditions	<ul style="list-style-type: none"> <li>Inadequate employee training in health and safety</li> <li>No provision of personal protective equipment to employees</li> <li>Production equipment that may affect employee health and safety (noise, odour, vibrations, processes using toxic substances)</li> </ul>	<ul style="list-style-type: none"> <li>Non-compliance with health and safety standards in force</li> <li>Non-compliance with the jointly approved provisions and systems provided for in the prevention plan</li> </ul>	Endangering the physical safety of supplier and subcontractor workers
Failure to respect freedom of association and the possibility of collective bargaining	Lack of dialogue between management and employee representatives	<ul style="list-style-type: none"> <li>Unions not recognised by law</li> <li>Oppressive social environment with regard to workers' rights</li> </ul>	<ul style="list-style-type: none"> <li>Deterioration of the social climate among Veolia's suppliers and subcontractors</li> <li>Potential abuses of the rights of workers in Veolia's supply chain</li> </ul>
Environmental incidents within the supply chain	Harmful releases by supplier manufacturing sites	Weak environmental legislation in force	<ul style="list-style-type: none"> <li>Impact on the environment</li> <li>Deterioration of the health of supplier and subcontractor workers</li> <li>Health of neighbouring populations affected</li> </ul>
Forced labour	Immigrant workers who may be taken advantage of due to their migrant status	Unfavourable cultural and legislative environment	Rights of vulnerable workers: pay, paid leave and freedom to terminate their employment contracts
Child labour	Children employed by a supplier or subcontractor	<ul style="list-style-type: none"> <li>Failure to implement local legislation on the prevention of child labour</li> <li>Sizeable informal economy</li> </ul>	<ul style="list-style-type: none"> <li>Negative impact on the level of education</li> <li>Injury</li> <li>Death</li> </ul>

# ASSESSMENT

This section presents how Veolia meets the assessment requirement as laid down by the duty of vigilance law. This review is based, in particular, on the work of the functional departments and the Internal Audit Department. The results of these analyses are detailed in section 6 – Actions.

## 5.1 MOBILISATION OF CONTROL LINES

The monitoring system deployed by the Group is based on the implementation of the “three lines of control<sup>(1)</sup>” model. The Level 2 role of functional departments aims to ensure that control procedures are properly implemented by the operational level (Level 1). Internal Audits<sup>(2)</sup> act as Level 3 control and constitute a

function the purpose of which is precisely the assessment of organisational performance. It therefore has the appropriate methodological tools and approaches to make a broader assessment of the effectiveness and efficiency of the systems in place in view of the law’s requirements.

## 5.2 DIALOGUE WITH SUBSIDIARIES

Actions taken at operational level are monitored in two manners: during Human Rights and Vigilance Committee meetings at which representatives of business units systematically attend and through regular reviews between the Group’s Human Rights Manager and these representatives.

These exchanges contribute to a more relevant management of the Plan as they consider the points of view of subsidiaries. This approach thus avoids differences in perception between the functional departments and operational entities.

## 5.3 TIER 1 SUPPLIERS AND SUBCONTRACTORS

Veolia is committed to establishing long-term relationships with its tier 1<sup>(3)</sup> suppliers and subcontractors. This commitment is necessary and essential given the complexity of the production processes implemented by the Group.

The Group Purchasing Department applies a risk-based approach which targets strategic suppliers, key to ensuring the continuity of Veolia operations, with recurring expenditure and present in BUs or Group-wide.

These strategic suppliers as well as the non-strategic suppliers managed by the purchasing departments are assessed via a dedicated platform which analyses the social and societal

responsibility performance of companies. At the end of this process, these companies are assigned a score which determines the possible implementation of actions by Veolia, based on the following categories:

- A: assessment score in line with Veolia expectations.  
The supplier in question is subject to standard monitoring;
- B: reassessment required every three years;
- C: reassessment required every year.

Actions following the initial assessment are presented in section 6.5.

(1) The three lines of defence model can be described as follows:  
In terms of risk management, management control is the first level of defence, the various risk control and compliance functions, the second, and the independent assurance function, the third. Each of these three “lines” plays a separate role in the greater framework of the organisation’s governance.  
(The Institute of Internal Auditors, Position Paper, January 2013.)

(2) Internal audits are independent and objective and provide an organisation with reasonable assurance on the level of control of its operations and guidance for improvement. They help the organisation achieve its objectives by systematically and methodologically assessing its risk management, control, and corporate governance processes, and provide recommendations to reinforce their effectiveness (source: Ifaci).  
(3) Suppliers and subcontractors with which the Group has a direct relationship.

## ACTIONS

### 6.1 WORK OF THE HUMAN RIGHTS AND VIGILANCE COMMITTEE

The Committee, the Group's central due diligence governance body, played an active role in implementing the law. The three meetings held in 2020 focused on:

- reviewing the action plans presented by the compliance officers of the BU. This made it possible to discuss good practices, point out possible difficulties, and also ensure good policy and action alignment between the head office and operations;
- a monitoring activity: although the French legislation on the duty of vigilance is a reference in this area, it is in line with a more global legislative movement. As such, other countries in which the Group operates have adopted similar texts (see section 6.2.2). Moreover, Veolia follows attentively the work

currently being conducted by the European Union institutions aiming to establish a duty of vigilance applicable to all 27 member countries;

- recommend actions:
  - development of guidelines for the operational entities, specifying the Group expectations as regards implementing the duty of vigilance (see section 6.8);
  - conduct a study at Group level aiming to update the “human rights” part of the risk map (see section 4.1).

### 6.2 HUMAN RIGHTS IN THE WORKPLACE

#### 6.2.1 Priority issues

Veolia has been a member of the United Nations Global Compact since June 2003. Under this Global Compact, it is committed to supporting and promoting the ten principles relating to human rights, labour law, the environment, and combating corruption. Veolia's principles of action also fall within the framework of international reference documents, including the Universal Declaration of Human Rights and additional pacts and the Organisation for Economic Cooperation and Development (OECD) guidelines for multinational enterprises.

Respect for these fundamental rights is naturally included in the Group's human rights policy. The formalisation of the latter in 2016 led to the creation of the Committee in charge of managing Veolia's human rights system. The Group has also been committed for years to respecting the human rights of its employees, its sub-contractors and suppliers as well as communities located in the regions in which it operates. This attachment to human rights is reflected in its sustainable development commitments as well as in the fundamental values and principles laid down in its Ethics Guide.

Veolia's human rights policy addresses eight priority issues:

- three issues related to the rights of the populations affected by its activities:
  - right to a healthy environment and the protection of resources;
  - access to water and sanitation;
  - rights and respect of the lifestyles of local communities;

- five issues related to fundamental rights at work:
  - elimination of forced labour;
  - abolition of child labour;
  - elimination of discrimination;
  - promotion of freedom of association and collective bargaining;
  - right to a healthy and safe working environment.

The Human Resources Department and the Compliance Department are committed, with the Group's other functional departments and all the operational entities, to enforce these rights.

#### 6.2.2 Implementation

##### FUNDAMENTAL HUMAN RIGHTS

In June 2019, Veolia organised, with the World Business Council for Sustainable Development (WBCSD) and the “Entreprises pour les droits de l'homme” association (EDH), a morning of discussions on “Human rights and sustainable development objectives: involvement of CEOs, responsibility of companies and opportunities.”

As Veolia is resolutely committed to these issues, Chairman and Chief Executive Officer Antoine Frérot, co-signatory of the WBCSD's “CEO Guide to Human Rights”, took advantage of this meeting to invite his peers to take action on these issues.

Veolia is one of the founding members of Business for Inclusive Growth (B4IG), an initiative coordinated by the OECD for inclusive growth launched in August 2019 during the G7 organised in France.

A coalition of 34 major international companies has undertaken to take concrete action to advance human rights along their value chains, build inclusive working environments, and improve inclusion within their internal and external ecosystems. This initiative extends and supplements the efforts of the G7 countries to promote equal opportunities, address regional disparities, and fight gender discrimination.

B4IG members operate in a wide range of sectors. They employ over 3.5 million people worldwide and have combined annual combined sales of over \$1 trillion. The B4IG coalition is the first initiative of this type led by companies.

Veolia is also a member of the EDH association which brings together 20 major French companies. This organisation focuses its efforts on the operational implementation of human rights and, by extension, the duty of vigilance. EDH's vocation is to serve as a forum in which members can discuss the issues they face and best practices to overcome them.

In the context of its EDH membership, Veolia contributed to a study pertaining to the application of the law on the duty of vigilance<sup>(1)</sup> published in 2020. On this occasion, the Group shed its light on the governance issue, a crucial subject for the effective implementation of this law.

### FIGHT AGAINST MODERN SLAVERY

Over the past few years, both Australia and the United Kingdom adopted laws aiming to combat modern slavery (Modern Slavery Acts, MSA). Modern slavery consists in labour exploitation practices which violate human dignity and fundamental rights: human trafficking, servitude, servitude for debts, child labour, forced labour, etc.

Due to their size, Veolia's entities in both these countries are concerned by these regulations. It was also decided to apply the Australian MSA rules to the activities based in New Zealand. So as to comply with the applicable legal requirements, the local Veolia subsidiaries have deployed specific measures, including:

- a steering committee involving internal stakeholders such as human resources, compliance, health and safety, legal, auditing, sustainable development, purchasing, etc. This committee is in charge of defining the company's strategy as regards modern slavery and agree on action plans;
- a policy stating Veolia's commitment to combat modern slavery, explaining the general principles the Group intends to follow in this regard;
- an assessment to better understand the risks to which the operational entities are exposed;
- dedicated procedures explaining how to manage the modern slavery issue from an operational point of view;
- a training programme (existing in the United Kingdom and under development in the Australia/New Zealand zone) in order to raise the personnel's awareness of the issues linked to modern slavery;
- a public statement available on the external websites of the subsidiaries concerned, in compliance with the local legal requirements.

(1) [https://e-dh.org/fr/actualite\\_accueil.php?IDactu=146](https://e-dh.org/fr/actualite_accueil.php?IDactu=146).

## COHESION AND SOCIAL DIALOGUE

To promote social dialogue quality and development, Veolia ensures that it is properly implemented at all levels of the organisation:

- at company or establishment level, where many subjects having an impact on the daily lives of employees are negotiated. Within Veolia, 1,369 social agreements signed at operation level supplement the Group's directives and agreements;
- at country level, which brings together joint information and dialogue bodies dealing with all national cross-cutting themes;
- at Group level, within the France and Europe Group committees.

### Role of Group committees

Veolia has set up, by agreement, a France Group Committee and a Europe Group Committee. The Europe Group Committee represents more than two thirds of Veolia employees. It is composed of 17 countries: Belgium, Bulgaria, Czech Republic, Denmark, France, Germany, Hungary, Italy, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovakia, Spain, and the United Kingdom.

Group committees are Veolia's key transformation players. They receive information on activity, the financial situation, and employment. They must be informed in the event of a restructuring, acquisition, or sale plan. They are also informed and

consulted each year through discussions on the Group's strategic directions and their social consequences.

The agreements signed with trade unions at Group France level as well as the agreements in the form of joint commitments made within the Europe Group Committee attest the management's desire to structure quality social dialogue with employee representatives and thus contribute to the Group's action in favour of all its employees.

### Review of collective bargaining agreements

In 2020, almost 1,400 new collective bargaining agreements were signed by establishments, companies, or Group bodies in each country. All of these collective agreements have an impact on the company's social and economic performance.

38 countries were signatories to these agreements. The top five were France, Japan, Germany, Poland, and Brazil. As at end 2020, the number of employee representatives worldwide stood at 7,533. 91 strikes were recorded in 2020, representing 0.04% of the total number of days worked.

### France Group agreements and commitments made within the Europe Group Committee

#### SIGNATURE DATE

#### PURPOSE OF THE AGREEMENTS

2015

Agreement on the Group strategic orientations. The representatives of the France Group Committee bureau, the representatives of French trade union organisations, and the Europe Group Committee meet once a year to discuss the Group's strategy and its social consequences in the presence of senior executives in charge of strategy and operations.

2017

Renewal of the agreement bearing on the generation contract at France Group level. This contract is especially concerned with the integration of young people and the employment of seniors.

2018

New France Group agreement for the forward planning of jobs and skills.

Agreement in the form of a letter of undertaking with the Europe Group Committee on developments in business lines and skills, particularly with regard to the company's strategic directions, thus supplementing the Group management's joint commitments with the Europe Group Prevention, Health and Safety Committee.

2020

Amendment modifying the Group's pension plan (PERCO) into a collective pensions saving plan (PERCOL), thus enabling Group employees to benefit from the advantages offered by the Pacte law.

Agreement on social dialogue quality and development within Veolia France. This France Group agreement replaces the 2010 agreement on the same subject and provides, in particular, for the establishment of a global support, promotion, and recognition system managed as part of the trade union scheme.

### Training for social partners

Training employee representatives in their functions is essential to ensure quality social dialogue with regard to the Group's economic and social stakes. Training representatives also means recognising an essential internal stakeholder: the Group's employees and their representatives. As such, since 2010, Europe Group Committee members have received high-level training enabling them to more broadly approach the diversity of union cultures as well as the plurality of Veolia's businesses and its stakes. As part of the implementation of the European letter of undertaking signed on 30 May 2018, Europe Group Committee members received training on "How to apply the European letter of undertaking on supporting the development of business lines and skills" in 2019 to enable them to share existing national practices in the field, prepare to disseminate and share the letter of undertaking within the social dialogue spaces of each country, and design in advance the work to prioritise commitments. French central union representatives can also follow certification training created in partnership with Sciences-Po Paris and the Dialogues association.

In addition, in the framework of the provisions of the 2010 Group agreement, revised in 2020, trade union seminars have been set up by each organisation in order to better structure itself and identify priorities with regard to the Group's social policy. These seminars for the trade union representative are repeated every year and are the subject of an open dialogue session with the Group's human resources department. The new agreement on the quality and development of social dialogue signed in 2020 also provides for a global system for managing trade union representatives' careers and supporting them at the end of their mandates.

Finally, an agreement on the acknowledgement of the skills gained by personnel representatives was signed between the Waste Recycling & Recovery Solutions entity, the Group and the French national agency for adult professional training. Veolia is the first company to sign such an agreement. The latter was communicated as part of the social dialogue agreement.

### Global Deal membership

In line with its sustainable development commitments, in particular with regard to guaranteeing diversity as well as fundamental human and social rights, Veolia joined the Global Deal initiative.

The Global Deal is a platform initiated by the Swedish government, relayed by the French Ministry of Labour, and developed with the International Labour Organisation (ILO) and the OECD, founding partners of this initiative. It aims to face the challenges of globalisation of the economy and the labour market by developing, through social dialogue, a balanced and responsible approach. The Global Deal brings together various stakeholders: governments, companies, trade unions and other bodies at all levels (national, local, or global). Membership is based on three key areas: voluntary commitment, sharing knowledge in order to build open and responsible social dialogue, and sharing good practices between Global Deal stakeholders. Veolia's commitments and initiatives, as well as its social dialogue monitoring and assessment procedures, were mentioned in the "Global Deal Flagship reports" jointly published by the OECD and the ILO. This publication explains how social dialogue is a response to the

current challenges of the labour market and the globalisation of the economy. Veolia actively participates in Global Deal France working groups, in particular, on the future of work and skills development. Veolia's skills-based international social dialogue experiment was presented in the publication "*Les membres du Global Deal s'engagent pour le G7 social*" (Global Deal members commit to the social G7).

## DIVERSITY AND DISCRIMINATION

Diversity and discrimination are intrinsically linked, the promotion of diversity being a means of combating discrimination.

### Diversity policy

The Group is committed to ensure respect for diversity and fundamental human and social rights within the company. Diversity is a performance, credibility, and fairness issue. To encourage this, Veolia has implemented a policy based on the values of respect and solidarity between all employees for several years. In the Diversity & Inclusion 2020-2023 letter of undertaking, signed in 2020 by the Group Senior Executive Vice-President for Human Resources, Veolia reaffirmed its ambition to be an ever more diverse and inclusive company, guaranteeing respect, equity and individual social advancement.

This letter restates the three Group priorities:

- guarantee fair and non-discriminatory HR processes, from integration to end of career for all personnel categories;
- guarantee non-discriminatory access to employment at Veolia (age/origin/disability/sex/sexual orientation, religion, etc.);
- guarantee the development of social dialogue and employee's freedom of speech.

It also specifies that the Group strives to:

- continue to implement action plans for diversity and gender equality (development of the local WEDO networks / pay and career equality between men and women);
- develop and/or design inclusion programmes for disabled people;
- develop and/or design inclusion programmes for LGBTI people consistently with Veolia's support of the recommendations on this subject issued by UN for businesses;
- develop and/or design action plans in favour of inclusion and social advancement.

### The diversity approach

The diversity policy is supported by a global network of officers who have the following tasks:

- implement commitments;
- establish diagnoses and action plans adapted to the context;
- measure the results;
- promote innovative actions in line with Veolia's values.

In order to measure the impact of actions linked to diversity, Veolia monitors several indicators:

- **workplace gender equality:** percentage of employment of women, percentage of women in management, percentage of women who are executives, percentage of women sitting on the boards of directors of Group's companies;

- **disability:** employment rate of individuals with disabilities;
- **seniors:** employment rate of the over 55s;
- **young people:** employment rate of the under 30s.

### Workplace gender equality

To attract talent and give roles to women, at all levels and across all of its business lines, the Group has planned an action plan dedicated to workplace gender equality, in line with the ambitions of its corporate purpose<sup>(1)</sup>, in order to:

- develop gender balance in operations;
- increase the number of women sitting on the Group's management bodies and working in management;
- promote gender balance in representative bodies.

To promote gender balance and workplace gender equality, Veolia has set itself quantified objectives:

- 40% women on Veolia Environnement's Board of Directors;
- 30% female executives in 2020;
- 50% women among the appointments within the Chair Group between 2020 and 2023.

The Europe Group Committee has set up a working group comprising representatives of the different European countries to identify diversity themes and action priorities to be shared within each country's Social Dialogue Spaces. These action priorities bear on diversity and complete the 10 action priorities contained in the European letter of undertaking on supporting the development of business lines and skills signed in May 2018. Equal treatment and disability are among the action priorities identified in this context.

### Support for United Nations LGBTI standards of conduct for business

In line with its CSR commitments, its human rights policy, and its membership to the Global Compact, Veolia has given its support to the United Nations standards of conduct for business with a view to combating discrimination against lesbian, gay, bisexual, transgender, and intersex people. The five standards were developed by the Office of the United Nations High Commissioner for Human Rights.

### Deployment of diversity commitments

Numerous actions have been taken to promote Group diversity; they are developed via the human resources initiatives process. In 2019, 51 countries participated in the human resources initiatives collection where some 310 projects were collected. A dozen were presented in the social responsibility, diversity, and cohesion category and 13 are featured in the "2019 Human Resources Initiatives" collection<sup>(2)</sup>. The award in this category was presented to Colombia for an initiative to reconcile the integration of vulnerable people with environmental protection.

### Lasting partnerships

The Group is a partner and member of several organisations promoting diversity and equal opportunities, including the United

Nations Global Compact. In June 2016, Veolia entered into a partnership with the association "Elles bougent" which organises field meetings for female A level students with female mentors, engineers, and technicians. Their accounts of their career paths show girls that technical professions are open to them. This partnership is an extension of the actions deployed by the Group's Schools and Universities Relations Department.

As part of this partnership, Veolia took part in the "Girls on the Move" operation launched in 22 countries during the week of 8 March 2020. More than 47 events were organised by the various Veolia entities on five continents (site visits, visits to schools, etc.) with the aim of showing girls that Veolia's jobs are also made for them. These actions were carried out with more than 2,300 girls, with the help of around 100 Veolia workers worldwide. This is a record-breaking attendance for Veolia, who saw the number of participants increase on 2019, despite the health crisis. Veolia currently has about 160 "female sponsors" in France.

### Gender balance within the Group

Veolia Group included at end of 2020:

- 21.4% female employees;
- 28.2% female executives;
- 21% female senior executives;
- 45% women<sup>(3)</sup> on the Board of Directors of Veolia Environnement.

Various initiatives in favour of workplace gender equality have been deployed in the different countries in which the Group has operations:

- the WEDO network: Veolia's internal network, WEDO, was launched in 2016, dedicated to gender balance, it brings together women and men working for Veolia who want to promote gender balance within the Group. This network, sponsored by two Executive Committee members, included over 3,000 employees from 48 countries at end 2020. The network currently comprises around twenty local networks based on the five continents, which are in charge of developing and implementing local action plans. A first seminar gathering ten of these networks was organised in Brussels, in December 2019, to share existing initiatives and collectively reflect on those to be implemented. Six meetings (How do WEDO) were organised in 2020 to ensure the continued sharing of good practices and reflect on the subject of diversity;
- a development programme called "Women in Leadership" (WIL), initiated by Veolia North America, has gradually been deployed in other regions of the world: Europe (France, United Kingdom, Ireland, Germany, Spain, Belgium), Africa (Morocco), Latin America, and the Middle East. This nine-month coaching programme, which aims to create career development opportunities for women managers within the organisation, was followed by 84 women from 23 countries in 2020. WIL's success is measured by its high satisfaction rate. In 2020, the programme obtained a satisfaction rate of 87% from participants and 86% from their managers. These results are further supplemented by a Net Promoter Score of 74/100, which means that the

(1) <https://www.veolia.com/en/veolia-group/purpose/our-purpose>. (2) <https://www.veolia.com/en/newsroom/publications>.

(3) Excluding directors representing employees, in compliance with articles L. 225-27 and L. 22-10-7 of the French Commercial Code (*Code de commerce*).

majority of participants recommend the course to other women in the Group;

- in direct line with Veolia's undertaking to combat sexism in business signed in France, in 2016, by the Group Senior Executive Vice President for Human Resources, an online module to raise awareness of the fight against everyday sexism at work was launched in September 2020 with a pilot group of 1,000 people in France. 80% of the employees have started the course and 65% have completed it. Moreover, more than 90% of the users recommend this course, which makes this module an effective tool to better understand and manage situations of sexism at work. This module completes the awareness-raising actions already implemented in several Veolia entities.

In 2019, Veolia participated in a survey conducted in France under the aegis of the Higher Council for Professional Equality (HCPE) which focused on taking parenting into account in working life. It was deployed online to all employees in France. This survey helped draw lessons to improve existing action plans and initiate new systems fostering better work-life balance. More than 7,500 employees in France participated in this survey.

Regarding the workplace gender equality index that companies with more than 50 employees in France are required to publish, the results of Veolia entities in France, published in March 2020, are almost all above 75 points out of 100 (legal minimum) for a global index of 88 points out of 100. This result stems from Veolia's efforts over many years to create attractiveness and career prospect conditions enabling women to grow at the same level of remuneration and career as men.

### Employment and integration of people with disabilities

The percentage of Veolia employees with disabilities worldwide was 2.5%<sup>(1)</sup> as at end 2020, i.e. 3,489 employees. This rate was 3.8%<sup>(2)</sup> in France for the same year, and €7.7 million were invested in the protected workers sector. Veolia wants to change perceptions, develop representations related to disability, and support the integration of people with disabilities. The Group's lines of action are:

- educate Group employees about disability;
- improve the retention of people with disabilities in their workstations by supporting them to have their disabilities recognised;
- support the ergonomic adaptation of workstations;
- encourage recruitment and support employers in the protected workers sector (ESAT – centres providing care through employment in France).

On 18 November 2019, Veolia signed the "Manifesto for the inclusion of people with disabilities in the workplace", a charter of operational commitments already ratified by around 60 companies in France, to:

- better accommodate pupils and students with disabilities (internships, work-study programmes);
- fight against stereotypes and discrimination;
- develop the digital accessibility of workstations;
- support sheltered companies and ESATs;
- integrate social criteria relating to disability in tenders.

Veolia has long been attentive to the issue of disability and has implemented action plans in the various countries in which the Group has operations. Several Group entities deployed awareness-raising campaigns aimed at better consideration of people with disabilities, in line with the legal framework specific to each country.

Veolia Espagne continues its partnership with the Envera association to launch a campaign entitled "Afloramiento de la Discapacidad", which aims to help disabled employees in their integration and professional inclusion.

In compliance with the Ukrainian legislation, 4% of Veolia's workforce in Ukraine are disabled and benefit from additional paid leave days as well as part-time or flexitime work.

In Sweden, Veolia works with the Swedish organisation Samhall which promotes the employability of people with functional impairments leading to a reduction in their work capacity. These employees work according to their individual capacities.

In France, in the context of the Jobs for the Disabled Week (SEPH), the Missions Handicap<sup>(3)</sup> of the Group's companies based at the V in Aubervilliers organised an awareness-raising session for the head office employees focussing on innovations at the service of disabled people in the form of an online challenge, Handiscover (discovery of 12 innovations revolutionising the daily lives of disabled people throughout the world).

### Interculturality and religious diversity

Veolia is committed to integrating and respecting cultural differences (origins, languages, nationalities, etc.) in its organisation and operation. Veolia Australia has developed two training programmes offered to all employees in order to strengthen relationships and respect between the general community and the Aboriginal Torres Strait Islanders. Since 2015, 3,758 employees took part in this programme and Veolia committed to reach a 3% employment rate of Aboriginals and Torres Strait Islanders.

In France, a good managerial practices guidebook on religious issues was deployed in 2017 to support day-to-day management and human resources managers likely to be confronted with this type of situation. In 2020, a guide, "Recruter sans discriminer" (Recruit without discriminating), was drawn up for Veolia recruiters and managers in France to recall the legal framework and give concrete elements of response so as to avoid any risk of discrimination in recruitments. This guide will be available in digital

(1) Number of employees reported as disabled compared to the total workforce registered on 31 December 2020 in countries which report employees with disabilities.

(2) Number of employees reported as disabled compared to the total workforce registered on 31 December 2020 in France.

(3) Disabilities steering groups.

format during the first quarter of 2021 and will be completed by the provision of a “Recruter sans discriminer” e-learning training module. In addition to this programme, a one-year membership to the “À compétences égales” association is included. The latter

is the partner of the digital guide and enables Veolia recruiters to benefit from good practices implemented by other businesses, as well as legal advice and even enables them to take part in brainstorming workshops on this subject.

### 6.3 ACTIONS RELATING TO SERIOUS ENVIRONMENTAL RISKS

Veolia’s activities likely to impact the environment are mainly in the fields of water (drinking water, wastewater, industrial water), waste (treatment and recovery of all forms of waste including hazardous waste), and energy (cogeneration plants, local energy loops, building and industry energy services). The points to be closely monitored are, for example, atmospheric emissions (heating plants, incineration plants, CHP), the quality of liquid effluents in networks and at treatment plant outlets, the impact of waste and its treatment, explosion or fire risks, and the preservation of soil and biodiversity.

In order to improve the management of its environmental impacts, the Group has implemented an Environmental Management System (EMS) in each of its business units to:

- measure and continuously improve the main points relating to environmental performance;
- identify the main environmental risks linked to our operations and the corresponding prevention actions.

This system is regularly audited, with, in particular, a focus on environmental risk governance and monitoring conducted by Veolia’s Internal Audit Department in 2019, in cooperation with all the departments concerned. The 2020 EMS campaign, conducted while taking into account the conclusions of this audit, led to define 215 action plans aimed at improving the environmental performance of the Group operational entities.

At operational level, due to the potential seriousness of the risks that can occur on its operating sites (waste treatment centres, waste storage centres, incineration plants, heating plants, drinking water production plants, wastewater treatment plants, etc.), the Group implements various types of risk management and control actions:

- the prevention of incidents likely to cause damage to property and, consequently, injuries or damage to the environment by implementing procedures aimed at, on the one hand, ensuring

facility compliance and monitoring their operations and, on the other hand, better risk management; the environmental management approach is an area of this approach implemented, in particular, through an external certification procedure validating it (ISO 14001, industry standard, etc.);

- internal or external audits to identify and prevent industrial risks (fire, machine breakdown, environment, etc.). In 2020, the risk engineers of the Group’s insurers carried out some 50 site inspections despite the difficult health crisis context. These annual programmes provide regular monitoring of the most exposed installations over time.

In addition, a Group Prevention Committee, in which several members of the Veolia Management Committee participate, is in charge of overseeing the fire risk reduction policy with the aim of improving fire detection, containment, and automatic extinguishing capacities on operating sites. This ambition is expressed in different manners:

- the definition of technical standards validated by the risk engineers of the Group’s insurance providers;
- a multi-year investment plan of several tens of millions of euros.

The action plans approved by the Group Prevention Committee are jointly monitored by the Business Support and Performance Department and the Risk Department. These two departments regularly report on the level of deployment of the fire reduction programme to the Committee.

Veolia’s decentralised structure also allows operational entities to take initiatives that go beyond the Group’s standards. The UK and Ireland are ISO 22301 certified, which is the international business continuity standard. Consequently, this business unit benefits from an integrated management system which strengthens its capacity to reduce environmental impacts of incidents occurring on its operating sites.

## 6.4 HEALTH AND SAFETY ACTIONS

### 6.4.1 Facing the health crisis: resilience through adaptation

As part of the management of the Covid-19 crisis, Veolia had to adapt its working methods and the operation of its sites throughout the world. The health prevention and work organisation measures were thus adapted to limit as much as possible coronavirus contamination risks and enable the protective measures to be applied as strictly as possible. This global and durable set of measures made it possible to protect all the employees.

A business continuity plan was established for each Veolia activity identified as vital. Most employees continued to travel to sites every day and work in the field to maintain essential service continuity.

Concretely, this business continuity plan enabled Veolia to:

- respect the protective measures;
- limit the number of people per meeting;
- indicate traffic flows;
- have part of the employees work from home;
- organise the replacement of sick employees or those ordered to self-isolate thanks to shift rearrangements for workers;
- train the teams in managing an unusual situation in disrupted operating conditions, while ensuring the collective and individual safety of the staff;
- use and accentuate the digitisation process.

Thus, both during the lockdown and easing periods, managers have established measures aiming to limit as much as possible the risk of introducing the virus onto the sites. These measures apply to all interested parties (employees, temporary workers, consultants, subcontractors and service providers) that enter on our sites, whoever they may be:

- all employees must be familiar with the preventive measures;
- distribution of face masks depending on the service requirements;
- disinfection and cleaning of the premises;
- Covid-19 testing.

Thus, the general course of action aimed at controlling as much as possible the coronavirus contamination risk on Group sites relies on the principle of prevention, information and training.

A crisis unit based at the Group head office made it possible to coordinate, analyse the situations at global level and define priorities with regards the different contamination phases experienced in each country.

Managers are in charge of the proper application of these measures, in cooperation with "Covid officers" appointed locally to the operational entities.

Additional measures adapted to each business line and site are taken in consultation with the hierarchy, based on Group procedures.

### 6.4.2 Human resources initiatives

The Human Resources Department promotes health and safety projects. The Group is committed to promoting ideas that contribute to improving employee working conditions. In 2019, an internal initiative competition made it possible to put forward the following proposals:

**Saudi Arabia:** production of a video promoting health and safety issues;

**Australia/New Zealand:** 12 safety rules to save lives;

**Colombia:** secure night work with flashing cones;

**United Arab Emirates:** promotion of good prevention practices;

**Ecuador:** safety cone projects;

**France:** safety video at SARP. 3D tool for new employees;

**France:** VigilANCE approach to reduce human-caused accidents;

**France:** projects to strengthen synergies between performance and safety;

**France VigiSade:** digitisation of health and safety vigilance;

**New Zealand:** development of a safety line;

**Peru:** a safety armband for new employees;

**United Kingdom:** development of a methodology to better manage aggressions from the public with Respect at Work.

A new edition of this initiative competition is set to be held in 2021.

### 6.4.3 Group International Health and Safety Week

Veolia has organised an International Health and Safety Week since 2015 in order to anchor health and safety at work in the corporate culture. The 2020 edition was held in a special context linked to the Covid-19 pandemic. The lessons learnt from the crisis management and the adaptations implemented in light of the risks provide useful examples which enable us to better perceive other risks and promote behavioural changes.

This sixth edition was about the implementation of activities on the awareness of unsafe behaviours, with a campaign focused on the perception of hazards: "What you see is not what I see."

**Objective:** reinforce the perception of professional risks, identify dangerous situations in our working environment and handling these by deploying measures to bring these risks back down to an acceptable level.

In order to promote employee awareness, communication tools (posters, videos, roadmap, deployment guide) have been made available and full-scale hazard hunts were organised by the teams on the sites.

Through the international mobilisation it elicited, this week enabled us to value the in-field actors and pick up on and resolve over 4,000 hazardous situations, on the health and safety themes, throughout the world.

#### 6.4.4 Management of high-risk activities

The list of high-risk activities common to all Veolia business lines is drawn up by the Prevention, Health, and Safety excellence centre after analysis of the records of incidents, accidents and fatal accidents that occurred at Veolia. Subsequently, the members of the excellence centre define priorities to produce standards based on internal and external good practices. They drafted the 10 management standards for high-risk activities in cooperation with the internal stakeholders (technical departments, operational managers, human resources departments and legal departments). A matrix to evaluate the level of compliance as regards the human, organisational and technical requirements of the management standards for high-risk activities was also drawn up to support the operational deployment within the operations. The implementation is first monitored within each country, then in each zone and is finally consolidated at Group level.

#### 6.4.5 Health and safety at work management standard

The members of the Prevention, Health, and Safety excellence centre have established a management standard for health and safety at work, drawing on the good practices identified within the Group's operations.

This management standard aims to help structure and define clear guidelines to allow the management line to build and implement the continuous improvement plan which will be adapted to each business unit.

The standard was designed based on Veolia's five strategic pillars in the area of Prevention, Health and Safety. These include all the specific measures, actions and requirements to reach the "interdependent" level of the safety culture and make the zero accident policy a choice and aim for excellence.

Moreover, Veolia has implemented structured and structuring prevention measures based on standards such as ILO OSH 2001 and/or OHSAS 18001. Each year, throughout the world, entities are certified, labelled or rewarded for their prevention, health and safety approach.

#### 6.4.6 Global management of accidents

The PaTHS programme (Prevention and Training on Health and Safety), currently being deployed, includes a collaborative tool destined for all the health and safety at work interested parties. This tool simplifies and harmonises the management of accidents, occupational illnesses, near accidents, dangerous behaviours and situations, as well as good practices.

It comprises six complementary, scalable and integrated modules making it possible to:

- track and manage health and safety events in compliance with local regulation and Veolia processes;

- analyse the causes of an event through a harmonised corporate method;
- assess each position's risks in relation to the Veolia risk standards;
- create and manage corrective and preventive action plans;
- anticipate and manage health and safety training courses;
- track and check authorisations and clearances;
- generate reports, steer the health and safety performance and conduct predictive analyses.

An associated mobile app enables each employee to take part in prevention, health and safety at work.

#### 6.4.7 Site visits and audits

During regular visits to operating sites, senior executives discuss the importance of health and safety with operational teams. In Latin America, Spain, and Portugal, for example, there is a programme called "VIVIR/VIVER", led by the Area Health and Safety Department, where directors and executives are educated on occupational health and safety and are trained in running "safety" inspections directly on sites deemed sensitive (landfills, plants, etc.). Participants in the training programme must subsequently carry out at least two on-site health and safety inspections per year for support employees, and at least four per year for operational employees. The results of these visits are reported to the Area Health and Safety Department.

Moreover, safety audits and visits to facilities are requested before operations are handed over in order to detect any risks and offer corrective measures. Additionally, the risk prevention measures are integrated as far upstream as possible by the Group as part of the facility design and construction activity so as to eliminate any hazardous situation and guarantee a level of health and safety for the future operators. Audits are conducted each year. In 2020, however, the health situation did not allow these to take place.

Regular presentations to the Executive Committee make it possible to check the consistency between the Group strategy and the actions led.

#### 6.4.8 Operational integration

Following an acquisition or the award of a new contract, the heads of operating sites concerned receive an integration kit intended to enable them to align their health and safety practices with Veolia's standards and good practices.

## 6.5 ACTIONS FOR OUR TIER 1 SUPPLIERS AND SUBCONTRACTORS

Veolia is deploying a purchasing compliance programme that includes components related to human rights, health and safety, ethics, and the environment.

The inclusion of a sustainable development provision in the Group's supply and service contracts in 2018 also constitutes additional leverage for action. This provision imposes the promotion and respect of fundamental, economic, social, and environmental rights on suppliers. Finally, the Group supplemented these actions with a targeted awareness campaign for its buyers following the publication of the new version of the Veolia Suppliers' Charter in 2019, a document in which the Group's expectations are formalised in view of the issues raised by the duty of vigilance law.

The Group Purchasing Department rolled out an e-learning certification in 2019 for all its buyers and purchasing managers as well as for the business unit and Group compliance function.

The importance of taking into account issues linked to sustainable development, these being very close to the themes covered by the duty of vigilance law, is recalled in this course.

As part of active supplier monitoring, the Purchasing Department deploys a site inspection solution focused on health, safety, environmental, and social issues. The reports drawn up, based on these inspections, supplement the action plans implemented by purchasing teams. This approach complements the process applied to supplier assessments with unsatisfactory scores (see section 5.3). Due to the Covid-19 health crisis, this scheme was suspended in 2020.

### Monitoring Subcontractors and temporary employment agencies

In application of the Suppliers' Charter, they must take measures to guarantee the health, safety and well-being of their employees. Thus, for subcontracted activities, a prior risk analysis makes it possible to set out in a contract the prevention measures to be observed by all the workers, which are regularly audited.

Depending on the specific type of activity performed by Veolia, the regulatory provisions as well as the cultural adaptation approach are integrated into the health and safety management of stakeholders within the Group.

**The management of subcontractors** working on the sites and on Veolia customer premises is of vital importance in the global health and safety management policy.

Subcontractors inform the Health and Safety Department through "safety alerts" in the event of accidents occurring Group-wide.

At Veolia Industries Global Solutions, an annual evaluation of subcontractors is organised in cooperation with the Purchasing Department. The criteria taken into account during these evaluations are: health and safety at work policy (HSW), health and

safety management, risk management, action plans, HSW performance indicators and certifications. Businesses rated below a set threshold can no longer work on behalf of Veolia Industries Global Solutions.

Veolia Water Technologies has issued a pocket booklet on work-site safety in which the minimum standards are set out in a fun way. This guide was prepared in an aim to communicate safe working practices and the company's expectations as regards service providers working on the worksites. The booklet provides essential information for the safety of subcontractor employees and to maintain a safe and healthy workplace for any person on the site.

In the United Kingdom, to support the internal subcontractor management procedure, a film was made for the safety induction of all staff of subcontractor companies. This film communicates broadly on the specific risks as well as on the safety rules to be applied on Veolia sites. The viewing frequency is set to six months and an operator working on several sites must view the film for each new site. In order to ensure it is sufficiently understood, a questionnaire was drawn up with a minimum score of 8/10 to be obtained in order to be authorised to enter the site. If the score is not sufficient after the first viewing, a second viewing is offered and a new test given. If despite two viewings and the different verbal exchanges the minimum score is not reached, the subcontractor operator will not be authorised to enter the Veolia site.

For temporary workers, a system was set up to monitor the accidents occurred through annual meetings with the representatives of the temporary employment agencies, to define suitable prevention measures, share good practices and assess the performance of these agencies.

One of the projects promoted by the Group as part of the 2019 human resources initiatives (see section 6.4.2) aims to encourage the subcontractors of our Polish operations to apply Veolia's health and safety standards.

Health and safety is a selection criterion appearing in the tender specifications for temporary worker framework contracts entered into by Veolia in France. The performance of these subcontractors in relation to this issue is then subject to regular review.

Finally, Veolia actively monitors duty of vigilance controversies to which its suppliers may be confronted. One of them, challenged by trade unions regarding the treatment of its employees, was the subject of a specific review. The Committee continues to monitor developments in this case.

## 6.6 ASSOCIATED STAKEHOLDERS

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Under the 2015 agreement on the Group's strategic directions, the representatives of the France Group Committee bureau, the representatives of French trade union organisations, and the Europe Group Committee met in April 2019 to discuss the Group's strategy and its social consequences in the presence of senior executives in charge of strategy and operations. These two

days were the subject of additional questions and answers presented in plenary sessions. On this occasion, ethics, Sapin II law, and the duty of vigilance were discussed by the joint steering group meeting, including the France and Europe Group committees. In 2020, the Covid-19 health crisis did not allow exchanges to be held as regards the duty of vigilance.

## 6.7 EXTERNAL CONTRIBUTIONS

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In the second half of 2019, Veolia's Critical Friends were asked to assess the Plan. This committee is made up of a dozen personalities from associations, businesses, and academia as well as representatives of the company's stakeholders, all experts in social and environmental issues. This committee is a place for collective reflection intended to provide Veolia's senior management with

the points of view of external observers on strategic subjects related to its social, societal, and environmental responsibility to develop and support the Group's continuous improvement process. These exchanges were not renewed in 2020 due to the health situation.

## 6.8 SUPPORT OF OPERATIONS

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The compliance, sustainable development, and human resources networks ensure effective monitoring of Veolia's human rights issues.

As previously stated in section 5 – Assessment, regular meetings are organised between the Group's Human Rights Manager and each correspondent of the Group's zones. These exchanges are an opportunity to review the progress of actions already undertaken, discuss the action plans envisaged, and discuss possible difficulties in the operational implementation of duty of vigilance themes in the areas concerned. In particular, these meetings help better consider the local specificities of each area/business unit within the framework of the Group's global human rights policy.

Environmental issues are monitored by Veolia's Business Support and Performance Department. Health and safety falls within the scope of the Human Resources Department.

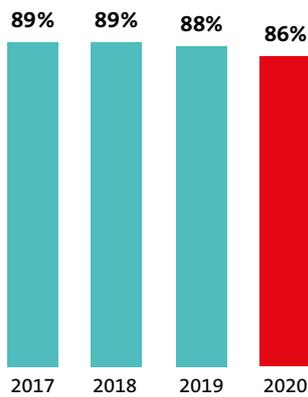
During the course of 2020, guidelines for the implementation of the duty of vigilance have been developed. Focusing on the operational entities, this document intends to formalise and explain the Group's expectations on this matter. It will also be a useful reference for Veolia's Internal Audit teams to rely on to complete future tasks dedicated to the duty of vigilance.

# KEY PERFORMANCE INDICATORS

## 7.1 HUMAN RESOURCES

### 7.1.1 Share of employees covered by a social dialogue committee

Trends in social dialogue committee coverage rate



This indicator makes it possible to ascertain the level of deployment of social dialogue agreements within the Group. These agreements are a privileged lever for action to guarantee the respect and implementation of employees' rights.

As a reminder, Veolia employed 178,894 people at 31 December 2020.

### 7.1.2 Type of agreements signed

Distribution of categories within the agreements signed worldwide

	2019	2020
Remuneration and employee benefits	32.9%	32.9%
Health, safety, or working conditions	12.6%	10.2%
Working time organisation	27.3%	39%
Social dialogue	14.0%	6.4%
Skills development	5.7%	4.7%
Other	7.5%	6.8%

This table sheds light on the nature of the collective agreements signed within the Group.

The share of certain categories of agreements has changed significantly compared to 2019 due to the following factors:

- Health, safety, or working conditions: the Covid-19 crisis has led to more centralised agreements.
- Working time organisation: the Group negotiated more agreements in this area in order to adapt to the constraints posed by the difficult health situation it had to face.
- Social dialogue: agreements in this area are on a multi-year basis and were subject to fewer renewals in 2020.

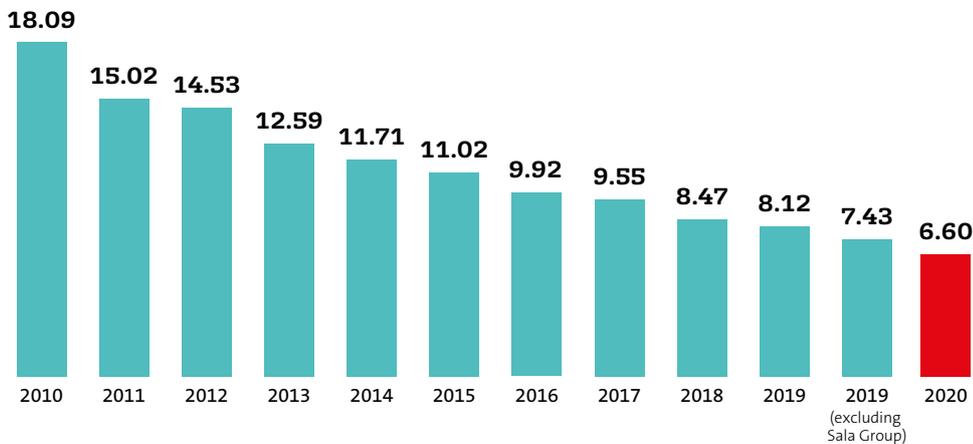
### 7.1.3 Share of employees having followed at least one health and safety training course over the year



The constant progression of this indicator over the past five years highlights Veolia's commitment to guaranteeing a healthy and safe working environment for its employees.

### 7.1.4 Work accident frequency rate

#### Trends in the work accident frequency rate since 2010



Frequency rate: number of accidents with lost time divided by million of hours worked.

The work accident frequency rate is a highly revealing indicator of an organisation's health and safety performance. The steady drop in this rate over the past decade is the result of Veolia's strong policy. Note that the graph above shows two rates for 2019. The first at 8.12 corresponds to all of the Group's businesses. The second, restated without the Colombian company Sala acquired in 2019, stands at 7.43. This latter rate illustrates, on the one hand, that, at constant scope between 2018 and 2019, the improvement in the frequency rate would have been significant (-12%), and that, on the other hand, the integration of new

businesses is a major issue for Veolia's overall health and safety performance, which is why it deploys management tools, such as the integration kit mentioned in section 6.4.8.

The rate of 6.6 achieved in 2020 is in line with the reduction in the frequency of work-related accidents within Veolia, reflecting the company's ongoing commitment to health and safety. This performance is all the more remarkable in that it was achieved in a very difficult health context due to the Covid-19 pandemic.

## 7.2 ENVIRONMENT

### 7.2.1 EMS deployment rate



The EMS (see section 6.3) is a key tool for managing Veolia's environmental risks. Monitoring its level of deployment is therefore relevant and essential.

### 7.2.2 Additional management systems

The common EMS base is reinforced locally by additional integrated management system certifications, including ISO 14001 relating to the environment and ISO 9001 relating to

quality management. Combined with the EMS, they contribute to improving the monitoring of Veolia's environmental risks.

ISO 14001 certifications (in % of turnover covered)



ISO 9001 certifications (in % of turnover covered)



## 7.3 TIER 1 SUPPLIERS AND SUBCONTRACTORS

### 7.3.1 Percentage of strategic suppliers assessed



Assessing supplier sustainable development is an essential step to meet the requirements of the duty of vigilance law.

After five years, the monitoring trend is clearly positive.

### 7.3.2 Sustainable development provision in supply and service agreements

MONITORING INDICATORS		2016	2017	2018	2019	2020
Involve suppliers	Share of active contracts including sustainable development provision	59%	57%	63%	71%	76%

The inclusion of this provision in 2018 is a strong lever for action. This provision imposes the promotion and respect of

fundamental, economic, social, and environmental rights on the Group's suppliers and subcontractors.

## 7.4 HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

To date, no convincing indicator, other than incidents reported by the whistleblowing system, has been implemented. The Committee

will continue to study the best way to monitor the Group's performance in this area.

## 7.5 WHISTLEBLOWING LINE

Alerts relating to the duty of vigilance and reports via the internal system as of 31 December 2020.

	2019	2020
Total number of alerts (A)	13	38
Human rights/Discrimination (B)	1	16
Health and safety (C)	12	18
Damage to the environment (D)	0	3
Suppliers and subcontractors (E)	0	1

NB: the cumulative total B + C + D + E may be greater than A, because some alerts may concern several categories.

The number of alerts issued in 2020 through the internal system has sharply risen, yet the absolute value remains low for a company of Veolia's size. In this respect, a communications campaign entitled "Ethics and compliance" was launched in December 2020, which contributed to recall the existence and operating terms of the Group whistleblowing line. Thus, Veolia intends to reinforce the use of this system.

# Resourcing the world

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