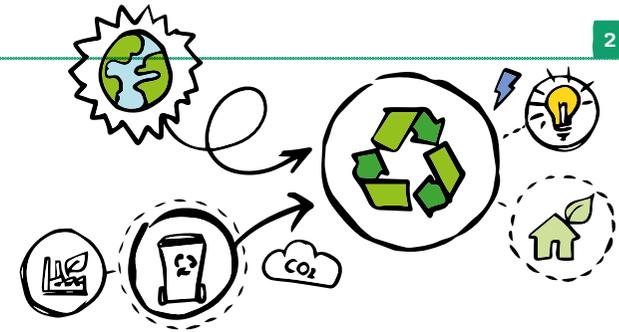




UK AND IRELAND

Sustainable Commitments 2020





Who are we?

Veolia UK and Ireland is a £2 billion turnover business comprising waste, water and energy activities that are primarily concerned with reducing the impacts of human activity on health and the natural environment.

We are 15,000 people across 400 sites, collecting, treating and recycling wastes from households and business, operating industrial and FM services, treating waste water and supplying clean water and producing renewable energy and low carbon heat.

Put simply we are proud to be a responsible business and our goal is to preserve and protect the environment for future generations.

We are already climate positive in the UK. We recycle over 2 million tonnes of materials and we touch on the lives of over 20m people, serving over 35 local authorities across the UK.

We have spent over £2 billion in the UK on infrastructure in water and waste treatment, energy generation and district heating and have a progressive plan to do more as part of our Impact 2023 strategic plan.



15,000
EMPLOYEES

400
SITES

£2 BN
TURNOVER

Why are we doing this?

Our planet and society today find themselves at a historic turning point. Never before have we been so keenly aware of the environmental and climate emergency and the impact it has on people's lives, especially the most vulnerable populations.

We strongly believe in the need to work together to develop tangible solutions that protect our planet. We are duty-bound to take action.

Veolia is ready to fully face up to its responsibility and play its part in helping society rise to these emerging challenges.



Both the mission we set ourselves to resource the world and our purpose translate our unwavering commitment to creating a positive impact on the planet. Indeed, we have been working to uphold these ideals for over 160 years. Never has this commitment so well reflected the expectations and needs of all our stakeholders.

Building on the success of previous plans, which put the company on track to profitable and sustainable growth, Veolia has never been so well positioned to strengthen and intensify its action.

The Covid-19 pandemic has highlighted our contribution to keeping society functioning whilst protecting our employees and our customers and working hard as key workers especially for the most vulnerable.

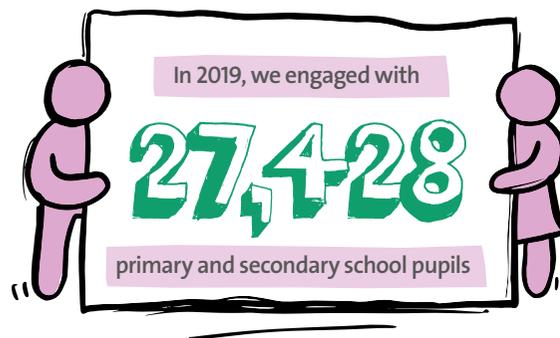
We are playing a key role in making sure individuals and communities have the essential services required and continue to deliver our operations and services across the UK with limited disruption. We also continue to remain aligned with government policy committed to contributing to the nation's recovery from this pandemic.

As we emerge from this situation, we must use the lessons we are learning to inform our business continuity plans so that we become even more resilient in the face of uncertainties. This pandemic is one of just a few truly global emergencies - we all have a role to play in ensuring we build back greener and deliver a sustainable economic recovery.



Our track record

A Roland Berger report¹, commissioned by Veolia, found that with its solutions alone, the environmental services sector could deliver up to 30% of the reduction in greenhouse gas emissions needed to keep the rise in temperatures below 2°C.



The waste and resources sector has the potential to single-handedly save over 200 million tonnes of carbon emissions between the years 2023 - 2032, with more than 10% contributed to the UK's anticipated carbon budget shortfall during this time period². In addition, the circular economy is worth £29 billion and has the potential to generate 175,000 green jobs³. 40% of our revenue comes from operating in the circular economy.

With operations spanning recycling, water and energy management and supporting this with over £2 billion investment, we save customers over 2 million tonnes of carbon emissions.

Veolia has been climate positive since 2014 and in the five years to 2018 we avoided 9.3 million tCO₂e. Through our operations we:

- Transform sewage, food waste and non-recyclable household waste into low carbon and renewable electricity - enough for 1.2 million homes
- Convert 350 million glass bottles and jars into material for home insulation, saving 375,000 road journeys
- Produce 10,000 tonnes of high quality food grade plastic from recycled milk bottles - this requires 75% less energy and saves enough power for 20,000 homes
- Provide low carbon power for 244,000 students on 60 campuses
- Support the care for 8.1 million hospital patients using low carbon energy to heat 108 hospitals that saves 120,000 tonnes of CO₂ each year
- Introduce new fleets of electric vehicles to serve cities reducing emissions and improving air quality for those communities

We have enhanced the biodiversity of 1,412 hectares of UK land through restoring closed landfill sites. As a recent closure in 2018, Pitsea landfill site has been restored to a green space for local residents. Our team did a great job in turning the landfill into a habitat for a diverse range of wildlife - so great that it even featured on the BBC's Springwatch programme.

Our electric vehicle fleet is growing. We are at the cutting edge of electric vehicle developments and have progressed two path finding initiatives to establish the effectiveness of re-powered electric RCVs. Our latest innovation involves the 'upcycling' of refuse collection vehicles by fitting them with electric motors, to improve air quality and lower emissions. We have electrified the City of London fleet which comprises 20 vehicles, including a variety of vehicle types and technologies.

The Veolia Environmental Trust was established in 1997 under the Landfill Communities Fund. Since then, Veolia has contributed over £85m to the Trust. These funds have been used to support in excess of 2,400 community and environmental projects in England. Our Recycling Fund for Communities launched in 2018. The annual fund of £50,000 offers London based community projects the opportunity to apply for a grant to support their recycling focused initiative for their local community.

In 2019, we engaged with 27,428 pupils from primary and secondary schools on various education programmes. We also welcomed 16,014 members of the public to engage with us through site open days and visits. We are building on our community engagement year on year to ensure we support the next generation of recyclers, as well as those living in areas that our operations serve.





Our commitments

The 'Impact 2023' programme encapsulates Veolia's ambition to set the benchmark in the ecological transformation.

- 1** 

Implement Veolia's Impact 2023 strategy which set targets in line with our mission to reduce human impact on the planet.
- 2** 

Continue to deliver Veolia UK's position as a climate positive company and record and report on our environmental performance in our sustainability report, published annually since 2014.
- 3** 

Continue our investment in low carbon decentralised energy as one of the biggest decentralised energy players and make a commitment to green energy across all our sites.
- 4** 

Support the delivery of the UK Government's Resources and Waste strategy by major investment in domestic recycling, recovery and reprocessing infrastructure, including plastics processing and energy recovery.
- 5** 

Implement the Government's 'Heat in Buildings' plan by supporting investment in district heating including a significant extension to our SELCHP district heating network.
- 6** 

Support the Climate Change Committee's recommendation for an end to the use of peat in compost and replace it with our peat-free Pro-Grow to protect the UK's valuable peatlands.
- 7** 

Implement a Biodiversity Action Plan at all our sensitive sites.
- 8** 

Provide development opportunities to employees in entry level roles, creating a sustainable way to increase their career opportunities and enable progression within the organisation.
- 9** 

Continue to embed inclusivity within all our workplace practices led by our EQUAL Advisory Group and roll out our Respect at Work Programme on a national basis.
- 10** 

Strengthen our commitment to employee training and skills through the Veolia Campus and our extensive apprenticeship and graduate programmes.

Delivering Impact 2023

By 2023, we will have delivered on our contribution to 18 tangible performance indicators set by our Group's Impact 2023 programme.

1

Implement Veolia's Impact 2023 strategy which set targets in line with our mission to reduce human impact on the planet.

IMPACT 2023, VEOLIA IS COMMITTED TO DELIVERING A MULTIFACETED PERFORMANCE

Veolia is committed to delivering a multifaceted performance with the same level of attention and demands on its economic, financial, commercial, social, societal and environmental performance. Its 18 indicators are associated with targets for progress by 2023, which will be regularly audited and measured by independent bodies. They will be used to calculate the variable compensation of Veolia's senior executives.

ENVIRONMENTAL PERFORMANCE

Combating climate change

- **Indicators:**
 - **Reducing GHG emissions:** progress of the investment plan to phase out coal in Europe by 2030.
 - **Target 2023: 30% of investments planned by 2030, i.e. €400m by 2023**
 - **Avoided emissions:** annual contribution to avoided GHG emissions (assessed with regard to a reference scenario).
 - **Target 2023: 15 Mt CO₂ eq.**

Circular economy: plastic recycling

- **Indicator:** volumes of plastics recycled in Veolia's transformation plants.
- **Baseline 2019: 350 kt**
- **Target 2023: 610 kt**

Protection of environments & biodiversity

- **Indicator:** progress rate of action plans aimed at improving the environments & biodiversity footprint in sensitive sites.
- **Baseline 2019: non applicable**
- **Target 2023: 75%**

Sustainable management of water resources

- **Indicator:** efficiency rate of drinking water networks.
- **Baseline 2019: 72.5%**
- **Target 2023: > 75%**

HUMAN RESOURCES PERFORMANCE

Diversity

- **Indicator:** proportion of women appointed within Veolia's top 500 senior executives from 2020 to 2023.
- **Baseline 2019: non applicable**
- **Target 2023: 50% from 2020 to 2023**

Employee training & employability

- **Indicator:** average number of training hours per employee.
- **Baseline 2019: 18 h**
- **Target 2023: 23 h**

Employee commitment

- **Indicator:** rate of engagement of employees, measured through an independent survey.
- **Baseline 2019: 84%**
- **Target 2023: ≥ 80%**

Safety at work

- **Indicator:** frequency rate.
- **Baseline 2019: 8.1**
- **Target 2023: 5**

COMMERCIAL PERFORMANCE

Hazardous waste treatment & recovery

- **Indicator:** revenue generated by the hazardous & liquid waste treatment & recovery activities.
- **Baseline 2019: €2.5bn**
- **Target 2023: > €4bn**

Deployment of innovative solutions

- **Indicator:** number of innovations included in at least 10 contracts signed by the Group.
- **Target 2023: under determination⁽¹⁾**

Customer and consumer satisfaction

- **Indicator:** customer satisfaction rate calculated using the Net Promoter Score methodology.
- **Target 2023: under determination⁽¹⁾**

ECONOMIC & FINANCIAL PERFORMANCE

Revenue growth

- **Indicator:** annual growth in published revenue.
- **Baseline 2019: €27.2bn**
- **Target 2023: annual target**

Profitability

- **Indicator:** current net income - Group share.
- **Baseline 2019: €760m**
- **Target 2023: €1bn**

Return on capital employed

- **Indicator:** ROCE after tax.
- **Baseline 2019: 8.4% with IFRS 16**
- **Target 2023: annual target**

Investment capacity

- **Indicator:** free cash flow (before discretionary investments).
- **Baseline 2019: €1230m**
- **Target 2023: annual target**

SOCIAL PERFORMANCE

Access to essential services (water and sanitation)

- **Indicator:** number of inhabitants benefiting from inclusive measures for access to water and sanitation within contracts with Veolia.
- **Baseline 2019: 4.17 Mhab**
- **Target 2023: +12% (vs. 2019 at constant scope)**

Job and wealth creation in the territories

- **Indicator:** annual publication of a study aimed at quantifying the global impact of Veolia in terms of jobs and wealth creation.
- **Baseline 2019: non applicable**
- **Target 2023: study on Veolia's impact in 45 countries or more, released every year from 2020**

Ethics and compliance

- **Indicator:** rate of positive answers to this question of the engagement survey: "Veolia's values and ethics are put into practice within my entity".
- **Baseline 2019: 92% for the Top 500 employees**
- **Target 2023: will be determined in 2020 on a broader audience**



Delivering on our **environmental** commitments

2



Continue to deliver Veolia UK's position as a climate positive company and record and report on our environmental performance in our sustainability report, published annually since 2014.

By 2025 we will deliver our Quadruple Carbon Pledge of maintaining our climate positive status, as we grow, by;

- Generating **5x as much renewable energy** as we consume⁴
- Ensuring all **activities report against Science Based Targets**⁵
- Diverting a further 25% of our waste volumes from landfill to energy recovery, resulting in **over 88,000 tCO₂e of avoided emissions**. This represents an additional 5% of carbon emissions avoided compared to the total avoided emissions
- **Implementing a 100% electric vehicle company car fleet** and ensure the commercial offer is in place for 100% of refuse collections for municipal customers⁶

Since 2014 we have produced an annual sustainability report and commit to continuing to publish this report, containing our carbon emission data, alongside our company Annual Report.

We will continue to be a partner and expert advisor on net zero carbon for water, waste and energy resources.



⁴ All REGO-backed renewable sources from biomass. A REGO is a renewable energy guarantee of origin certificate, a government scheme, regulated by Ofgem which provides transparency to consumers about the proportion of electricity that suppliers source from renewable generation.

⁵ We committed to [Science Based Targets](#) in October 2019.

⁶ Local authorities to determine uptake. Currently we are the first company to implement a 100% electric refuse collection fleet in central London (City of London).

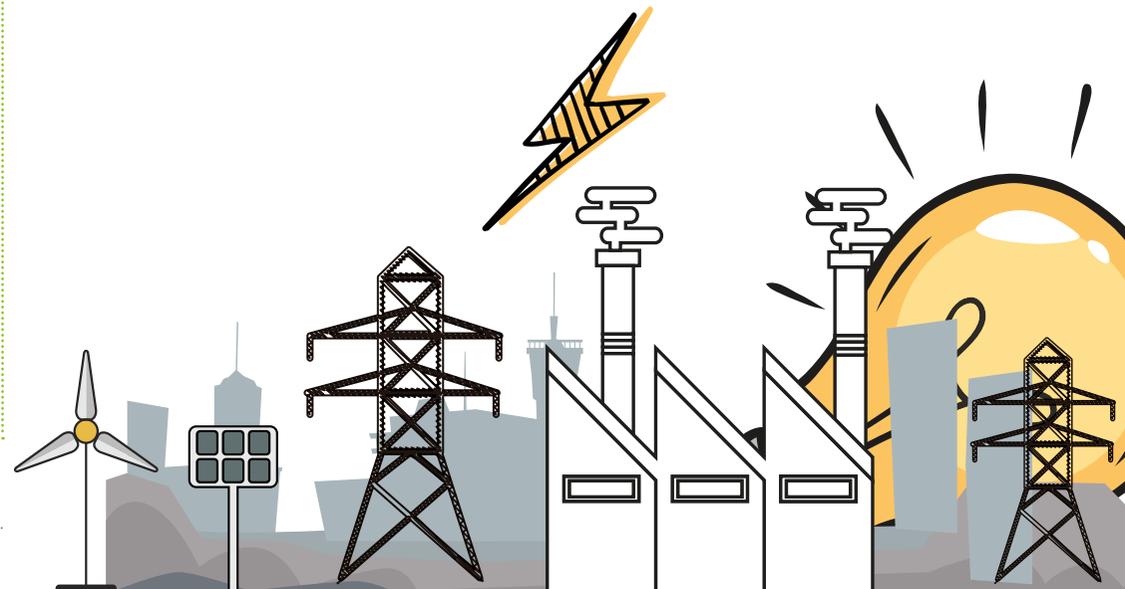
3



Continue our investment in low carbon decentralised energy as one of the biggest decentralised energy players and make a commitment to green energy across all our sites.

Continue our investment in low carbon decentralised energy through:

- **£500m investment** in two new energy recovery facilities
- **£100m investment** in combined heat and power for industry assets and £90m investment for public assets through their maintenance lifecycle
- Commit to the **procurement of green energy at all our sites** or equivalent.



Delivering on our **environmental** commitments

4



Support the delivery of the UK Government's Resources and Waste strategy by major investment in domestic recycling, recovery and reprocessing infrastructure, including plastics processing and energy recovery.

Our multi-million investment in plastics by 2025 will enable Veolia to:

- **Extend our plastics recycling portfolio** to accept an additional 40,000 tpa of PET plastics, and
- Open two new energy from waste facilities, jointly processing **670,000t of waste and powering 100,000 homes**

5



Implement the Government's 'Heat in Buildings' plan by supporting investment in district heating including a significant extension to our SELCHP district heating network.

We are making significant investment in an additional spine to our SELCHP district heating network for Lewisham by 2025.

- This investment will **supply heat to 4,800 residential and commercial properties** in Lewisham.

6



Support the Climate Change Committee's recommendation for an end to the use of peat in compost and replace it with our peat-free Pro-Grow to protect the UK's valuable peatlands.

Between 2020 and 2025, we will increase our production of peat free compost by 10% year on year.

- By switching to 'peat-free' growing products such as compost and soil conditioners, the UK could save 280,000 tonnes of peat each year. **We currently produce up to 225,000 tonnes of Pro Grow compost annually.** Our peat-free compost saves the equivalent of 15,750 tonnes CO₂e from avoiding the extraction of peat and a further 114,750 tonnes of CO₂e by diverting garden waste from landfill equivalent to taking 51,917 cars off the road each year.

7



Implement a Biodiversity Action Plan at all our sensitive sites.

We assess 100% of sites deemed significant⁷ throughout the UK using an LRQA assured biodiversity toolkit and an independent ecologist assures the assessment. Action plans are drawn up where necessary.

- Our **target is to implement 100% of the actions** within the sites' plans by 2023.
- We have **restored 1,412 hectares of land at our closed landfill sites.** We plan to restore a further 97 hectares by 2025. This will equate to **restoration of 98% of the landmass** of our landfill sites.

⁷Significance is determined based on three factors: the size of site, whether the site extracts potable water and the site's proximity to sensitive receptors



Delivering on our **people** commitments

8



Provide development opportunities to employees in entry level roles, creating a sustainable way to increase their career opportunities and enable progression within the organisation.

Provide development opportunities to employees in entry level roles through our dedicated People Development team on topics which will open up further **career opportunities and enable progression within the organisation.**



9



Continue to embed inclusivity within all our workplace practices led by our EQUAL Advisory Group and roll out our Respect at Work Programme on a national basis.

The EQUAL network is Veolia's inclusion network, open to everybody in the organisation to join in on discussions about Inclusion. **Our EQUAL Advisory Group comprises eight employees.** They are the employee voice, feeding back and sharing ideas on how the inclusion strategy should be delivered and what our areas of focus should be to achieve the most inclusive workplace for all employees.

10



Strengthen our commitment to employee training and skills through the Veolia Campus and our extensive apprenticeship and graduate programmes.

Our **award winning⁸ Respect at Work training programme** will be rolled out to all operational employees during 2020.

We will continue to foster talent by **recruiting and training apprentices and graduates.**



⁸ Respect at Work Award: [Press Release](#)

In addition to our commitments, we will continue resourcing the world through:

- 1.**

HEALTH AND NEW POLLUTANTS:
Measuring and improving indoor air quality and treating micropollutants found in water
- 2.**

NEW MATERIAL LOOPS:
Recycling electric vehicle batteries and electronic waste, capturing and using CO₂ and pursuing eco-design with industrial partners
- 3.**

FOOD CHAIN:
Converting organic waste into organic fertilisers or animal proteins and developing aquaculture, urban agriculture solutions as well as improving the taste of drinking water
- 4.**

ADAPTATION TO THE CONSEQUENCES OF THE CLIMATE IMBALANCE:
Managing crises, in particular with our mobile units to prevent rising water levels and droughts, reusing water, preventing flooding and protecting urban cooling islands
- 5.**

NEW ENERGY SERVICES:
Improving electric flexibility and demand management, including virtual power plants and energy storage and developing microgrids
- 6.**

EXPANSION OF OUR WOOD BUSINESS: Investing in a new facility capable of processing 50,000 tonnes of wood per annum and producing product for wood recycling and biomass
- 7.**

NEW DIGITAL SERVICES:
Developing supervision centres for plants and treatment facilities, web-based waste management platforms, artificial intelligence to sort waste and incubation platforms for social entrepreneurs
- 8.**

HIGH VALUE FERTILISER:
Returning 20,000 tonnes of water and paper sludge to land as high value fertiliser saving the production and use of chemical equivalents
- 9.**

VIRTUAL POWER PLANT TECHNOLOGY: Continuing the deployment and use of technology to optimise embedded generation efficiency and reduce overall power losses
- 10.**

METALS:
Recycling 30,000 of metals via decommissioning operations over the coming three years

A quote from Gavin Graveson, Executive Vice-President, UK and Ireland

“We firmly believe that businesses with a strong social purpose can deliver better and more sustainable outcomes for all stakeholders over the long term. To truly make a difference we need to look after nature and the precious resources it provides, we need the most talented and engaged minds helping us to drive performance and innovate, and we need customers who trust us to do the right thing for their communities.

We’re incredibly proud of the work we have done so far when it comes to sustainability and excited that our stakeholders support the approach we are taking for the future. With major investment in the next three years through Impact 2023 we believe we can make a real difference to the environment and people we serve while delivering strong business outcomes at the same time.”



Gavin Graveson

*Executive Vice-President
Veolia UK and Ireland*



Resourcing the world

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Disclaimer

This document is a statement of intent to strive towards the highest possible environmental standards and goals, and given global circumstances may be reviewed from time to time.