

A global company

There are already more than 7 billion people on the planet. In the near future, there will be 9 billion. The world is growing; it needs new resources. This means we need to be more inventive, more responsible and more efficient. Today, we recover water, waste and energy. What is discarded by some becomes a resource for others. Being attentive and more respectful of our planet and its people is how we view our business, our footprint and our contribution. We are creating new businesses, and a new economic and social dynamic.

We are contributing to the world movement and people's lives. Develop access to resources, preserve resources, replenish resources: resourcing the world is our goal.

€23,880 million

revenue
in 2014

179,000

employees

Three areas of expertise

Veolia designs and implements solutions for water, waste and energy management in three complementary business activities that work together to create synergies.

We are a partner to cities, for which we are reinventing our approach to traditional markets and to industry, for which we provide customized solutions covering all requirements, whatever the business sector.



WATER

Veolia treats water and monitors its quality at each stage in the water cycle, from extraction from resources through to discharge back into the natural environment. We innovate to reduce the amounts extracted and to encourage cities and industry to recycle and reuse water.



96,000,000

people supplied with water



59,600,000

people connected to wastewater systems



4,455

water production plants managed



3,338

wastewater treatment plants managed



WASTE

Veolia is the specialist in the management of liquid and solid, non-hazardous and hazardous waste. Its expertise covers the entire waste life cycle from collection to recycling, culminating in the final recovery of waste as materials or energy.



42,800,000

people provided with collection services on behalf of municipalities



31,300,000

metric tons of waste recovered as materials or energy



730,000

business customers



655

waste-processing facilities operated



ENERGY

As an expert in energy services, Veolia supports its municipal and industrial customers' economic growth, while at the same time reducing their environmental footprint. Energy efficiency, efficient heating and cooling network management, and green energy production are just some of our unique areas of expertise for a sustainable world.



52,000,000

MWh produced



2,400,000

collective housing units managed



1,802

industrial sites managed



529

heating and cooling networks managed

THE STRATEGY PAYS OFF



Antoine Frérot
Chairman and Chief Executive Officer
of Veolia

Veolia launched its transformation plan three years ago. What progress was made in 2014?

Over the year, we saw rapid advances in our transformation plan along with significant progress in regaining Veolia's capacity to maintain profitable and sustainable growth. There were numerous high points in the year. They include substantial commercial successes with industrial and municipal clients alike in both emerging and mature economies, such as Germany, England and France. And also the consolidation of our new organization, which is starting to pay off as evidenced in the smoother flow

of information, simplified operation and greater responsiveness.

The full integration of Dalkia's international business now gives us complete control over the management of energy services, which is a crucial activity in tomorrow's environmental sector. Our Veolia brand has been simplified and we have adopted a new signature, "Resourcing the world", which embodies the fact that resources permeate every aspect of our business. And to crown it all, our 2014 results outperformed the targets we had set ourselves.

More generally, what is your overall view of the transformation plan since it was introduced in early 2012?

Three years is a short period in the life of a company that is over 150 years old. And yet, what a long way we have come in that time. Our transformation plan has enabled us to improve our collective efficiency. We have found new commercial momentum. We have undertaken a major organizational change and we are back on the road to profitability. On top of all that, we have developed fields of excellence that place us in the vanguard of environmental business activities, which are so crucial for the future. These are all decisive assets for our future competitiveness. The decision to transform Veolia, as audacious as it was, was carefully thought through and is now paying off. Our company is now firmly on track and heading toward selective, profitable growth, while strengthening its leadership position in businesses with excellent prospects. I would just like to add that if we are the worldwide leader in environmental solutions, it is not just because our revenue is the highest; it is also because we approach this business differently. We have positioned ourselves differently—for example, with a single offer spanning water, waste and energy—and we innovate continuously to make sure we stay in the lead and stand out. We decided to bank on differentiation and that decision has clearly worked for Veolia. ...

“The decision to transform Veolia, as audacious as it was, was carefully thought through and is now paying off.”

... **How are these changes reflected in your company's financial performance?**

All our financial indicators were up last year, reflecting our company's solid performance. Our revenue was up 4.9% to €23.8 billion on the back of strong growth in the United States, Asia-Pacific and the Middle East, and in our global business activities. Our adjusted operating cash flow broke through the €2 billion barrier and our adjusted operating income topped €1 billion. Our cumulative cost savings came to €582 million, putting us ahead of target. In other words—and this is the crux in my view—our company is now delivering tangible results on the past few years' efforts. And that's further proof, were it needed, of just how successful its transformation has been.

What are your growth priorities?

The triple thrust of our strategy defines our priorities: target large-scale environmental markets, boost our business with industrial clients, and concentrate on the most dynamic geographic regions. For municipalities, we are focusing on three market segments: the operation of public services where there is a need for high investment; operation alone without any significant investment (a segment that also includes innovative solutions to optimize urban services); and engineering and construction. At the same time, we have identified six broad industry growth sectors on which we will concentrate our resources because they provide the potential for rapid expansion and high margins. These are oil and gas, mining, agri-business, dismantling operations, the circular economy, and difficult-to-treat pollution. The major contracts we signed last year amount to provisional revenue of €9 billion and will step up our repositioning in these high-potential sectors. Today, our company is ideally placed to seize future growth opportunities as they arise. We have identified 300 to 400 highly profitable projects that will come on stream in the next few years and which are liable to grow our revenue by at least 3% a year by 2018.

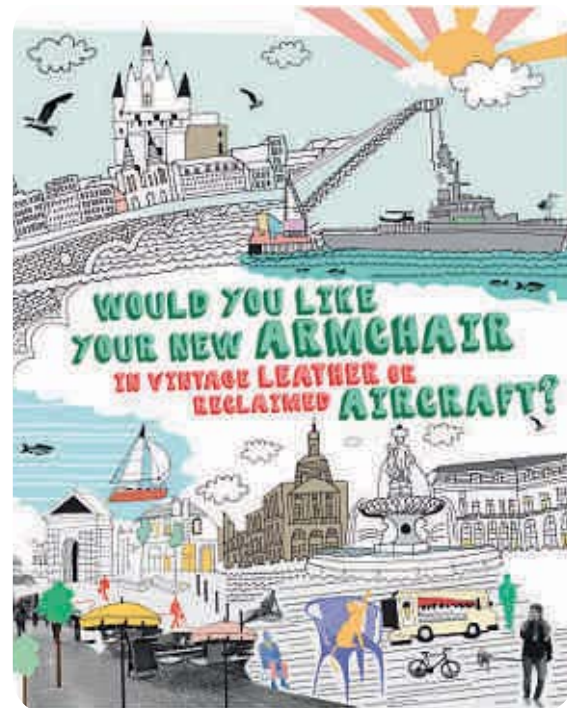
Veolia is taking a strong stance to promote the circular economy. Why is that?

The simple answer is the increasing scarcity of raw materials, water and energy. Today's world is living off ecological credit. We can turn this situation around by making more use of the circular economy in which the

waste of some systematically becomes a resource for others. Our company provides top-level expertise to overcome the logjam between the growing scarcity of raw materials and increasing needs. Our solutions turn wastewater into bioplastics, waste cooking oil into biofuel, scrap metal into secondary raw materials, organic waste into fertilizer, heat or electricity, and so forth. By giving value to something that was seen as worthless, we secure supplies for industry and municipalities, reduce their expenses and create new revenue streams. The circular economy accounts for 10% of our revenue and it is set to grow. This business is and will increasingly be one of our main growth drivers.

The 21st United Nations Climate Change Conference (COP21) will be held in Paris at the end of 2015. What is Veolia doing in this field?

Actions designed to meet the growing demand for energy while simultaneously reducing CO₂ emissions are central to the partnerships with our clients.



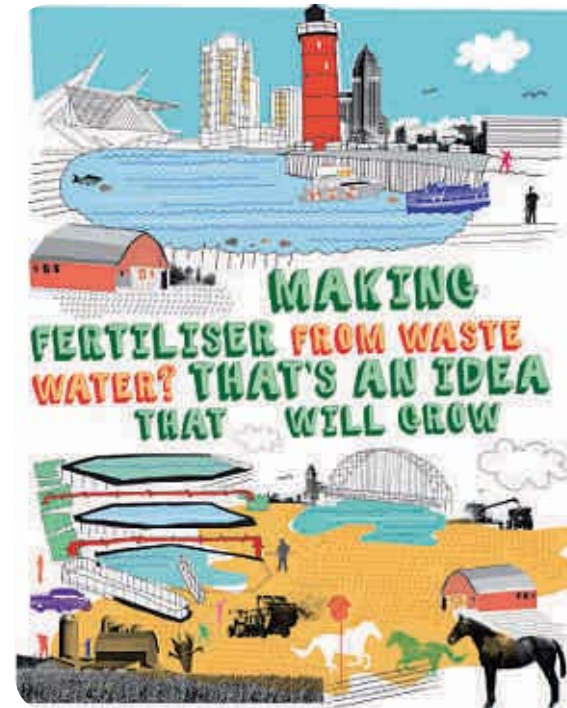
As the leader for waste recovery, the precursor for energy savings and energy efficiency, and as a specialist in renewable energies and unavoidable energy recovery, our company provides solutions for a more circular economy that can lessen the effects of climate change and help communities to adapt. To speed up the large-scale application of such solutions, we are in favor of putting a price on carbon, insofar as an adequate and predictable price is set per metric ton.

The words "greenhouse gas" usually evoke carbon dioxide in people's minds. But there are other short-lived climate pollutants, such as methane. For the very long term, capturing and recovering CO₂ seems inevitable if we are to stabilize the amount of carbon accumulated in the Earth's atmosphere.

What are the medium-term prospects for Veolia?

Now that we're refocused on the most profitable sectors, our company can boast an extremely

promising outlook. For 2015, the last year in our transformation plan, we have set ourselves the targets of consolidating our performance, financial in particular, and completing our company's reinvention. Beyond that, we are preparing a three-year growth plan for the years 2016 to 2018. With the refocusing and transformation of our company completed, the plan will concentrate on organic growth (together with a few highly targeted acquisitions), and on improving our operational efficiency. Our aim is simple: to capture the finest and most profitable growth opportunities.



Encouraging results



François Bertreau
Chief Operating Officer

Profitability recovered in 2014.

What is your analysis of this about-turn?

In 2014, we started to reap the benefits of the efforts we have made. The results have improved in the countries and that is obviously having a positive impact on the company's profitability; headquarters also contributed significantly to the overall movement. All our indicators are going in the right direction and our profit margins are considerably better. We have managed to reverse the trend. Our operating income rose 23% to €1.1 billion. One of the specific main aims of the transformation plan instigated in 2011 was to reinstate profitability. Over the past two years, the plan has allowed us to make great strides in the areas of cost-cutting, steering performance and managing investment. The transformation has also helped to break down

the walls between businesses and improved the flow of information. The messages are clearer and more direct now. I believe that our culture has undergone a deep shift; we are more attentive to the issues of profitability in our operations and in our business development projects.

What has been the impact of the transformation on performance?

With the new organization in place and more "process-focused" operation, we have become more agile, which is standing us in good stead for gaining new contracts.

From a marketing point of view, we are more offensive. Today, we are in a position to present comprehensive proposals with high value added, as our businesses now operate synergistically. The contract signed with Novartis is the ideal illustration of this shift. With our three areas of business – water, waste and energy – we will be able to maximize the economic and environmental performance of this pharmaceuticals company. In 2013, the Technical and Performance Department was created with the aim of industrializing our methods. Its main tasks consist in providing operational support to the countries, ensuring technological development, deploying standards and overseeing the company's performance. Optimizing our organization has been one of the keys to improving our performance and our competitiveness.

Now that the results are back on track, what is the next step?

This year has to be the year of free cash flow and the payment of a dividend without resorting to loans or asset sales. Veolia is becoming a balanced company standing on its own two feet again. Our economic fundamentals are once more on a healthy footing. We now have to capitalize on this momentum and target profitable growth without increasing debt, while staying focused on promising segments for the company. There is no shortage of projects in Veolia. We just have to choose carefully. In 2015, we will be launching a three-year plan built around growth and improving the entire company's operational performance.

MAJOR CONTRACTS

€9 bn

worth of major new or renewed contracts in 2014.

REBALANCING THE COMPANY'S CUSTOMER BASE



61%

local government authorities



39%

industry

“We have managed to reverse the trend.”

“There is no shortage of projects in Veolia. We just have to choose carefully.”

ADJUSTED OPERATING CASH FLOW

€2,164 M

up 17.3% at constant exchange rate.

► **Adjusted operating cash flow** has benefited from stepping up the cost-savings plan (€232 M gross savings in 2014).

COST SAVINGS

€582 M

cumulative

► **Slightly ahead** of the roadmap target, the cost savings can be attributed to the rigor applied by all.

Points of view from the field



Estelle Brachlianoff
Senior Executive Vice President
for the UK and Ireland

What has been the effect of the company's transformation in the United Kingdom and Ireland?

First, we realigned our strategic project on the company's overall project. For this region, Veolia revised its scope and helped reduce debt by selling our regulated UK water businesses. We also contributed to the efficiency program by cutting €10 million in costs annually. Our transformation also impacted on our organization. We have regrouped our support functions and reorganized our structure by type of customer rather than by business activity. Now, three managers are in charge of industrial customers, water companies, and municipal and commercial customers. At an HR level, this transformation was an opportunity for our employees to broaden their career path. At a business level, the changes have enabled us to take the service we provide to our customers to the next level, and to sign new contracts. The Siemens contract, for example.

"Our circular economy solutions already account for 20% of revenue."

What is your aim in terms of the circular economy?

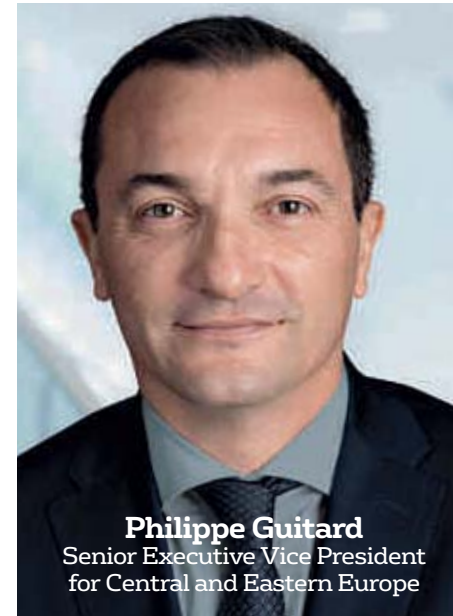
Our solutions in this field already account for 20% of revenue. By combining our three business activities, we are able to propose innovative technology that saves and conserves resources. We are now a recognized player in resource efficiency for both customers and the environment. In London, for example, we operate a plant that uses the energy recovered from the combustion of non-recyclable household waste to supply 2,500 households with heating and hot water. At Ling Hall, we recover precious metals, such as palladium from road sweeping waste.

What is your approach where innovation is concerned?

Innovation is crucial. Sitting on our laurels would mean a gradual erosion of our added value. We innovate to help our industrial customers to create local circular economies. To stimulate innovation, we turned to a format adopted by a very popular UK TV program. Employees present their idea to a panel. If they convince the experts, they are given time and funding. So far, seven "Innovation Dens" have been run, 25 ideas have been approved and five are now in the incubation stage. This was how we developed a process for Procter & Gamble that gives a second life to effluent from a detergent plant. The treated effluent is now used to wash the plant's trucks, for example. By planting seeds you grow trees and create a forest...

KEY FIGURES FOR THE UNITED KINGDOM AND IRELAND

- ▶ Almost **€2.2 billion** in revenue
- ▶ **14,396** employees



Philippe Guitard
Senior Executive Vice President
for Central and Eastern Europe

"The integration of Dalkia International has provided us with additional business growth drivers."

What added value has the integration of Dalkia International's business provided?

We are starting to reap the benefits. Energy is at the crossroads of our businesses, as we can produce and/or recover energy from water treatment or waste treatment. Being in a position to provide industry and business customers (hospitals, shopping malls, etc.) with a comprehensive proposal is an additional growth driver. It should enable us to boost our presence in these segments, which are subject to strict environmental requirements and energy-efficiency obligations.

In your region, what is your contribution to resourcing the world?

Our expertise is leveraged to maximize resource use, to lose nothing throughout the cycle of the use of resources and to minimize impacts. We also use our expertise to develop sophisticated systems. Two perfect examples of this are Prague's Smart Water Integrated Management, a control and management center covering the entire water cycle; and our innovative Energy Savings Centers for improving the energy efficiency of buildings. We are also able to offer waste-to-energy solutions for heating in response to market needs following the application of European waste management directives.

KEY FIGURES FOR CENTRAL AND EASTERN EUROPE

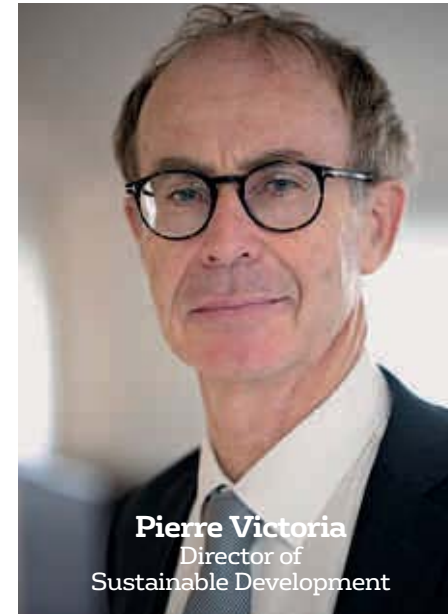
- ▶ **€2.8 bn** in revenue
- ▶ **25,800** employees
- ▶ **10** countries

What is your view of the company's transformation in Central and Eastern Europe?

Our transformation is multi-faceted. It concerns our organization, cost structures, information systems and even our processes. But the challenge is above all at the human level. We had to get the support of all managers and as many employees as possible, explaining to them where we were going and what the role of the New Veolia would be. In Central Europe, our water and energy businesses have a satisfying level of profitability. However, declining purchasing power means we have had to adjust our costs to what our customers are able to pay. The transformation has given us room to maneuver to protect our profit margins while limiting price rises. But the transformation is not over yet: we must now focus on what tomorrow and the day after will bring.

“Innovation is core to the challenges facing our planet.

It helps resolve the contradiction between growth and increasingly scarce resources.”



Pierre Victoria
Director of
Sustainable Development

For Veolia, sustainable development is above all an issue of legitimacy for value creation. Our legitimacy is all the stronger in that we are a company serving our customers directly in the regions where they operate. The way in which we connect with the environment, support our employees and reach out to our stakeholders conditions our right to operate. Our CSR strategy and aims contribute to our attractiveness in the eyes of our customers, investors and employees, and in turn therefore to our competitiveness.

Committed to a progress approach

The ramp-up of major industrial customers in our portfolio means that, more than ever before, we have to be exemplary. This explains why our business and CSR strategies are so closely intertwined. By creating synergy between our three businesses – water, waste and energy – our new organization, based on a single Veolia for each country, is relevant not just at the managerial level, but also at the environmental level. Above all, it is moving in the same direction as history – toward the circular economy. We have translated our goals into formal commitments through a collaborative effort to clarify and prioritize: nine commitments, 12 key indicators and precise targets for 2020. This has meant a clean break on more than one front. We have moved from the stage of a charter

to that of commitments under a progress approach applied over time. This approach involves all the company’s divisions and many operational employees, because the company’s performance cannot be gauged solely by its bottom line; its environmental, social and societal performance must also be taken into account. Such an approach adds depth and value to our proposals, making it also a significant differentiator. Proof of the importance of our commitments is that they are actively supported at the highest level in the company. Innovation is at the core of this challenge. It enables us to resolve the contradiction between growth and increasingly scarce resources. Innovation is not only technological, it must also be social, societal and even contractual; for example, with remuneration no longer based on quantities sold but on volumes saved.

Helping combat climate change

Given its systemic vision, Veolia has a clear role to play as a “contributor” of major solutions for the planet’s future. Regarding climate, an issue to which Veolia has been paying close attention for some years, innovation will be crucial. As an operator in the circular economy, we are in the vanguard of the fight against climate change. We work early in the process to reduce impacts at the source, but we also help regions adapt to the consequences of climate change. If strong commitments are made at the 21st Climate Conference to be held in Paris at the end of 2015, Veolia, already a driving force behind proposals, will more than ever be at the front line of their implementation.

COMMITMENTS
THAT
MAKE THE
DIFFERENCE

Our commitments to resourcing the planet



COMMITMENT NO. 1

Sustainable manage natural resources by supporting circular economy

When we recycle products and materials, we are reusing products, materials and energy for other production processes, thus creating a virtuous and eco-responsible cycle. As a key player of circular economy implementation, we propose solutions to recover resources and optimize their productivity by encouraging their responsible use in a closed loop system. We also develop solutions to treat and eliminate the pollution degrading them.

2020 TARGET

- ▶ Achieve 3.8 billion euros revenue linked to circular economy.

COMMITMENT NO. 2

Contribute to combating climate change

To contain global warming within +2 °C, greenhouse gas emissions (GHGs) worldwide must decrease by 70% by the year 2050. Veolia is actively encouraging a robust and stable carbon price that would boost low-carbon solutions. In our activities, we are mobilized to reduce greenhouse gas emissions and to invent solutions that prevent them.

2020 TARGETS

- ▶ Capture more than 60% of methane at the landfills we operate.
- ▶ Achieve 100 million metric tons of CO₂ equivalent of reduced emissions and achieve 50 million metric tons of CO₂ equivalent of avoided emissions for the period spanning from 2015 to 2020.

COMMITMENT NO. 3

Conserve and restore biodiversity

Veolia's contribution to limit global biodiversity loss is twofold. We strive not only to reduce the footprint of our activities and that of our clients' on the environment, but also to foster favorable conditions for the preservation and the restoration of species and their habitat.

2020 TARGET

- ▶ Perform a diagnosis and deploy an action plan at all our sites identified as having crucial importance for biodiversity.

Our commitments to resourcing regions



COMMITMENT NO. 4

Build new models for relations and value creation with our stakeholders

We propose solutions that cut across regulatory, social and environmental issues to improve our clients' performance. To do so, we interact with all the players to innovate and build together new initiatives creating shared value. Our solutions are based on circular economy and shared performance principles.

2020 TARGET

- ▶ Have entered into a major partnership based on value creation in each zone and each growth segment.

COMMITMENT NO. 5

Contribute to local development

Thanks to its strong roots in local management, with in-depth knowledge of the areas where it operates, Veolia daily contributes to the dynamics of local development. Our solutions deal with every aspect of tomorrow's sustainable regions: "smart" living areas, resilient and socially integrated with a high quality of life.

2020 TARGET

- ▶ Maintain above 80% the share of our expenditure reinvested in regions.

COMMITMENT NO. 6

Supply and maintain services crucial to human health and development

Together with its delegating authorities or partners and its industrial clients, Veolia commits to ensuring sustained access to essential services: water, waste management or energy. We are mobilized to ensure everyone has access to high quality services and to develop solutions adapted to the local environment. We are more specifically encouraging policies targeting underprivileged populations and/or areas.

2020 TARGET

- ▶ Contribute to the sustainable development goals that will be set by the United Nations General Assembly in September 2015, in the same way that we contributed to the Millennium Development Goals.

Our commitments to the people who work for our company



COMMITMENT NO. 7

Guarantee a healthy and safe working environment

Prevention in terms of health and safety is a constant priority for Veolia in all its activities. Worldwide, we commit to guaranteeing our employees' physical and psychological integrity. Since July 1, 2013, our Group is signatory to the Seoul Declaration at the International Labor Organization headquarters, recognizing the fundamental human right to a safe and sound work environment. Reinforcement of accident prevention, accident analysis and social dialogue about health and safety are all part of the agreement relating to the working conditions signed within the company.

2020 TARGET

► Achieve an injuries frequency rate lower than 6.5.

COMMITMENT NO. 8

Encourage the professional development and commitment of each employee

Veolia's ability to attract and gain loyalty is a major feature of its performance. Our employees' motivation and commitment are our wealth and our strength. That is why we have prioritized skills and career development, acknowledgement of our employees' performance and respect of diversity. We have therefore equipped ourselves with a comprehensive training and HR policy. A dedicated scheme has been put in place to more closely associate our managers to the implementation of this strategy.

2020 TARGETS

► Provide at least one training session during the year to over 75% of employees.
► Maintain management's commitment rate at more than 80%.

COMMITMENT NO. 9

Guarantee respect for diversity and human and fundamental social rights within the company

We highly value social cohesion and stability, in particular during the period of transformation our organization is going through, and we are very attentive to the quality of social dialogue with the employees' representatives, as well as to due regard to diversity, equal opportunities and the fight against discrimination.

2020 TARGET

► Ensure more than 95% of employees are protected by employer-employee dialogue arrangements.



Jean-Marie Lambert
Senior Executive
Vice President, Human
Resources

“We need to adapt our employees' skills to match the changes in our traditional markets and our positioning in new markets.”

In a labor-intensive company like Veolia, what are the health and safety requirements?

They are very high for several reasons, and our results reflect the efforts we make in this field. We are a services company and 80% of our employees work in the field in situations that are at times complex. Today, our industry customers, of which there is a growing number, have very high health and safety standards. It is certainly the case in the oil and gas industry, as well as the chemicals industry. We need to step up our efforts to reach their level. This is crucial if we are to generate 50% of our revenue with industry customers by 2020.

How have human resources supported the construction of the New Veolia?

The aim was to create a single Veolia per country by uniting the teams working in our three areas of business. We involved management and employees closely in these changes, while also factoring in the legislation and employer-employee relations in each country. We took up this challenge rapidly but calmly.

We leveraged internal resources to adapt the profile of our senior operational management and we maintained intelligent, steady relations with employees. By 2020, we expect 95% of employees will be covered by an employer-employee agreement. This transformation was also an opportunity to create shared tools and align our practices.

What is the impact of the “One Veolia” on skills development?

This is a major challenge, as the aim is to support the company's change, and to develop our expertise and capacity for innovation. We need to adapt our employees' skills to match the changes in our traditional markets and our positioning in new markets. This is why we are determined to maintain our investment in training programs that lead to a qualification. Apprenticeships and work-study programs have a very important role to play. They are part of our genetic makeup and also contribute to corporate social responsibility in the regions where we operate.

Human resources, highlights



TRAINING

Twenty years of service to training

On February 2, 2015, Campus Veolia celebrated its 20th anniversary at its headquarters in Jouy-le-Moutier, near Paris, at an event attended by the French Prime Minister, Manuel Valls, Antoine Frérot and 800 guests. During the ceremony, 450 students received their diploma. Veolia has taken on and trained around 13,000 work-study students since the Campus was created in 1994. In France alone, 21 qualifications are on offer, ranging from vocational certificates to Master's degrees. More than 35,000 employees have completed a training course provided by the Campus's worldwide network. The latest addition opened in Incheon, South Korea, in 2014. For Veolia, with 179,000 employees who work mostly in the field and are confronted with rapid changes in their profession, skills development is crucial to the company's performance and attractiveness, and for its people's employability.

10
countries with
a Campus Veolia.

13,000
work-study students
trained in twenty years.

SURVEY

Committed managers

The commitment survey is a precious tool for garnering managers' support in implementing the company's strategy. Supported at the topmost level in the company, the survey involved a sample of 2,500 managers in 2013. Its results revealed the level of support for the strategy and the actions undertaken to speed up Veolia's transformation. In 2014, the results were widely reported and an action plan implemented. It identified four priorities:

- ▶ Support innovation and growth opportunities in each zone;
 - ▶ Maintain our priority in terms of cost reduction and performance improvement;
 - ▶ Get the managers more committed to the transformation;
 - ▶ retain the best talent and maximize the company's attractiveness as an employer.
- In 2015, the second commitment survey will involve an expanded sample of 5,000 managers. Veolia has set itself the target of maintaining a commitment rate of more than 80%, and will be assessing the rate regularly.



INTERNATIONAL EXPERIENCE

Pangeo: international passport for recent graduates

Starting your career abroad in an international company is a real opportunity for young people at the beginning of their professional life. Each year since 2004, Veolia has been giving 60 graduates – especially in the areas of engineering, sales development and finance – the opportunity to join the company beginning with a one- or two-year international posting. In ten years, from Asia to the Middle East and in Northern Europe, 670 young professionals, most of whom speak at least three languages, have benefited from the Pangeo program. With a hire rate in excess of 70%, this program is a real springboard for integration into the company. Pangeo is now managed by the Corporate Human Resources Department.

GOVERNANCE

Two employees on the Board of Directors

Following a law passed in France in 2013, companies must include employee representatives on their board of directors. Veolia has complied. Effective from April 2014, Pavel Páša from Czechoslovakia and Pierre Victoria from France were appointed for four years to represent employees in Europe and France respectively. In fact, Veolia has gone one step further by including these employees in several committees: Pierre Victoria sits on the Compensation Committee and on the Accounts and Audit Committee; Pavel Páša sits on the Research, Innovation and Sustainable Development Committee.



OCCUPATIONAL HEALTH AND SAFETY

Safety: a core priority for our businesses

Occupational health and safety is an integral part of all activities for all employees, temporary employees and subcontractors. This is reflected in the commitment at all levels of management, especially the Executive Committee. By way of an example, in 2014, Antoine Frérot, Chairman and Chief Executive Officer, and members of the Executive Committee attended site safety visits.

The stated target for the accident frequency rate⁽¹⁾ by 2020 is 6.5. In 2014, it was 11.7, with specific conditions for each of the businesses. This new company-wide target will make it possible to track the progress made in the various regions where we operate.

(1) Number of workplace accidents leading to time off per million hours worked.



TO RESOURCE THE WORLD

AUSTRALIA
Hunter region • p. 22

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Veolia contributes to resourcing the world each and every day, and on every continent.

See page 72 for the external sources of data. (Per capita income in USD)



AUSTRALIA / NEW ZEALAND

AUSTRALIA

SURFACE AREA

▶ 7,692,000 km²

PER CAPITA INCOME

▶ \$37,749

GMT

▶ from +8 to +11

POPULATION

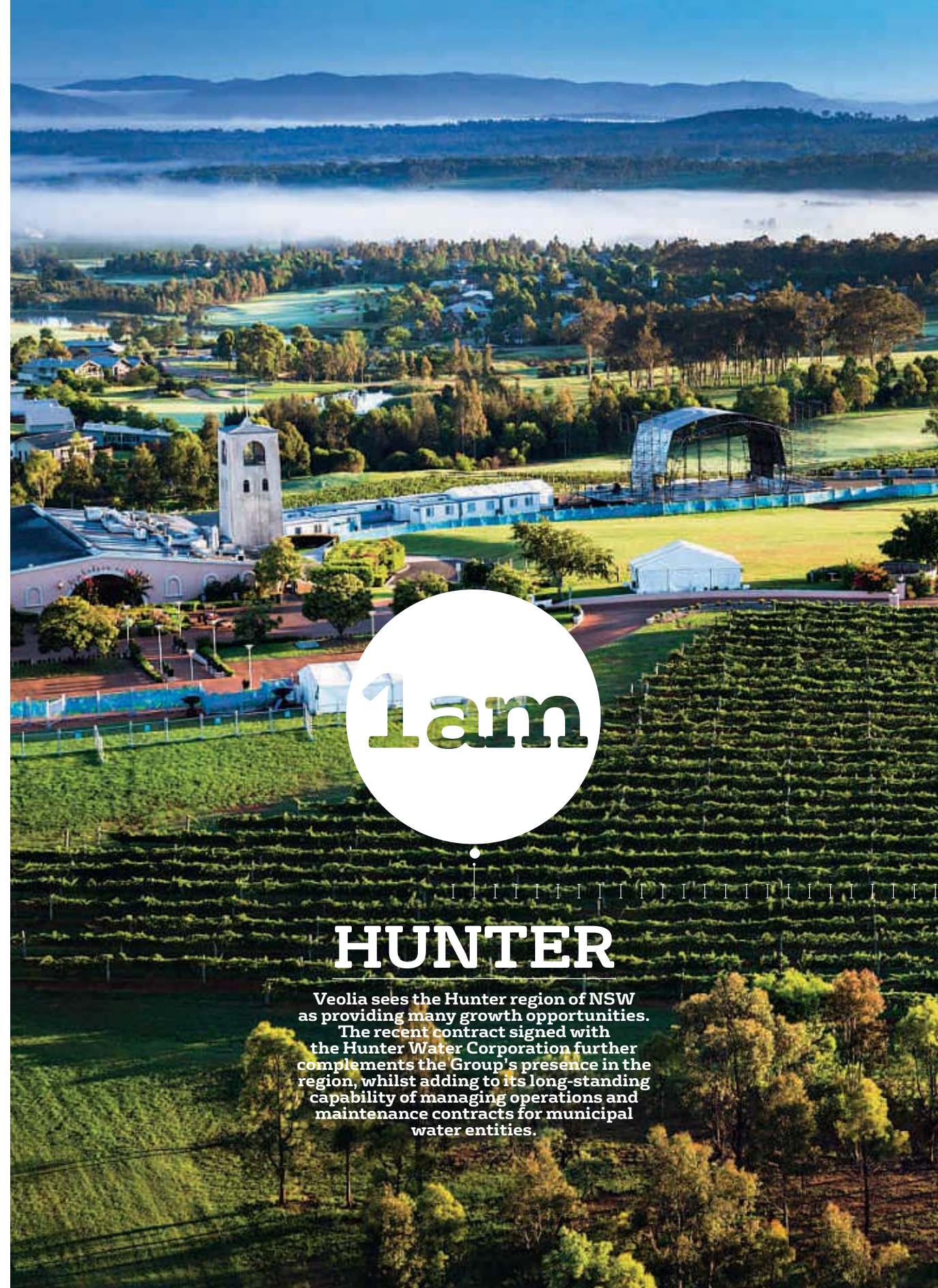
▶ 22.7 million

WORLD RANKING

▶ 12

THE CHALLENGES FOR VEOLIA IN AUSTRALIA AND NEW ZEALAND

- ▶ Deliver a fully integrated Veolia offering across water, waste and energy.
- ▶ Deliver social, environmental and financial performance improvement for our clients, allowing them to pass on these benefits to their end-users.



HUNTER

Veolia sees the Hunter region of NSW as providing many growth opportunities. The recent contract signed with the Hunter Water Corporation further complements the Group's presence in the region, whilst adding to its long-standing capability of managing operations and maintenance contracts for municipal water entities.



OTHER CONTRACTS

► The Commonwealth Government,

represented by The Department of Defence. National waste management contract for over 300 sites.

► Lend Lease

Management of a district cooling network, a high-voltage embedded electrical network and a recycled water treatment plant at Barangaroo in Sydney.

► Toyota

Management of water and recyclable materials in the resource recovery and recycling centers of Toyota facilities in the states of Victoria, Queensland and South Australia and in the Northern Territory.

► Rosehill

Provision of maintenance services and telephone assistance for the water recycling plant.

Hunter Water Corporation: a strategic win for Veolia

HUNTER. Located in the state of New South Wales, Hunter Water Corporation is one of Australia's largest public water utilities. It provides drinking water and wastewater services to more than 570,000 residents, across six local government areas within the Hunter region.

After a call for tender, Hunter Water Corporation awarded management of its water and wastewater treatment services to private operator Veolia. This was due to Veolia's proven ability within the area, having been commercially present for more than twenty years, and operating more than 30 treatment plants within Australia and New Zealand. Under the eight-year contract worth €141 million, the largest contract ever awarded by Hunter Water; Veolia will operate and maintain 6 water treatment plants, 19 wastewater treatment plants and one advanced water treatment (recycling) plant providing drinking water and wastewater services to more than half a million people. Veolia's expertise within water operations, both locally and globally, will further allow the implementation of best-practice technologies, whilst helping to ease cost pressures for local families and businesses.

Prior to implementation, Veolia adopted a step-by-step approach to ensure the initial success of the contract, with a goal of making the transition and handover from the previous supplier to Veolia as smooth as possible. Upon commencement, more than 65 Veolia staff were inducted and trained and a temporary office was established, whilst vehicles and other plant and equipment were procured.

Veolia and Hunter Water also signed a partnering charter showcasing a commitment to optimal relations throughout the course of the eight-year contract. The Hunter Water contract adds to Veolia's existing presence in the Hunter region, with Veolia partnering with some of the region's biggest companies including Tomago Aluminium, Eraring and Rio Tinto.

26

treatment plants (6 drinking water, 19 wastewater and 1 recycled water plants).

570,000

residents served.

€141

million in revenue.



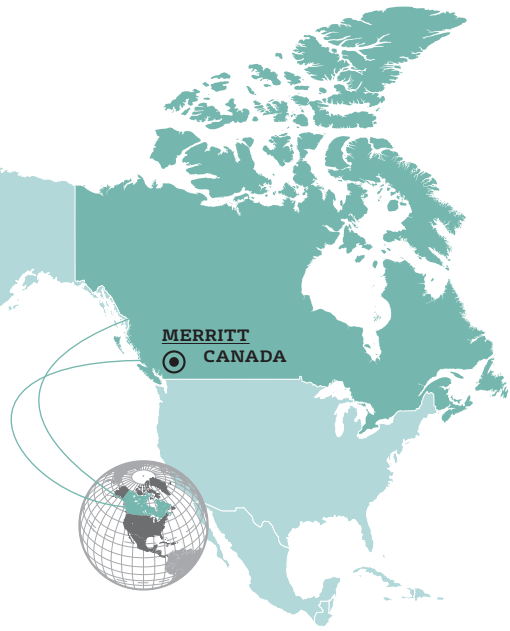
TESTIMONIAL

“The transition of Veolia to the operator and maintainer of Hunter Water's treatment plants has been done in a seamless and professional manner. Veolia's commitment to excellence has ensured it is meeting Hunter Water's standards of exemplary compliance with our environmental responsibilities.”

Darren Cleary

Hunter Water Chief Operating Officer

Find out more at <http://www.veolia.com>



NORTH AMERICA

CANADA

SURFACE AREA

▶ 9,985,000 km²

PER CAPITA INCOME

▶ \$52,219

GMT

▶ from -5 to -8

POPULATION

▶ 34.9 million

WORLD RANKING

▶ 11

THE CHALLENGE FOR VEOLIA IN NORTH AMERICA

▶ Demonstrate the success of our transformation by realizing profitable growth with traditional and new integrated offers that deliver exceptional value.



3am

MERRITT

Canada, with endless stretches of land, is blessed with abundant natural resources, not the least of them being wood. At the Merritt facility in British Columbia, Veolia will be converting 307,000 tonnes of biomass a year - primarily waste from local sawmills - into electricity. Thanks to the facility's production capacity, 40,000 households will be powered by green electricity.



Biomass: Two major projects landed in British Columbia

MERRITT. Comprising only 10% of Canada's total area, British Columbia is home to more than half of the country's forests. Indeed, around 70% of the province is forest. Despite a crisis related to falling demand and an epidemic caused by the mountain pine beetle, the forestry industry is still a crucial cog in the country's economy. While abundant, wood is underrepresented in the local energy mix. Canada, already a pioneer in integrating low-carbon energy due to hydropower (which accounts for 60% of the country's energy generation⁽¹⁾), is now banking on biomass.

With Canadian project finance fund Fengate Capital Management Ltd, Veolia has recorded two major successes in this region within a short time span.

In July 2014, Fengate and Veolia partnered to sign a major contract to finance, build and operate one of North America's biggest biomass facilities for a thirty-year period. Located in Merritt, northeast of Vancouver, it will convert 307,000 tonnes of biomass waste, primarily from local sawmills, into electricity.

The facility's 40-MW production capacity will deliver green electricity to 40,000 households. Once in operation, it will help avoid 95,000 tonnes of CO₂ emissions a year – the equivalent of keeping more than 45,000 cars off the road. For Veolia, the project represents cumulative revenue of over €540 million. The Merritt project follows an earlier success for Veolia and Fengate in late 2013 – the award of a contract to design, finance, build, operate and maintain the Fort Saint James biomass facility located

some 700 kilometers further north. These two commercial successes in less than one year recognize Veolia's expertise and capacity to provide a global response to client needs, from financing and construction to maintenance and energy recovery, which contributes to preservation of resources.

(1) <http://www.connaissancedesenergies.org/situation-energetique-du-canada-en-2014-141002>.

OTHER CONTRACTS

► Akron (Ohio),

DeKalb county, Georgia (Atlanta area); and in Washington DC, New "Peer Performance Solutions" water projects, saving public funds and optimizing water and wastewater utilities.

► District Energy

Wheelabrator Technologies Inc. Partnership for generation of "green steam" used for the energy production system in Baltimore, Maryland.

► O&M renewals

Fall River, Massachusetts, and New Orleans, Louisiana. Two ten-year significant project renewals for wastewater treatment plant operations and maintenance were signed.

⊕ Find out more at <http://www.veolia.com>



BIOMASS: THE "GREEN" GOLD RUSH

Merritt is one example of how sustainable use of waste biomass is gathering momentum and inspiring hopes.

As a path towards reducing use of fossil fuel energy sources, this new waste-to-energy resource – obtained by converting unused agricultural materials from forestry and farming and the organic component of industrial and household waste – can provide direct fuel or material for heating, cooling and electricity.

Waste biomass can be used as the fuel source to generate energy. Another approach is where the biogas generated and captured during the decomposition of the waste (methanization) process can be converted into energy.

Such uses of biofuels generate less greenhouse gases than traditional fossil fuels.

250
jobs created during
the construction phase.

95,000
tonnes of CO₂ emissions
avoided per year.

40,000
homes provided with
electricity.

€540 million
in revenue.



LATIN AMERICA

ARGENTINA

SURFACE AREA	PER CAPITA INCOME	GMT
▶2,780,000 km ²	▶\$11,573	▶-3
POPULATION	WORLD RANKING	
▶41.1 million	▶26	

THE CHALLENGE FOR VEOLIA IN LATIN AMERICA

▶Latin America is a dynamic region with a rapidly growing industrial sector. Sustained urban growth combined with increasingly stringent environmental standards are an opportunity for Veolia, the specialist in environmental management solutions for complex systems.



BUENOS AIRES

Retiro, San Nicolás, Puerto Madero, San Telmo, Monserrat and Constitución: there is something of Naples, Madrid and Paris in these six districts of the Argentinian capital through which more than 1.5 million people pass each day. Since 2014, Veolia has been providing comprehensive waste management services.



Carried by “fair winds”

BUENOS AIRES. City of 3 million people, Buenos Aires⁽¹⁾ is built along the western shore of the Río de la Plata estuary that forms the border with Uruguay. The Argentinian capital is the most European of Latin America's cities. A city of passion, fascination and intense nightlife, it is one of the continent's great metropolises. Veolia has been a partner of the municipality for sixteen years providing waste management services, and has now been signed up for a further ten years to manage the urban cleaning services in the city center's six emblematic districts: Retiro, San Nicolás, Puerto Madero, San Telmo, Monserrat and Constitución. This vast area is the capital's economic, touristic and cultural heart, and is home to official buildings such as the Casa Rosada executive mansion and office of the president, as well as rail and bus stations and the port. The new contract is proof of the municipality's trust in Veolia's ability to take in charge waste management in the city's most important touristic and business district. Urban cleaning services are crucial to the quality of life in Buenos Aires and to its attractiveness. This ten-year contract is worth €400 million.

Veolia collects waste, cleans the streets and manages all the personnel. This is no easy task, given the numbers involved. More than 200,000 people live in these districts, over 12,000 retail businesses and service companies are based there, and more than 1.5 million people pass through this part of the city each day. The full breadth of Veolia's expertise is needed to ensure it delivers on its commitment to provide services within this intense urban movement and density. In particular, the company

has introduced two new services to protect the environment: an upgraded fleet of vehicles including automated side loaders, and containers for waste collection. New containers have replaced the plastic bags that used to be dumped on the sidewalks, resulting in improved collection and hygiene. Present in eight Latin American countries (Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru and Venezuela), Veolia serves 42 million people in this region, where it has nearly 12,000 employees. The company operates water services in Guayaquil, Mexico City, Bogotá and Lima; and waste services in São Paulo and Santiago de Chile. It is also active in industrial water treatment in Brazil and Chile, and in hazardous waste in Mexico.

(1) Buenos Aires means “fair winds” in Spanish.

OTHER CONTRACTS

► Mexico

Commercial management of the water system for part of Mexico City renewed for two years; 2.4 million people served.

► Chile

Renewal for ten years of the urban cleaning contract with the city of San Felipe.

► Peru

Operation and maintenance of a wastewater treatment plant in Cusco; 386,000 people served.

6
districts.

206,000
people served.

1.5 million
people pass through
the area every day.

Contract term:

10 years.



SUPPORTING OUR EMPLOYEES

In Buenos Aires, Veolia has introduced several actions to expand its employees' horizons.

In May 2014, the company was awarded the Premio Vivalectura Prize for its cultural promotion program by a panel of judges that included members of the Argentinian Ministry of Education. Employees and their families are encouraged to take part in a literacy program in premises set aside in the company where they can learn to read and write or take part in an artistic activity. A book club has also been created for street sweepers.

Veolia also continued to roll out its work integration program, which aims to provide workspaces suitable for people with different capacities in order to encourage them to learn and to get about more easily. A specialist educator supervises these employees to make sure they are successfully integrated into the company.



MIDDLE EAST/AFRICA
SULTANATE OF OMAN

SURFACE AREA	PER CAPITA INCOME	GMT
▶ 309,500 km ²	▶ \$23,133	▶ +4
POPULATION	WORLD RANKING	
▶ 3.3 million	▶ 65	

THE CHALLENGES FOR VEOLIA IN THE MIDDLE EAST AND AFRICA

- ▶ Water scarcity and access to basic services in tomorrow's megacities.
- ▶ The sustainable development of extractive industries, for which the company can provide environmental solutions.



9am



KHAZZAN

Even more than elsewhere, water is a rare and precious resource on the Arabian Peninsula. One of the main challenges there is to reconcile the extraction of the region's hydrocarbon riches with the protection of water resources.



When water mixes with oil

OMAN. In the Middle East, significant challenges are to be tackled as a result of industrial growth and the issues of water scarcity. Several projects awarded to Veolia are indicative of the regional dynamics and the desire to identify innovative solutions to reduce the pressure on water resources and supply. Located on the southeast of the Arabian Peninsula, the Sultanate of Oman has significant oil and especially gas reserves. Over the past few years, the country has opened the exploitation of its oil and gas fields to foreign companies, such as BP. The British company operates the immense Khazzan gas field where no fewer than 300 wells will be drilled to extract an estimated 28.3 million cubic meters of gas per day by 2017.

This project requires a huge quantity of water to operate. However, more than anywhere else, industry's demand for water on the Arabian Peninsula has to be weighed against the needs of the population, which is already facing water scarcity. Given this situation, Veolia has been tasked with building and operating the plant to treat raw water from the gas wells for one year, renewable four times. At full capacity, this plant will supply 4,000 cubic meters of process water and 2,000 cubic meters of drinking water per day, making a total daily capacity of 6,000 cubic meters of water. This contract is an excellent example of Veolia's acknowledged expertise in the oil and gas sector, identified as one of the company's growth industries. The sector now uses sophisticated extraction techniques that put Veolia's human and technological expertise in treatment and recycling in particularly high demand,

as it reduces pressure on local water resources, improves productivity and reduces environmental impacts. Having targeted the extractive industries sector, Veolia can now boast excellent references in the field: Carmon Creek for Shell (Canada), Marafiq (Saudi Arabia), and QCG (Australia), to name just a few for which Veolia's unique expertise in the area of non-conventional gas was the stand-out differentiator from its competitors. In a world where energy needs are expanding exponentially and the environmental responsibility placed on companies grows by the day, Veolia provides its customers with expert solutions to these changing needs.



OTHER CONTRACTS

► Ghana

Operation of the effluent treatment plant at AngloGold Ashanti's open-pit gold mine in Iduapriem.

► Gabon

Supply of electricity generated from palm oil production residue to grid operator SEEG.

► United Arab Emirates

New contract to manage waste in Abu Dhabi's main industrial area.

6,000 m³

**of water supplied each day
(4,000 m³ of process water and
2,000 m³ of drinking water).**

Contract value:

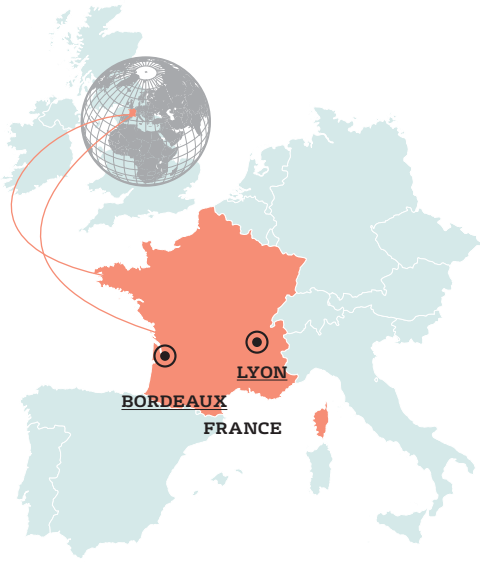
€40 million.

CUSTOMIZATION TO MEET REQUIREMENTS ON THE GROUND

Wherever the company operates, it strives to deliver products and services that match local needs.

Veolia's experience in the Middle East and its many oil sector references are valuable assets. This is the case in the Sultanate of Oman, where Veolia is particularly well entrenched and has been managing water distribution for 70% of the population for ten years. As a result, the company has in-depth knowledge of the local culture and regulations, especially labor laws and human resources management. Veolia's teams are skilled in water treatment (the Sur seawater desalination contract) and sensitive to industry's needs (the Sohar Port contract).

In Khazzan, Veolia employees take account of the oil and gas sector's specific requirements and work in shifts. The company has developed and implemented a quality management system specifically tailored to the industry's requirements that encompasses managerial, environmental, and health and safety aspects.



FRANCE

- ▶ Water
- ▶ Waste

SURFACE AREA	PER CAPITA INCOME	GMT
▶ 552,000 km ²	▶ \$39,772	▶ +1 (+ 2 in summer)
POPULATION	WORLD RANKING	
▶ 65.7 million	▶ 5	

THE CHALLENGES FOR VEOLIA IN FRANCE

- ▶ Become a benchmark operator in regional France by developing expert services based on new technology and high-value-added expertise in water and wastewater for both municipalities and private operators.
- ▶ Become France's producer of renewable resources: recycled raw materials and green energy.



GREATER LYON

The water contract with Greater Lyon is exceptional for several reasons. First, in terms of the distribution network's size, as it is the second biggest in France. And second, for the variety of digital technology used. Data analysis is making water management — and the city — smarter.



BORDEAUX

On October 17, 2014, Veolia took delivery of the French Navy's decommissioned *Jeanne d'Arc* helicopter carrier. The date marked the start of a dismantling project that will take eighteen months. It is an emblematic operation for this area of expertise that Veolia has developed to meet demand in a rapidly growing market.





Welcome to the big data era

LYON. For cities, water management represents big challenges on the social, health, economic and environmental fronts. This explains why they increasingly approach this activity from the angle of the “full water cycle”, an expression that clearly reflects their overall expectations. Today, the management of water supply and wastewater treatment systems is only the visible part of the iceberg. Less in evidence is the need to take into account the natural environment and the protection of water resources, in terms of both quantity and quality. This new state of affairs requires the use of increasingly sophisticated and smart technology, which is precisely the approach adopted by Veolia and Greater Lyon under the new eight-year contract they have signed. As part of the management of the second largest water distribution network in France, Veolia has undertaken to tackle the huge challenge of managing big data. A total of €55 million will be invested to roll out sophisticated technology aimed at saving 33 million liters of water a day. Put differently, that is the equivalent of the annual consumption of three of the area’s municipalities – Villeurbanne, Vaulx-en-Velin and Caluire-et-Cuire – and represents a 46% reduction in the network’s current losses from leaks. Reducing network losses will help conserve water resources and improve energy management. To detect leaks, 6,000 sensors (of which 5,500 in fixed position) will be used. But in addition, Veolia will step up the installation of smart water meters, making it possible for the 400,000 customers to track their daily consumption. A further 63 analysis sensors will be installed throughout

the network for continuous tracking of the key water quality indicators. Two centers, equipped with the latest technology, will act as the network’s “control towers”. Millions of pieces of data will converge on these two centers. After analysis and crosschecking, it will be possible to make sense of all the information and develop smart, high-value-added services. In this respect, the contract with Greater Lyon is opening up a new era – that of big data applied to water management. The partnership formed with IBM is a clear indication of how things will change in the future. Greater Lyon will be one of the first cities to benefit. The Smarter Water solution can analyze all the data collected. The aim is to optimize water management, foresee events, reduce waste and ultimately to improve the quality of the water distributed, the lives of the city’s citizens and the responses provided to local businesses. Water management might be getting smarter, but so are cities. Veolia is also ideally placed to provide solutions for managing cities’ energy and waste.

€55 million
in investments.

54
municipalities concerned.



INVENTING TOMORROW’S URBAN SERVICES

Cities are becoming smarter due to the multiplication of connected objects that are generating a huge volume of data.

Having said that, the data has to be analyzed to make sense of it and, more specifically, to serve the city better. That is the aim of the TUBÀ (“urban experiment tube”) project involving public and private partners in Greater Lyon. This cooperative laboratory tests new digital services. Veolia is a key partner in the project, which aims to drive innovation to invent tomorrow’s urban services.

Its remote meter reading service, Téléo, might in the future be used to develop other applications for the city, such as tracking the fill rate of waste drop-off containers, air quality meter reading, detecting parking space usage, or managing watering systems in public parks and gardens, all with the view to making the city even smarter.

OTHER CONTRACTS

► Greater Nantes

Upgrade of the La Roche water production plant to secure supply for a population of almost 600,000.

► Montpellier

Renewal of the contract to manage the Maera wastewater treatment plant and the wastewater collection system for 14 municipalities.

Find out more at
<http://www.veolia.com>



Dismantling the French Navy's training vessel

BORDEAUX. After having completed the equivalent of 79 round-the-world trips, on October 17, 2014, the decommissioned *Jeanne d'Arc*, the French Navy's iconic vessel, made the port of Bordeaux her destination. After being disarmed and following a call for tenders, the vessel was handed over to Veolia's subsidiary Bartin to be fully dismantled at the Bassens dry dock, which has an environmental protection rating. With her 9,000 metric tons and an overall length of 182 meters, she represents a fine contract for Veolia's experts. The brief is to recover 90% of the vessel's materials in complete safety and to provide total traceability of all the waste. This complex operation will proceed in several stages. The first ten months will be devoted to removing all pollution from the moored hull. It will then be cut into parts and entirely deconstructed in a dry dock, which is scheduled to take six months. The operation is expected to be finished by summer 2016. While the hazardous materials will undergo special treatment, most of the other materials will be recovered. The non-ferrous metals will be dispatched to foundries in France or elsewhere in Europe; ferrous scrap will be sent to French or Spanish steel mills; and the waste electrical and electronic equipment will be recycled at a facility near Angers (France). Veolia has killed two birds with one stone by winning the contract to dismantle another of the French Navy's vessels, the decommissioned *Colbert* missile cruiser. This will involve 8,000 metric tons of materials to be cleared of all pollution, cut up and recovered. Winning this tender has brought Veolia world-ranking status in the rapidly growing dismantling sector. The company is targeting annual revenue of €400 million by 2020 in this promising industry.

In 2014, some other excellent contracts were signed in this sector, such as the dismantling of a North Sea oil rig and the RATP contract for the dismantling of 317 RER regional express rail passenger cars. Veolia has some serious advantages when it comes to dismantling and large-scale recovery for ships, trains, aircraft, oil rigs and even factories. The company has particular expertise in managing worksites in complete safety for its employees and the environment while also achieving very high waste recovery rates. To reach its target in this sector, Veolia has selected specialized sites: the Bordeaux Port facilities for the two French Navy's vessels, Troyes for rail cars, and two coastal sites in Scotland and Norway for oil infrastructure. Asia – with its aging fleet of civilian ships – is also in Veolia's sights. In order to be present in this potentially very large market, Veolia has decided to invest in the construction of a ship-dismantling site, north of Guangzhou, China.

90%
materials recovery rate.



OTHER CONTRACTS

► RATP

Dismantling 317 RER A regional express rail line passenger cars; 97% of the materials will be recycled.

► Écomobilier

Collection and recovery of used furniture in 53 French administrative departments.

► Castorama

Partnership to provide the DIY brand's customers with a fully recycled kitchen counter.

► Eiffel Tower

Recovery of more than 80% of the refurbishment waste.

TESTIMONIAL

Several years ago, the French Navy implemented a very precise dismantling policy for its decommissioned vessels. It is totally aligned on a sustainable development approach.

The dismantling of a decommissioned vessel takes place in three stages: disarmament, storage and the compilation or update of an inventory of potentially hazardous materials, and finally its deconstruction, which includes the prior removal of all hazardous materials and the management and treatment of waste and scrap metal by appropriate services. These operations must all comply with applicable regulations and the Navy's requirements: employee safety on worksites, environmental protection, expertise in the technical processes in each stage, and traceability of all materials and waste.

Economic performance is considered one of the industry's drivers. The service provider is therefore encouraged to maximize the processes and recycle as much of the material as possible and to limit the amount of waste sent to landfill. Reusing the components as raw materials increases the income for the state and for the dismantler.

Vice-Admiral Hubert Jouot,
Head of Vessel Decommissioning for the French Navy



▶ UNITED KINGDOM / IRELAND

▶ UNITED KINGDOM

SURFACE AREA

▶ 242,000 km²

PER CAPITA INCOME

▶ \$39,000

GMT

▶ 0

(+1 in summer)

POPULATION

▶ 63.3 million

WORLD RANKING

▶ 7

THE CHALLENGE FOR VEOLIA IN THE UNITED KINGDOM AND IRELAND

▶ Innovate to prepare the future, foster the circular economy and support industrial clients while preserving resources.



1pm

LONDON

The SELCHP⁽¹⁾ facility supplies 2,500 London homes with heating and hot water thanks to energy recovery from non-recyclable household waste. A great example of the circular economy in action.



OTHER CONTRACTS

► Shell

A three-year contract with Shell to treat and recycle waste from 750 service-station areas throughout the United Kingdom.

► Telford and Wrekin

A waste management twenty-four year contract to optimize recycling performance and reduce waste storage.

► Siemens

A waste-management contract covering 90 Siemens production sites, offices and windpower platforms in the United Kingdom.

► Watford

A seven-year contract for waste management, street cleaning and upkeep of green spaces for 86,000 residents in Watford (30 kilometers from London).

Coming full circle!

LONDON. Many residents have no idea where their general refuse waste ends up, but for 2,500 residents in the London borough of Southwark they know from the moment they dispose of their refuse in their building's waste containers that it will be turned into heating and hot water to flow back through their radiators and taps as a low-cost, low-carbon energy. How? It's all thanks to the South East London Combined Heat and Power plant which has been supplying parts of the Southwark district heating network since 2014. And for these residents in this part of south-east London, the benefit to them is lower energy bills (gas price dependent). The environment benefits too with a reduction of around 8,000 metric tons of carbon dioxide emissions per annum – this is the equivalent to keeping 2,700 cars off the road. The process starts at Southwark's integrated waste management facility that hosts a mechanical-biological treatment plant. Here the refuse bags are taken and the non-recyclable waste components and biodegradable components are separated, then the non-recyclable components are turned into fuel that is sent to SELCHP⁽¹⁾ and converted into energy. The energy derived from the combustion process is used to drive a turbine generator which produces electricity that feeds into the national grid and supplies steam to produce the heat and hot water that is pumped to the homes through a five-kilometer long underground pipe network. With this installation, the local authority is hitting three targets: first is that it is turning non-recyclable household waste into a new energy source, second is that it is reducing the reliance on fossil fuel usage, and third is that it is reducing the amount of waste sent to landfill, a significant benefit given the UK's determination

to reduce the number of landfill sites. This is the start of a new era in the field of waste to energy in the UK. The Department of Energy and Climate Change has set up a £6 million fund⁽²⁾ to encourage local authorities in England and Wales to develop this type of district heating networks through energy from waste facilities. Veolia is very keen to contribute to development of the circular economy in the UK, notably through cogeneration facilities. Some £1 billion will be invested in the country over the next five years in this type of project, including in Staffordshire, Shropshire and Leeds.

(1) South East London Combined Heat & Power plant.
(2) <http://www.districtenergy.org>.

8,000

metric tons of CO₂ avoided every year.

£6 million⁽²⁾

to encourage development of this type of cogeneration facility, in England and Wales.



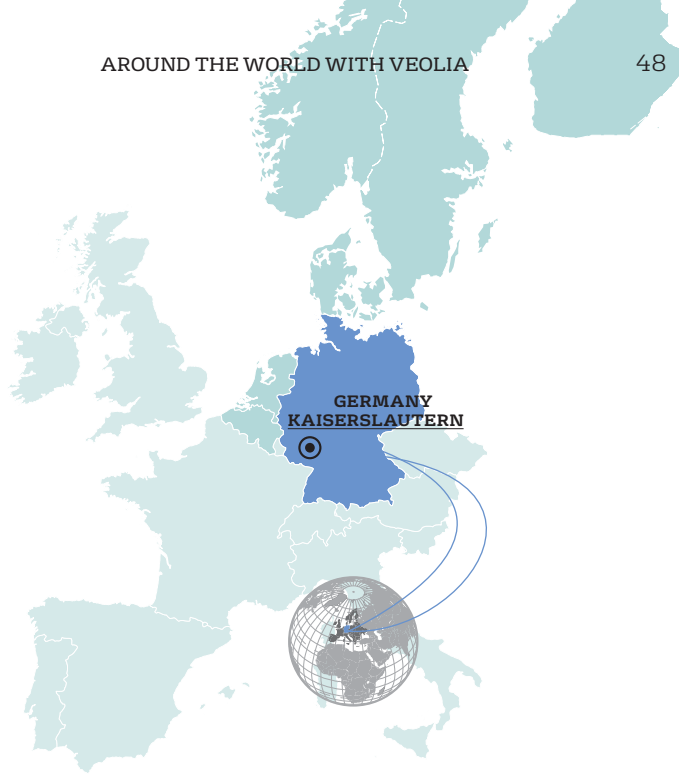
TESTIMONIAL

“It is fantastic that SELCHP is providing low carbon, low cost heating to homes in South East London through a new heat network, something I am working hard to encourage more of across the capital.”

Local heat and power supplies not only save Londoners' money and reduce carbon emissions but also help to provide London with a more secure, sustainable, cost-effective energy supply.”



Boris Johnson,
Mayor of London



NORTHERN EUROPE

GERMANY

SURFACE AREA

▶ 357,000 km²

PER CAPITA INCOME

▶ \$41,863

GMT

▶ +1

(+2 in summer)

POPULATION

▶ 81.9 million

WORLD RANKING

▶ 4

THE CHALLENGE FOR VEOLIA IN NORTHERN EUROPE

▶ Improve its customers' competitiveness by rolling out innovative solutions that incorporate water, energy and waste management. Northern Europe, with its many industrial sites, offers huge potential for the company to deploy an increasing number of solutions for the circular economy.

3pm

KAISERSLAUTERN

Automaker Opel and Veolia have a long-standing history together. Today, Veolia manages all the waste at the Kaiserslautern plant, and guarantees traceability.



GERMANY



OTHER CONTRACTS

► Germany

Three-year contract with a subsidiary of publisher Bauer to recycle 5,500 metric tons of newspapers and magazines a year.

► Belgium

Energy performance contract for Ghent University's sites. 2014 result: 57% reduction in CO₂ emissions.

► Belgium

Nine-year maintenance contract for four museums in Brussels, under a new tender process for facility management at the Mont des Arts complex.

ACQUISITION

► Netherlands

Acquisition with PGGM of the country's third largest heating network, with more than 62,800 households and 1,240 industrial and service-sector customers connected to 64 systems.

A partnership in top gear

KAISERSLAUTERN. In 2014, 12.6 million new vehicles were registered in the European Union, an increase of 5.7% over 2013 – the first upswing since 2007. The German car industry, a European giant that exports 77%⁽¹⁾ of its output, took the lion's share. The German industry spans premium brands and the affordable segment with brands like Opel, a long-standing Veolia customer in Germany. The company has been working with this automaker for several years at its Kaiserslautern site in Rhineland-Palatinate. Veolia provides logistics and management of the metal waste at the plant, which produces aluminum hoods, chassis, suspension components and axles for Opel's European assembly lines. In July 2014, Opel contracted Veolia to manage all waste at the Kaiserslautern site: non-hazardous and hazardous waste, and waste generated directly by the vehicle production process including metals and plastics. Opel chose Veolia in particular for its circular economy expertise. For industrial concerns, the need to recycle complies with a growing number of legal obligations – often incentivized – as well as for competitiveness. But while materials recycling often helps improve a company's environmental footprint, it also reduces costs. Veolia provides a comprehensive service including upstream advice, on-site team training and process proposals, and through to the management of waste collection, sorting, processing and recycling. The customer is then free to focus on its core business, automobile production in this instance. Veolia has developed a software solution that tracks waste through the entire cycle, from its source to its treatment and disposal. The customer has access to an online interface where it can check all the data concerning its waste

together with guaranteed traceability. In 2014, Veolia treated more than 42,000 metric tons of waste for the German auto sector, working with renowned automakers and OEMs such as Volkswagen, ThyssenKrupp and Neapco. The company leveraged its expertise to ensure 96% of the waste was reused after sorting and processing. The circular economy represents a significant source of potential growth. Already in 2014, circular economy services for industry earned Veolia €2.5 billion in revenue. It has set itself the target of €3.8 billion in revenue by 2020.

(1) lemonde.fr.

42,000

metric tons of waste processed for the automobile industry in Germany in 2014.



THE AUTOMOBILE SECTOR FROM A TO Z

Veolia is a preferred partner of the automobile sector.

Veolia sometimes intervenes very early in the process. For example, the company desalinates seawater for the Sadara petrochemicals complex in Saudi Arabia, where Dow Chemical and Aramco produce solvents and adhesives, some of which are designated for the automobile industry. At other times, the company operates downstream, such as when it collects hazardous waste (batteries, oil, etc.) from service centers. Between times, Veolia works at production sites where it manages water and waste from plants. It supplies demineralized water and treats effluents in the "zero-liquid-waste" plants that it designs. Veolia also provides recycling and regeneration solutions for numerous compounds and solvents: metal-laden sludge, machining oils and solvents, some of which can be reused in paint shops. Lastly, as for Opel in Kaiserslautern, Veolia manages and recycles all plastic and metal waste.

⊕ Find out more at <http://www.veolia.com>



▶ ASIA

▶ CHINA

SURFACE AREA

▶ 9,597,000 km²

PER CAPITA INCOME

▶ \$6,091

GMT

▶ +8

POPULATION

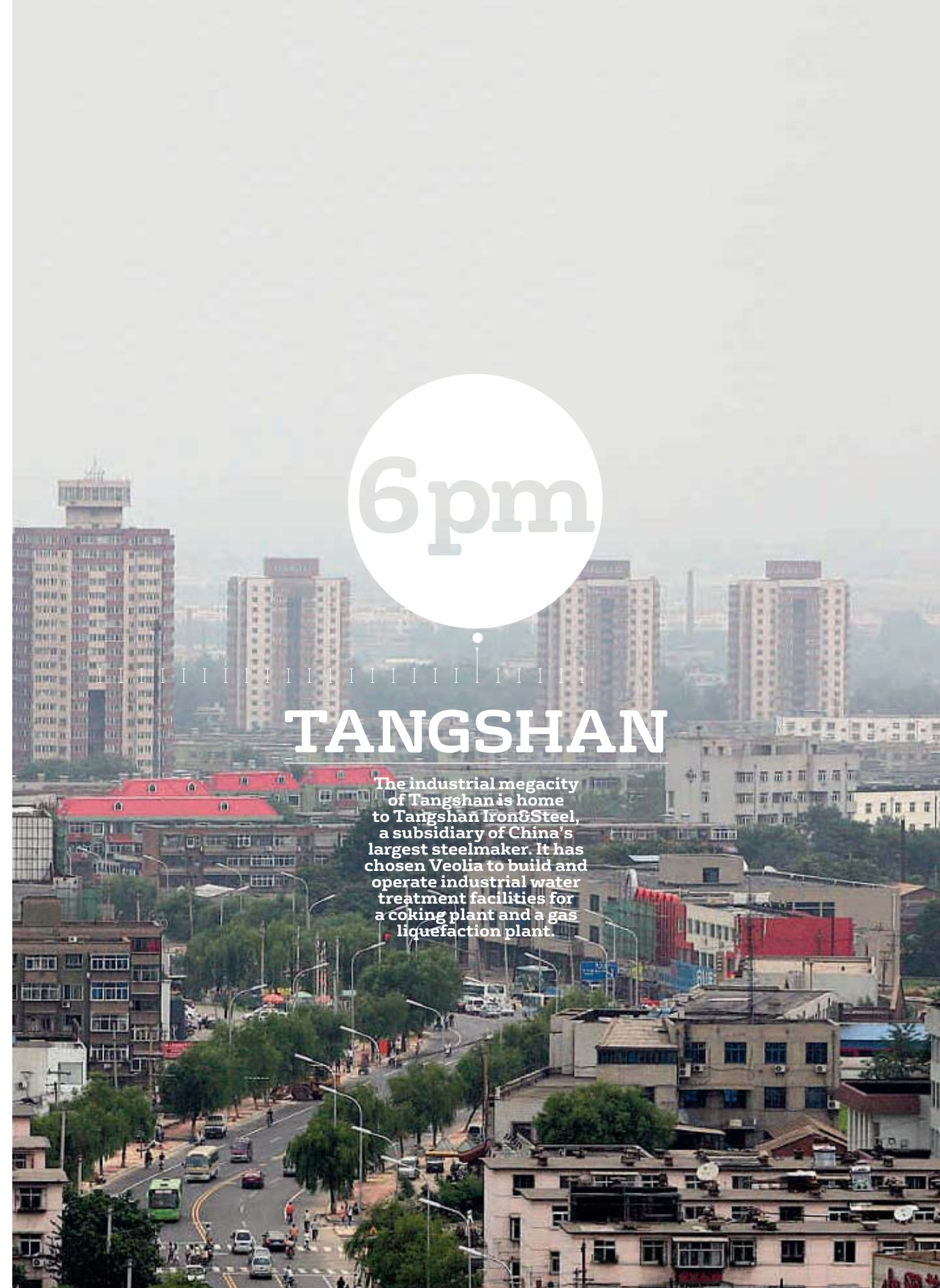
▶ 1.351 billion

WORLD RANKING

▶ 2

THE CHALLENGE FOR VEOLIA IN ASIA

▶ To significantly grow our operational and service activities with industrial companies present in this geographical area, in the fields of energy optimization and complex pollution treatments.



6pm

TANGSHAN

The industrial megacity of Tangshan is home to Tangshan Iron&Steel, a subsidiary of China's largest steelmaker. It has chosen Veolia to build and operate industrial water treatment facilities for a coking plant and a gas liquefaction plant.



Steel giant chooses Veolia

TANGSHAN. Tangshan in the Hebei region, 170 kilometers from Beijing, is the nerve center of steelmaking in China. More steel is produced in this industrial megacity of 7.5 million inhabitants than in the whole of the United States. The steelworks, fed by coal-fired power plants, generate substantial pollution. The Chinese authorities are taking draconian measures to protect the environment and are determined to tackle the country's pollution problem⁽¹⁾. Tangshan Iron & Steel (TIS), a subsidiary of the steelmaking giant Hebei Iron & Steel Group, is keen to set an example and intends to apply the most stringent environmental standards in force.

In this context, TIS has chosen Veolia, which already provides enlarged technical assistance to its steel production site in Chengde, to build and operate industrial water treatment facilities for two new facilities in Tangshan. For China, which has 20% of the world's population but only 7% of the planet's water resources, reuse of water is a crucial challenge, particularly in the industrial sector.

Veolia will design and manage the entire water management process for a coking plant and a natural gas liquefaction plant under a contract bringing in global revenue of €390 million.

The thirty-year project will start with construction of a facility to treat wastewater, combined with water recycling and cooling processes. Shared by the two TIS facilities, the infrastructure will enable reuse of 60% of the water treated.

With this contract, Veolia is contributing to three of its strategic priorities: develop business with industrial clients, target major

environmental problems and take positions in fast-growing markets. By becoming a key partner to one of the world's leading steelmakers, with which it has formed a joint venture, Veolia is strengthening its positions in the mining sector, one of the major "growth waves" identified by the Group. Lastly, it is consolidating its positions in China, where it already works with a number of clients in the country's steel, chemical and automotive industries, while also supplying 40 million people with drinking water.

(1) lemonde.fr.



OTHER CONTRACTS

► Singapore

Management of urban cleaning services for the city.

► Japan

Kanagawa Prefecture. Japan's first-ever contract for global water services, spanning five years.

► South Korea

Hongwon Paper Manufacturing. First contract in the field of energy services (production of steam) in South Korea.

Find out more at <http://www.veolia.com>

CHINA DECLARES "WAR ON POLLUTION"

Things move much faster in China than anywhere else. We already knew this was true for economic growth – and it's proving true for the environment as well.

The Chinese authorities' crackdown on pollution is a perfect example. The year 2014 marked a turning point, as illustrated by two developments. More stringent laws were introduced to sanction polluting industries and their managers in protected areas and to make transparency the new dogma. From now on, companies must forward their statistics on atmospheric pollution in real time. Furthermore, the environmental protection service in each city is equipped with an environmental assessment system managed by a third party, with the right to veto investment projects. The second highlight of the year was the agreement signed with the United States in November 2014 to cut greenhouse gas emissions. China, which is the world's highest emitter of polluting gases, has pledged to cut emissions, setting a greenhouse gas peak date of "around 2030". Described as "historic" by some and "unrealistic" by others, this commitment testifies to the country's new approach to the challenge of the environment. For Veolia, it promises splendid opportunities – like the contract signed with Tangshan Iron & Steel.

€390 million
in revenue.

60%
of the water treated
will be reused.

contract term:

30 years.



CENTRAL AND EASTERN EUROPE

ROMANIA

SURFACE AREA

▶ 238,000 km²

PER CAPITA INCOME

▶ \$9,036

GMT

▶ +2

(+3 in summer)

POPULATION

▶ 21.3 million

WORLD RANKING

▶ 56

THE CHALLENGE FOR VEOLIA IN CENTRAL AND EASTERN EUROPE

▶ Complete the transformation under way - in particular the integration of Dalkia - in line with the company's strategy and prepare the ground for future developments to ensure Veolia remains constantly in phase with customers' needs.





Welcome to Iași, the cultural and university center that is now even greener!

IAȘI. Located in the region of Moldavia in northeast Romania, Iași is the country's cultural capital. This city of 320,000 inhabitants is home to many students drawn to Copou University. It is in this neighborhood, the city's greenest, that Veolia will be providing new district heating and hot water services. In 2014, the company was contracted by the municipality to build 16 kilometers of distribution network and to install heating substations to connect 90 public buildings to the district heating network. The Copou program is a new milestone in the twenty-year partnership signed between Veolia and Iași in 2012. Veolia is responsible for the management, upgrade and extension of the city's outdated district heating network.

The refurbishment is part of an ambitious European project under which the European Community has provided the city with a €54 million subsidy, mainly to improve its energy efficiency and reduce its pollution emissions. The stated aim is to bring the heating and transportation networks into line with European standards by 2016.

Extending the network to include the Copou neighborhood will contribute directly to achieving that aim. Connecting almost 90 public buildings that are currently using individual boilers which are generally obsolete, will reduce Copou's annual pollution emissions by 24,000 metric tons, the equivalent to taking 40,000 cars off the road each year. While the air will be cleaner to breathe for everyone, the inhabitants of the buildings connected to the district heating network will see their energy bill cut by up to 30% after doing away with the individual boilers that are often highly polluting, energy-inefficient and potentially dangerous. Residents will still retain full control

over their heating, turning it on or off when they want, and they will also have access to a continuous supply of hot water.

Lower heating subsidies will mean a reduction in the city's energy bill. It is estimated that the city will save 4.7 million Romanian lei including all taxes, the equivalent of around €1.06 million⁽¹⁾. This will free up resources for the municipality to invest in other areas, such as the beautification of its architectural heritage. After all, Iași has put itself forward to be the 2021 European Capital of Culture.

(1) February 10, 2015 exchange rate.



OTHER CONTRACTS

► Poland

Automobile OEM Mahle Krotoszyn connected to the Poznań district heating network owned by Veolia (sale of heat, and supply and distribution of electricity).

► Hungary

Energy supply to pharmaceuticals company Richter Gedeon with cumulative revenue of €36 million.

90

public buildings connected to the district heating network.

24,000

metric tons of CO₂ emissions avoided each year.

30%

energy savings for customers.

TESTIMONIAL

“District heating is a strategic choice for the city of Iași.”

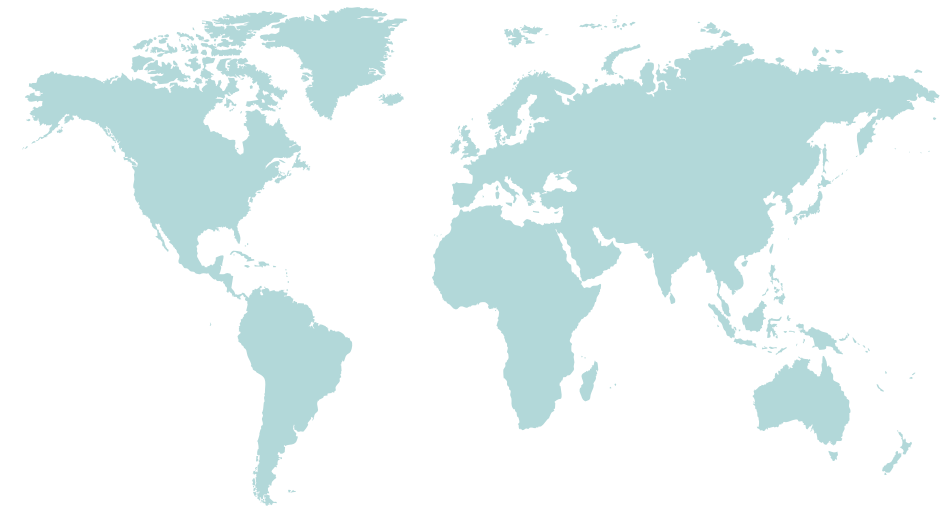
“The public service management contract signed in 2012 with Veolia demonstrates the municipality's commitment to developing district heating as the best and most sustainable solution for the city's heating needs.

The Copou extension has been the largest single district heating development project in Romania for twenty-five years. It is proof of the energy and environmental efficiency of district heating networks combined with highly efficient cogeneration. This project means we can phase out 90 direct sources of pollution in the city center, and at the same time improve our energy independence by reducing our reliance on imported gas. This joint project, implemented with European funding, consolidates the long-term partnership between the city of Iași and Veolia. I am convinced that it will serve as an example of best practice for all large cities in Romania and even in Europe.”

Gheorghe Nichita,
Mayor of Iași

GLOBAL ENTERPRISES

11pm



EXPERTISE SERVING THE COMPANY WORLDWIDE

► Global enterprises operate in sectors that demand the use of sophisticated technology. The companies: Veolia Water Technologies; SARP/SARPI for comprehensive management of hazardous and special waste; SEDE for the treatment and recovery of wastewater sludge, and organic and mineral waste; SADE, specializing in water distribution network design, installation and maintenance; and VE Industries.

CONTRACTS

► Taiwan

Formosa Petrochemical Corporation selected Veolia Water Technologies to optimize industrial effluent management at its vast Mailiao refining complex.

► Mauritania

SARP Industries signed a contract with oil group Petronas to treat 1,700 metric tons of waste, mainly sludge from crude oil product tank scouring.

► Iraq

The Iraqi government has contracted Veolia Water Technologies and Hitachi to supply the equipment and build the water pretreatment facilities for the Basra desalination plant.



Extract oil and save water: it can be done

The oil and gas sector is facing significant challenges. The first is to protect the ecosystem for environmental and sanitary reasons. Then, for economic reasons, comes the need to contain operation and production costs at a time of slowing demand compounded by the fact that deposits are increasingly remote and deep, and therefore difficult to extract. The last one concerns water, as the oil and gas industry is highly dependent on this resource, which it consumes in vast quantities.

This is particularly true of non-conventional gas, for which the extraction techniques require 10 to 20 times more water. Veolia provides solutions to these challenges such as reducing water consumption and environmental impacts, and increasing deposit productivity. The company has therefore set its sights high in this market, both upstream (extraction) and downstream (refining). This is particularly true for the treatment of oily sludge produced during the oil extraction process.

Since 2014, Veolia has been working for Ecopetrol America at its Castilla site, southeast of Bogotá in Colombia. This facility treats the water produced by oil extraction and is one of the largest in the world to do so. The technology used by Veolia is renowned for its effectiveness and innovation. Low-energy consuming and requiring limited quantities of chemicals, the technology contributes to making the Castilla facility efficient and environmentally friendly. The wastewater produced is separated from the oil at the wellhead and then treated to remove the suspended solids and any chemical products that may be present. The water is next cooled before being released into the natural environment. Worth €67 million, this contract is part of a cooperation agreement with on-site Brazilian, American and French teams. It is proof of Veolia's capacity to develop and implement innovative technology in complex contexts (deposits that are deep, isolated, and so on). Veolia has enabled Ecopetrol

America to continue developing the Castilla site while minimizing its environmental impact, again confirming the company's lead position in water recycling techniques for the oil and gas industry. In early 2014, Veolia signed other significant contracts in this field: with Formosa Petrochemical Corporation for the immense Mailiao refining complex in Taiwan, and with Shell for its Carmon Creek project in Canada.

€67 million
in revenue.

Novartis: a strategic partnership

Veolia has been working with Novartis since 2001. At the pharmaceutical giant's flagship Basel sites in Switzerland, Veolia is in charge of optimizing water management and energy fluids, as well as waste collection and treatment, and hazardous waste recovery. As part of the contract, Veolia operates Europe's largest contract solvent distillation plant where it has demonstrated its significant capacity for innovation by boosting the plant's own electricity production and recovering the steam produced by the process, which would otherwise be wasted. A nearby 100,000 square meter shopping mall and a tertiary building are thus heated as a result of solvent recycling. These innovations enabled Novartis to reduce its CO₂ emissions by more than 20% between 2007 and 2009. Keen to take its environmental and economic performance to the next level, Novartis again signed with Veolia to provide all production support services at its Basel production complex, and added technical and facilities management

services at 15 of its largest sites in Western Europe. This five-year, €925-million contract reflects the confidence Novartis has in Veolia. For Veolia, this commercial success is doubly significant. First, it reflects the company's aim to develop its business with industry. And second, it demonstrates the integration of the new Veolia, as the three main business activities – water, waste and energy – are all represented across different geographic regions. In France, Italy, Spain and Ireland, Veolia will provide all the technology, equipment and resources to improve the production flows that are crucial to sustaining the economic and environmental performance of its customer Novartis.

Governance

In 2014, some changes were made to Veolia's governance bodies, which were very busy during this period of profound transformation for the company. The decisions they made and the implementation of these decisions in operations made the year a decisive one in Veolia's history.

The Board of Directors

met eight times in 2014, with an average attendance rate of 87%. During a strategy seminar, Board members engaged in in-depth discussions on the key strategic guidelines proposed by senior management.

Throughout the year, the Board dealt mainly with matters concerning strategy, the long-term business plan, the 2015 budget, the review of financial statements for 2013 and the first half of 2014, information about the 2014 first and third quarter accounts and the associated financial disclosures. The review of the 2013 financial statements paid particular attention to the dividend policy, the proposed allocation of earnings and the payment of the dividend in shares.

In accordance with the AFEP-MEDEF code of governance for listed companies in France, article 11 of the company's Articles of Association stipulates a four-year term of office for its directors and the annual renewal of one-quarter of the Board members.

In a letter dated March 28, 2014, Groupe Industriel Marcel Dassault (GIMD) and Thierry Dassault advised the company of their resignation with immediate effect from their respective positions as full Board member and non-voting Board member of Veolia Environnement. At the annual ordinary and extraordinary shareholders' meeting of April 24, 2014, Antoine Frérot, Daniel Bouton

and Qatari Diar Real Estate Investment Company, represented by Khaled Al Sayed, were reappointed for a term of four years as Board members.

At its meeting on November 5, 2014, the Board noted the appointment, on October 15, 2014, of Pierre Victoria and Pavel Páša, two company employees appointed respectively by the French and European Works Councils, by virtue of the application of the legal provisions in force and the changes to the company's Articles of Association approved by the annual ordinary and extraordinary shareholders' meeting of April 24, 2014.

In accordance with the annual renewal of one-quarter of its members, the Board noted at its March 10, 2015 meeting that the terms of four members (Maryse Aulagnon, Pierre-André de Chalendar, Baudouin Prot and Louis Schweitzer) end with the annual meeting of shareholders on April 22, 2015.

On a recommendation of the Nominations Committee, the Board decided, on March 10, 2015, to put to the annual ordinary and extraordinary shareholders' meeting of April 22, 2015, a proposal to renew the terms of Maryse Aulagnon, Baudouin Prot and Louis Schweitzer, for a period of four years ending at the annual meeting of shareholders in 2019 to approve the financial statements for the year ended December 31, 2018; the non-renewal of the term of Pierre-André de Chalendar; the appointment of Homaira Akbari and Clara Gaymard as Board members; and to ratify the co-optation of Georges Ralli. Again at its meeting on March 10, 2015, the Board also appointed Isabelle Courville as a non-voting member effective from that same date. After these changes, the Board of Directors would be composed of 17 members, five of whom (33.3%) would be women.

...

The Board of Directors

The Board of Directors sets forth Veolia's strategic guidelines and makes sure they are observed.

BOARD MEMBERS

(at March 10, 2015)

Antoine Frérot
Chairman and CEO

Louis Schweitzer
Vice Chairman and Head Independent Director
Commissioner General for Investment
Chairman of Initiative France

Jacques Aschenbroich*
Board member and CEO of Valeo

Maryse Aulagnon*
Chairman and CEO of Affine SA

Daniel Bouton*
Chairman of DMJB
Conseil, Senior Advisor of Rothschild & Cie Banque

Caisse des Dépôts et Consignations
Represented by Olivier Mareuse, Finance Director of the Caisse des Dépôts et Consignations Group

Pierre-André de Chalendar*
Chairman and CEO of Compagnie de Saint-Gobain

Marion Guillou*
Chairman of the Governing Board of Agreenium

Serge Michel
Chairman of Soficot SAS

Pavel Páša
Director representing employees

Baudouin Prot*

Qatari Diar Real Estate Investment Company*
Represented by Khaled Al Sayed, Group CEO of Qatari Diar Real Estate Investment Company (Qatar)

Nathalie Rachou*
Founding Partner and Managing Director of Topiary Finance Ltd

Georges Ralli*

Paolo Scaroni*

Pierre Victoria
Director representing employees

Isabelle Courville
Non-voting Board member
Chairman of the Board of Directors of Banque Laurentienne (Canada)

Paul-Louis Girardot
Non-voting Board member
Chairman of the Supervisory Board of Veolia Water-Compagnie Générale des Eaux

(*) Independent director.

BOARD COMMITTEES

(at March 10, 2015)

Members of the Accounts and Audit Committee

Daniel Bouton (Chairman)
Jacques Aschenbroich
Nathalie Rachou
Pierre Victoria

Members of the Nominations Committee

Louis Schweitzer (Chairman)
Maryse Aulagnon
Pierre-André de Chalendar
Serge Michel

Members of the Compensation Committee

Louis Schweitzer (Chairman)
Daniel Bouton
Marion Guillou
Serge Michel
Pierre Victoria

Members of the Research, Innovation and Sustainable Development Committee

Jacques Aschenbroich (Chairman)
Pierre-André de Chalendar
Paul-Louis Girardot
Marion Guillou
Pavel Páša

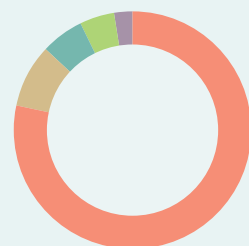
- ... The company's Board of Directors is assisted by the following four committees:
- The Accounts and Audit Committee** oversees all matters dealing with the preparation and monitoring of the company's accounting and financial information. It meets to examine annual and quarterly accounts before they are presented to the Board of Directors. In 2014, this Committee met seven times, with an average attendance rate of 86%.
- The Nominations Committee** is mainly responsible for assisting the Board of Directors in changes to the composition of the Board, the appointment and reappointment of members, launching the formal evaluation of the operation of the Board and its committees, and reviewing the independence of directors. In 2014, this Committee met four times, with an average attendance rate of 100%.
- The Compensation Committee** is mainly responsible for assisting the Board of Directors with regards to the compensation of the Chairman and Chief Executive Officer (deciding the 2013 variable component and the 2014 fixed component, and determining the criteria for the 2014 variable component), the compensation policy for the Executive Committee members, and determining a long-term compensation plan in particular for the corporate officers, providing an opinion on employee stock purchase plans, and examining the total amount allocated for directors' fees and its distribution. This Committee met five times in 2014, with an average attendance rate of 100%.
- The Research, Innovation and Sustainable Development Committee** reviews and evaluates the company's strategy and policies in these areas and advises the Board of Directors. This Committee met three times in 2014, with an average attendance rate of 85%.

The Executive Committee

The Executive Committee is chaired by Antoine Frérot. It is responsible for considering, consulting and deciding on the overall direction of the company. It also approves important projects for the company, including contracts, investments, divestments and asset sales that exceed a certain monetary value. The Executive Committee generally meets every two weeks.

The Ethics Committee

The Ethics Committee's role is to make recommendations that concern the company's fundamental values. It may be contacted by any employee or decide itself to address any matters relating to ethics. The Committee may make "ethics visits" to the company's operational entities, in particular to assess the employees' level of ethical maturity, their understanding of the company's values, any ethical issues they may encounter and ethics training.



VEOLIA SHARE OWNERSHIP
AT MARCH 10, 2015

- 78.56% Public and other investors
- 8.64% Caisse des Dépôts
- 5.71% Dassault Group
- 4.64% Velo Investissement (Qatari Diar)
- 2.45% Veolia Environnement

The Executive Committee

The Executive Committee is responsible for deciding on the overall direction of the company. Reflecting the new organization, it includes the geographic regions and has 11 members.

EXECUTIVE COMMITTEE MEMBERS

(at March 31, 2015)



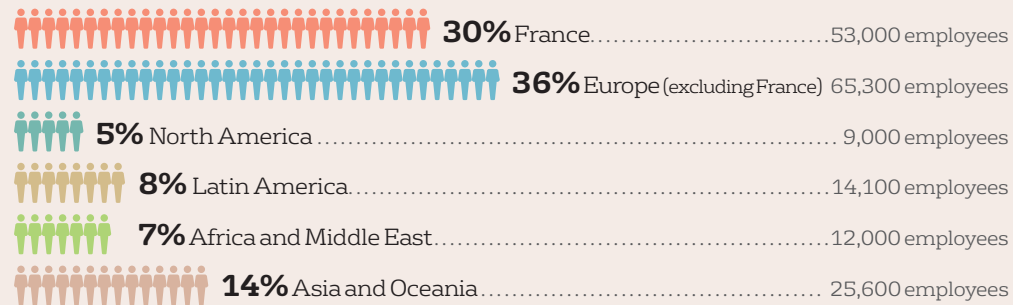
- | | |
|--|---|
| 1— Antoine Frérot
Chairman and CEO | 7— Philippe Guitard
Senior Executive Vice President, Central & Eastern Europe |
| 2— Laurent Auguste
Senior Executive Vice President, Innovation and Markets | 8— Patrick Labat
Senior Executive Vice President, Northern Europe |
| 3— François Bertreau
Chief Operating Officer | 9— Jean-Marie Lambert
Senior Executive Vice President, Human Resources |
| 4— Estelle Brachlianoff
Senior Executive Vice President, UK & Ireland | 10— Claude Laruelle
Director of Global Enterprises |
| 5— Régis Calmels
Senior Executive Vice President, Asia | 11— Helman le Pas de Sécheval
Secretary General |
| 6— Philippe Capron
Chief Financial Officer | |

The year in figures

179,000

employees worldwide

WORKFORCE BY GEOGRAPHIC REGION



WORKFORCE BY BUSINESS ACTIVITY



VEOLIA'S CUSTOMERS

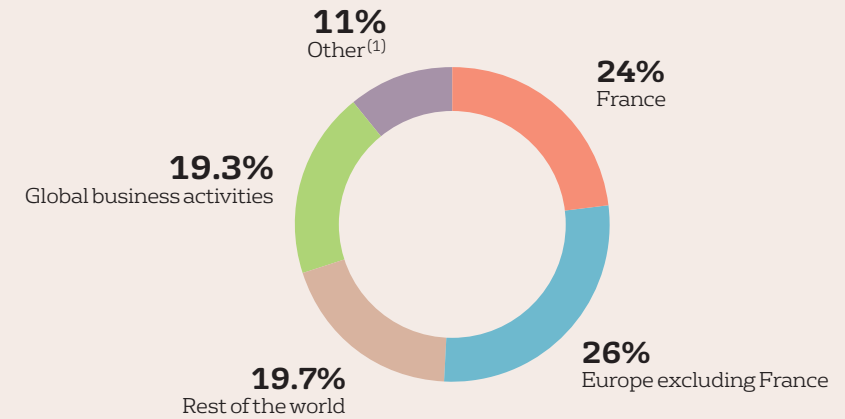


61%
local government authorities



39%
industry

REVENUE BY GEOGRAPHIC SEGMENT (IN %)



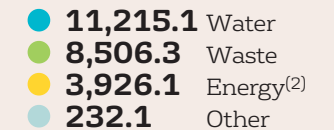
REVENUE BY GEOGRAPHIC SEGMENT



(1) "Other" includes the contribution of Dalkia France up until July 25, 2014, when the crossholdings were unwound, the Morocco water business, and industrial facilities management contracts.



REVENUE BY BUSINESS ACTIVITY (IN MILLIONS OF EUROS)



(2) Energy business mainly includes the contribution of TNAI in the United States, Dalkia France up until July 25, 2014, and the Dalkia International entities fully consolidated from that same date.

€23,880 M

in revenue

(up 4.9% at constant exchange rates and 1.6% at constant scope and exchange rates).

↑ **€2,164 M**
adjusted operating cash flow,
up 17.3% at constant exchange rates.

↑ **€1,108 M**
adjusted operating income
(up 23%)

↑ **€326 M**
adjusted net income (up 79%)

The year in figures

22.1

million metric tons of CO₂ equivalent emissions avoided.

15.2 million MWh

of renewable or alternative energy produced.

39.3 million MWh

of renewable or alternative energy consumed, 34% of the company's total consumption.

25%

of energy produced by Veolia is renewable or alternative.



WATER

● **312,000,000 m³** of treated wastewater recycled.



WASTE

● **20%** of treated waste recovered as materials.
● **48%** of treated waste recovered as energy.



ENERGY

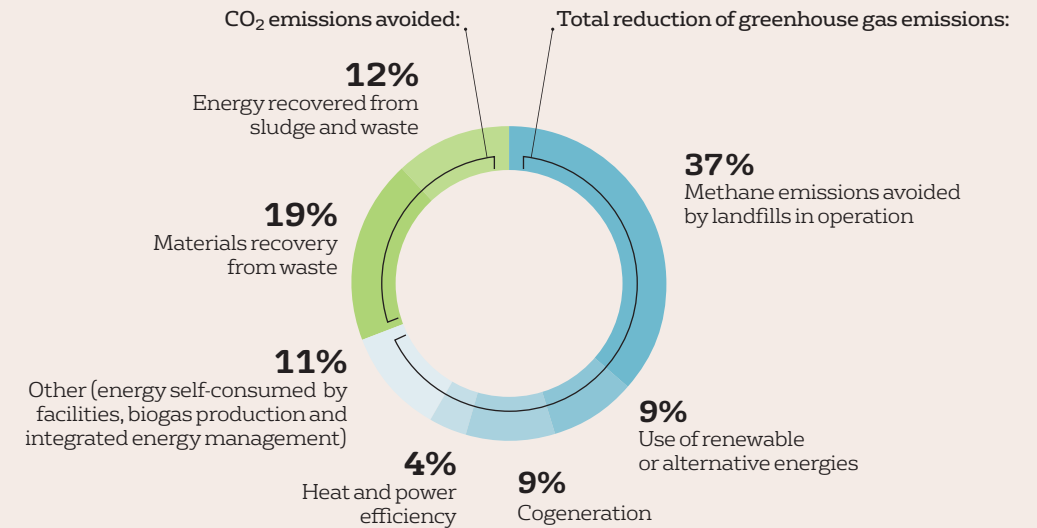
● **8%** of the energy consumed by the company is recovered from biomass.



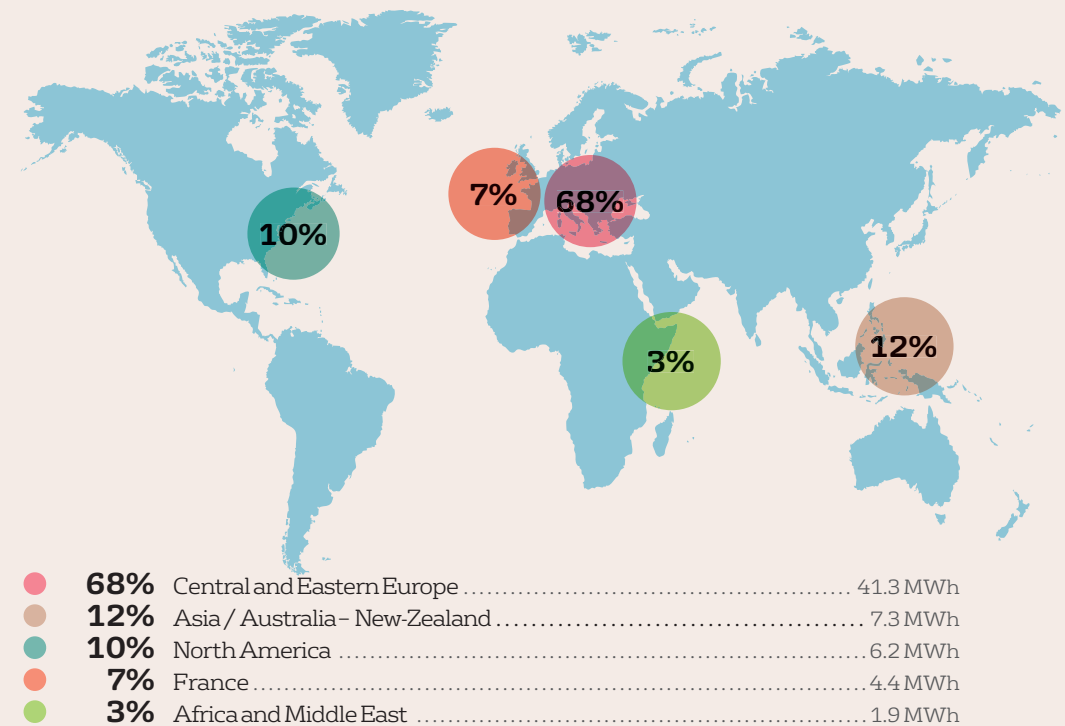
ENERGY PRODUCTION BY BUSINESS ACTIVITY (in millions of MWh)

- 0.6 Water
- 8.4 Waste
- 52.0 Energy

CONTRIBUTION TO THE OVERALL REDUCTION IN GREENHOUSE GAS EMISSIONS



ENERGY PRODUCTION BY GEOGRAPHIC REGION



Veolia

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www.veolia.com

External sources of data:

The World Bank (2012), Insee (2013), Central Intelligence Agency (CIA, 2012),
France Diplomatie (2013).

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