

Evolving in order to provide more effective solutions to environmental challenges

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Veolia's historic mission and the development of its businesses have made it a stakeholder who wishes to actively contribute to reducing anthropogenic environmental pollution. Like all industrial businesses, it can also impact the environment in a negative way and it constantly strives to mitigate such impacts. To take its corporate social responsibility commitment to the next level, in 2019 Veolia announced its intention to become a global champion of ecological transformation.

Large corporations are frequently criticised, especially because of the impact their activities may have on the environment, however, when their core businesses include waste and waste water treatment or providing energy, they actually help protect the environment.

Our societies are generating increasing volumes of waste and consuming more and more energy. Responsible waste and waste water management at an appropriate scale helps preserve the natural environment — be it water, air or the soil.

The progress witnessed in this domain over the past few decades owes much to the large sums invested — particularly by large companies — in research and development.

THE VEOLIA EXAMPLE: REDUCING ITS OWN AND ITS CUSTOMERS' ENVIRONMENTAL FOOTPRINT

These days, the water that Veolia is returning to rivers and oceans has been cleaned by wastewater treatment processes. Veolia limits soil and water pollution by collecting and treating household and industrial waste and it preserves natural resources by recycling waste. Lastly, it helps to reduce discharges of pollutants into the air by treating smoke and it produces energy using innovative techniques.

However, the mere deployment of Veolia's activities impacts the environment in negative ways: the sites occupied by its facilities may fragment habitats and discharges released into water, air or the soil may contain residual pollution. Veolia's activities also generate carbon emissions.

In the face of these challenges, Veolia constantly strives to reduce its environmental footprint. This involves continuously improving the environmental performance of its customer operations (by reusing water and optimising energy efficiency for example) and preserving biodiversity at its different sites (i.e., managing spaces in an ecological way, creating or restoring ecosystems, etc.).

Aside from these historic initiatives, in 2019 Veolia also decided to reinforce its commitment to corporate social responsibility by adopting a more holistic vision and redefining its "purpose" around the idea of usefulness for all stakeholders¹. Now more than ever, combating pollution and accelerating the transformation both of its own and its customers' businesses lie at the heart of its approach. Veolia aims to become a corporate champion of the ecological transformation required at all levels of society. In concrete terms, this strategic transformation is reflected in the deployment of an approach organised around shared progress with and on behalf of stakeholders (a multi-faceted performance, organised around 18 targets for progress and 18 quantified indicators by 2023), the deployment of our Impact 2023 strategic program across all geographies, and training for all employees. Among the targeted objectives, four are directly related to environmental performance, i.e., combating climate change, promoting the circular economy, preservation of water resources, and protection of environments and biodiversity.

One of these objectives measures the impacts of Veolia's activity on natural environments and biodiversity at its most sensitive sites. Veolia's R&D teams worked with the French Committee of the International Union for the Conservation of Nature (IUCN) and the biodiversity consultancy "Ecosphère" to devise an application that measures its own and its customers' environmental footprint.

Therefore, Veolia's "purpose" leads it to reorganise its business and service lines to help it achieve its environmental objectives in accordance with a "holistic" local vision that is always adapted to the specific context on the ground. For example, a waste water treatment project at a given site must focus on restoring natural ecosystems.

Veolia's new positioning strategy is being driven by the way in which its businesses are changing, the Company's strategic ambitions (i.e., becoming a champion of ecological transformation) and the professionalism of its employees.

In response to this threefold change in its legal, organisational and skills-based environment, Veolia needs to respond to the concerns of both citizens and "users". It is a huge challenge for the Company and adjustments will have to be made. Although there is still a long way to go, at least the way ahead is clear.

From waste water treatment to restoring a natural ecosystem

At Sinopec's petrochemical site near Beijing, China, all water management - i.e., drinking water, process water and wastewater - has been delegated to Veolia. The Company looks after cooling water, distilled water and chilled water production facilities.

There are enormous on-site environmental challenges that include severe water stress, water discharges into highly sensitive natural habitats and a very high risk of flooding. Under a plan to protect water resources and reinforce environmental standards imposed by the local authorities, Sinopec has had to optimise its consumption and increase the water recycling rate in an effort to reduce the site's water footprint.

In 2015, Veolia built three water treatment plants which enhanced the sites' waste water treatment performance and 60% of all waste water is now reused. The resulting clean water is returned to the surrounding wetlands which are home to an extremely rich ecosystem. To restore biodiversity, Veolia has redeveloped and terraced eight hectares of land near the industrial plant. Each hosts specific vegetation - carefully chosen for its purification capabilities - to optimise the quality of the water entering the natural environment. Thanks to this ecosystem restoration project, over 50 species of birds have returned to live in the area.

1 Under the French government Action Plan for Business Growth and Transformation (*PACTE* in French), companies may redefi their purpose and emphasise their corporate social responsibility. Under the *PACTE* law, Article 1833 of the French Civil Code (*code civil*) is amended to include the legal notion of social interest and to reiterate the need for companies to focus on the corporate social responsibility challenges inherent in their activities. Subject to its corporate purpose, a company may deploy an entrepreneurial project in pursuit of the collective interest: the "purpose" is the long-term project enshrined within the company's corporate purpose (source: <https://www.economie.gouv.fr/loi-pacte-redefi> entreprises - consulted on 12/12/2020).