

A commitment-based approach

Our principles and organization testify to our commitment to and awareness of our responsibilities. Governed by our Charter and our values, the scope of our action, the rules which structure

our organization in terms of corporate governance, business ethics, dialogue with stakeholders and risk management are all in clear-cut line with our determination to develop sustainably.

OUR SUSTAINABLE DEVELOPMENT CHARTER: OUR 10 COMMITMENTS

1	To protect the environment, to preserve natural resources and encourage biodiversity	pages 38 to 54
2	To establish and deploy an environmental management system enabling objectives to be identified, action plans to be implemented and progress to be monitored	pages 38 to 40
3	To ensure that our facilities and services comply with relevant regulations, taking account of standards as they develop	pages 38 to 54
4	To go beyond the minimum legal requirements in terms of improving personal health and safety protection	pages 34, 35, 38 to 54
5	To increase our efforts in terms of research, development and innovation, in order to improve our ability to respond to environmental challenges	pages 14 to 15
6	To develop our employees' skills, to encourage them to be autonomous and to promote corporate innovation	pages 28 to 36
7	To encourage our partners, sub-contractors and suppliers to abide by our sustainable development commitments	pages 14, 15 and 27
8	To anticipate the needs and expectations of the public in terms of environmental services	pages 14, 15 and 27
9	To participate in the social development of communities where our facilities are based	page 37
10	To promote the commitments made in the UN Global Compact and to work with all stakeholders in facilitating access to essential services and towards the respect of fundamental rights	pages 9, 12, 13 and 27



OUR SET OF FIVE VALUES

The Group's commitment is also embodied in the five values which have been designated by employees as being the most representative of our action:

- CUSTOMER FOCUS
- RESPONSIBILITY
- INNOVATION
- PERFORMANCE
- SOLIDARITY



www.durable.veoliaenvironment.com
— 2003 Annual Report — Group Values

VE's commitment to implementing the UN Global Compact

Since 2002, Veolia Environnement has been a member of the UN Global Compact which brings together businesses and United Nations organizations, the labor world and the civil society around 9 principles relating to human rights, labor standards and the environment.

The Group favors local commitments, aimed at decentralized cooperation in line with the work in which it was involved at the Johannesburg World Summit in August 2002. VE's performance has been rewarded by the company's being selected as one of the 5 leading French businesses invited to speak at the annual Learning Forum of the UN Global Compact that was held in Brazil

in December 2003. At the Forum, VE presented the implementation of an infrastructure dedicated to the initiative steered by the United Nations Institute for Training and Research (UNITAR), "boosting local capacities for sustainable urbanization".

This program contributes to the transfer of know-how in the field of urban public services management to locally elected officers. Skills centers to which VE contributes its expertise were opened in 2003 (Kuala-Lumpur, Curitiba and Ouagadougou). They have already received 90 participants from over 30 major cities.



www.unglobalcompact.org

VEOLIA AND THE 9 PRINCIPLES OF THE UN GLOBAL COMPACT

Reminder of the principles

- 1 Businesses should support and respect internationally proclaimed human rights and make sure that they are not complicit in human rights abuse
- 2 Businesses should uphold the right of association and the effective recognition of the right to collective bargaining
- 3 The elimination of all forms of forced and compulsory labor
- 4 The effective abolition of child labor
- 5 The elimination of discrimination in respect of employment and occupation

Methods of implementation by VE

- ◆ Setting-up and application of the Ethics, Belief & Responsibility Program
- ◆ Involvement of NGOs in developing future training on human rights
- ◆ VE Sustainable Development Charter, article 10 (200)
- ◆ Compagnie Générale des Eaux Fundamental Social Rights Charter (1996)
- ◆ Creation of the France Veolia Environnement Group Committee
- ◆ Annual global monitoring of some one hundred social indicators
- ◆ Measurement of trends and corrective actions (2002)
- ◆ Assessment and diffusion of best practice in the Social Initiatives Handbook
- ◆ Purchasing Charter: guaranteeing that ILO principles are adhered to (2002)
- ◆ Deployment of the Environmental Management System across the Group's activities — monitoring of 37 performance indicators in the environmental sphere (2000)
- ◆ Setting-up of an Environment Management Committee
- ◆ Setting up of a Coordination Committee for the Evaluation and Prevention of Risks (2002)
- ◆ Setting-up of a crisis management infrastructure common to the whole Group
- ◆ Work by the Institut Veolia Environnement on catastrophic risks and climate change

- 8 Undertake initiatives to promote greater environmental responsibility and

- ◆ Implementation of educational programs on health and environment-related issues:
 - in Chad, in partnership with the French Red Cross, aimed at heightening children's awareness of better hygiene practices (2002)
 - in Morocco, to improve hygiene & health education and access to water, in partnership with UNICEF
- ◆ Charity Charter, focusing on environmental and sustainable development criteria (2002)
- ◆ Involvement of environmental NGOs in training programs for future Group executives (2001)

- 9 encourage the development and diffusion of environmentally friendly technologies

- ◆ Implementation of Research & Development programs dedicated to technological innovation in resource management (in particular water management within the scope of the KompetenzZentrum in Berlin), alternative technologies, renewable energies and waste-to-energy conversion

◆ Carried out in 2003