



Corporate Europe Observatory
De Wittenstraat 25
1052 AK Amsterdam
Netherlands

OPEN LETTER TO MR JEAN-CLAUDE BANON

VEOLIA ENVIRONNEMENT REPRESENTATIVE IN BRUSSELS

Veolia Environnement
Rue des Deux Églises 26 – B
1000 Bruxelles

OBJECT: Veolia Environnement's EU lobbying activities in the water sector

Brussels, 17th December 2008

Dear Mr Banon,

Veolia Environnement is the world's largest private water operator as well as the biggest in Europe. As such, it holds a great responsibility when lobbying European Union institutions, because it is able to mobilise more resources than any other stakeholder in its efforts to influence EU decisions concerning the water sector.

Since it became independent from Vivendi-Universal in 2002, your company has very prominently advertised its commitment to the environment. In 2006, Veolia Environnement began disclosing some data about its lobbying activities, under the slogan "Responsible Lobbying", an approach promoted by the UN's Global Compact office. To assess in how far Veolia's lobbying is indeed transparent and responsible, Corporate Europe Observatory has undertaken a thorough examination of your company's lobbying activities at the EU level, summarised in the enclosed report, "Turning on the taps in Brussels - Veolia Environnement's lobbying activities on water at an EU level".

Our findings show that the data disclosed by Veolia fails to give a full picture of the extent and content of its EU lobbying undertakings. Secondly, the lobbying information published in 2007 is even more incomplete than what was disclosed in 2006, when at least details of a few specific cases and a list of the main EU institutions targeted were provided. For instance, Veolia only mentions its involvement in two water sector lobby groups (EUREAU and Aquafed), one business lobby group (Business Europe), and one think-tank (Confrontations Europe). Our research shows that Veolia is involved in lobbying via at least 7 water sector bodies, 11 business lobby groups, 5 think-tanks and various other public or private entities relaying directly or indirectly Veolia interests. We were also able to identify several important

lobbying cases which Veolia Environnement did not disclose, ranging from revolving door cases to the appointment of personnel in key EU working groups, as well as Veolia's controlling role in an influential European Water Research body (WSSTP) and attempts to influence the legal framework to expel competitors, particularly local public water operators.

We also identified what appears to be a serious contradiction between Veolia Environnement's public environmental commitments and the reality of its lobbying activities. We found that Veolia exerted pressure in favour of expensive and energy-intensive clean-up technologies rather than promoting water conservation measures; that, while acknowledging the necessity to control water demand, Veolia nevertheless asked the Commission to promote "alternative resources" (desalination, water reuse...), perhaps to compensate for the loss of business resulting from the much-needed decrease in water consumption in Europe. We believe this behaviour is caused by the structural interest for Veolia Environnement in having as large a water treatment market as possible.

We consider Veolia's privileged access to EU decision-making – documented in our report – to be potentially very damaging for EU water policy.

Veolia's lobbying is neither transparent nor responsible. We therefore ask Veolia Environnement to abandon the false claims the company has made in the context of the Global Compact as well as in its sustainability reports until the company has significantly improved the transparency around its lobbying activities. This should include registering in the European Commission's register of interest representatives, but must go beyond this register's very limited disclosure requirements. To enable public scrutiny of whether Veolia's lobbying is socially and environmentally responsible, the company must disclose the policy issues it lobbies on, the objectives of this lobbying, the institutional and financial means employed, names of lobbyists employed, and an assessment of the impact of those activities.

With kind regards,

Martin Pigeon

Corporate Europe Observatory