

Press Release

Paris, May 3, 2017

Asia – Energy

Veolia wins three energy services contracts with industrial clients in China for a total of €864 million



These three energy sector contracts confirm Veolia's position as an energy services specialist in for industrial clients in China. The company will provide a suite of solutions based on its expertise in this sector, to improve its clients' energy performance and to help them comply with the regulations for the new Chinese environmental standards.

Signed respectively for 10, 20 and 25 years, these three contracts, concluded by its subsidiary Veolia China Holding, are:

- **Energy performance management at the site of Hongda Chemical, a subsidiary of one of China's leading chemicals industry groups**

This €335 million contract includes financing and installing a best-in-class system for managing and optimizing a steam production plant. Veolia's solutions will result in the following benefits for the client Hongda Chemical: cost savings, compliance with the new regulations for greenhouse gas emissions, and a sufficient quantity of steam and demineralized water for the smooth operation of its business.

A team of 130 people will be assigned to this contract.

- **The construction and operation of a chilled water plant for a data center in one of China's main IT hubs, a platform specifically designed for big data.**

The Veolia solutions provided for the client, a Chinese publishing company, will enable it to comply with new standards introduced in Beijing requiring a strict Power and Water Usage Effectiveness. This metric is used to determine the energy efficiency of a data center. This legislation will be gradually rolled out to the entire country, bringing stricter requirement on the power consumption by the IT systems versus the total power consumed by

the entire data center. It effectively measures the eco-responsibility of the data center operation. With this €188 million contract, Veolia has gained ground-floor entry on the market for energy services for data centers, the number of which is growing rapidly driven by strong Internet usage in China. A team of 20 people will be assigned to this contract.

- **The production of electricity and steam from biomass for chemicals and construction manufacturing clients**

Worth €341 million, this contract covers the construction, operation and maintenance of a biomass plant in Hebei Province. Located in China's northeast, this province has enjoyed buoyant growth in the last few years resulting in a strong and sustained demand for steam. This resource, used as an alternative to coal in industrial production processes, and supplied by Veolia at competitive rates, enables industrial clients to continue with their transition towards using a higher proportion of renewables in their energy mix. In this instance, renewables will account for up to 80% by the end of the contract.

A team of 65 will be assigned to the site operation and maintenance teams.

For **Régis Calmels, Senior Executive Vice-President of Asia**, "This win of three new contracts in the Energy sector is an evidence of Chinese industries' growing need of renewable energies and effective energy management. The regulation continuously becomes tighter and, as a result, industries must reduce their environmental footprint. And this merely creates more excellent opportunities for Veolia."

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Veolia group is the global leader in optimized resource management. With over 163 000 employees worldwide, the Group designs and provides water, waste and energy management solutions that contribute to the sustainable development of communities and industries. Through its three complementary business activities, Veolia helps to develop access to resources, preserve available resources, and to replenish them.

In 2016, the Veolia group supplied 100 million people with drinking water and 61 million people with wastewater service, produced 54 million megawatt hours of energy and converted 30 million metric tons of waste into new materials and energy. Veolia Environnement (listed on Paris Euronext: VIE) recorded consolidated revenue of €24.39 billion in 2016. www.veolia.com

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