Supplement no. 1 dated 8 January 2021 to the Base Prospectus dated 17 September 2020

VEOLIA ENVIRONNEMENT

(Established as a société anonyme in the Republic of France)

EURO 16,000,000,000
EURO MEDIUM TERM NOTE PROGRAMME

This first supplement (the "**Supplement**") is supplemental to and must be read in conjunction with the base prospectus dated 17 September 2020, which was granted approval number 20-464 on 17 September 2020 by the *Autorité des marchés financiers* (the "**AMF**"), prepared by Veolia Environnement ("**Veolia Environnement**" or the "**Issuer**") with respect to its Euro 16,000,000,000 Euro Medium-Term Note Programme (the "**Programme**"). The base prospectus as supplemented (the "**Base Prospectus**") constitutes a base prospectus for the purpose of Article 8 of Regulation (EU) 2017/1129 of 14 June 2017, as amended (the "**Prospectus Regulation**"). Unless otherwise defined, terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been prepared pursuant to Article 23 of the Prospectus Regulation for the purposes of incorporating some recent information with respect to the Issuer. The impacted sections of the Base Prospectus are the following sections "Risk Factors", "Documents incorporated by Reference", "Recent Developments", "Subscription and Sales of the Notes", "Forms of Final Terms" and "General Information" respectively.

Application has been made for approval of this Supplement to the AMF in France in its capacity as competent authority pursuant to the Prospectus Regulation. The AMF only approves this Supplement to the Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation, such approval should not be considered as an endorsement of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes

Copies of this Supplement are available for viewing on the website of the AMF (www.amf-france.org), on the Issuer's website (www.finance.veolia.com) and copies of such documents may be obtained, during normal business hours, free of charge from the office of Veolia Environnement, 30 rue Madeleine Vionnet, 93300 Aubervilliers, France.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Base Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any statement in, or incorporated by reference in the Base Prospectus, the statements referred to in (a) above will prevail.

AUTORITÉ DES MARCHÉS FINANCIERS

This Supplement has been approved on 8 January 2021 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, as amended.

The *Autorité des Marchés Financiers* (AMF) has approved this Supplement after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129, as amended.

This approval is not a favourable opinion on the Issuer described in this Supplement.

This Supplement has the following approval number: 21-008.

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RISK FACTORS

The sub-section 1 "*Risk factors relating to the Issuer*" of the section "*Risk Factors*" appearing on pages 13 to 15 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

"Risks factors relating to the Group and its activity are described on pages 266 and 275 to 297 of the 2019 Universal Registration Document and in pages 75 to 76 of the Amendment to the 2019 Universal Registration Document (each as defined in section "*Documents Incorporated by Reference*") which are incorporated by reference into the Base Prospectus.

In view of the current health crisis, the Group has reviewed its risk factors when amending its 2019 universal registration document issued after the publication of its 2020 half-year accounts. The Issuer considers that such risks, as supplemented by the provisions below, remain up-to-date and relevant in the current circumstances, in particular as regards the ongoing sanitary crisis, and are corroborated more particularly by the content of the press release regarding the Issuer's key figures for the nine months ended 30 September 2020, included in the section "*Recent Developments*" of the Base Prospectus.

Those risk factors include the following:

1.1 Risks relating to the business environment in which the Group operates

- Risks relating to market changes
- Competition risks
- Economic risks (as updated in the Amendment to the 2019 Universal Registration Document)
- Seasonality risks
- Political risks
- Risks relating to natural disasters
- Risks relating to the business climate
- Risks relating to climate change

1.2 Operational risks

- Risks of skills availability
- Risks related to tangible and intangible property, and information systems
- Risks relating to employee health and safety (as updated in the Amendment to the 2019 Universal Registration Document)
- Risks relating to the selection and integration of acquisitions
- Third-party liability risks and particularly health and environmental risks
- Risks relating to changes in business lines
- Personal security risks

1.3 Financial risks

- Risks inherent to fluctuations in the price of energy and commodities
- Counterparty risks relating to operating activities (as updated in the Amendment to the 2019 Universal Registration Document)
- Risks relating to tax developments
- Foreign exchange risk
- Liquidity risks

1.4 Regulatory, ethical and legal risks

- Risks relating to regulatory changes, particularly in the area of health or the environment
- Corruption and business integrity risks
- Human rights risks
- Risks relating to long-term contracts

Below, the Group risk matrix presented in page 278 of the 2019 Universal Registration Document

Group risk matrix

IMPACT	Probability of occurrence: Low	Probability of occurrence: Moderate	Probability of occurrence: High
High	• **Corruption and business integrity risks (CSR)** • **Human rights risks (CSR)** • Risks related to tangible and intangible property, and information systems	• Risks relating to market changes • Competition risks • **Risks relating to employee health and safety (CSR)**	
Moderate	• Political risks • Risks of skills availability (CSR) • Personal security risks	• Risks relating to the selection and integration of acquisitions • Risks inherent to fluctuations in the price of energy and commodities • Seasonality risks • Third-party liability risks and particularly health and environmental risks (CSR) • Risks relating to changes in business lines	• Economic risks • Risks relating to regulatory changes, particularly in the area of health or the environment • Counterparty risks relating to operating activities
Low	• Foreign exchange risk	• Risks relating to the business climate • Risks relating to natural disasters (CSR) • Risks relating to tax developments • Liquidity risks	• Risks relating to long-term contracts • Risks relating to climate change (CSR)

Prospective investors shall assess the above risk factors in the light of the most recent developments with respect to the Issuer. In that respect, the Issuer has published several press releases, which are reproduced in the section "*Recent Developments*" of the Base Prospectus below, relating to its acquisition of 29.9% of Suez shares from Engie and its intention to file a public offer with respect to the remaining Suez shares, subject to the satisfaction of certain conditions.

For more details regarding Veolia's intention to file a public offer with respect to Suez remaining shares (the **Project**), and the conditions of such a public offering, please refer to the press releases reproduced in the section "*Recent Developments*" of the Base Prospectus and, in particular, to the press release dated 5 October 2020 entitled "*Veolia acquires 29.9% of Suez's capital from Engie and confirms its intention to acquire control*", the press release dated 3 November 2020 entitled "*Veolia confirms its intention to make a public takeover bid*" and the press release dated 7 January 2021 entitled "*New step in the Veolia Suez project*". The AMF has released a notice dated 6 October 2020, included in the section "*Recent Developments*" of the Base Prospectus, indicating that a pre-offer period had begun.

The following constitutes the main risk factors that the Issuer believes are specific to the Project:

(i) Veolia has acquired 29.9% of Suez shares from Engie for approximately €3.4 billion. Veolia does not intend to exercise its voting rights in connection with such shares, except for decisions related to preserving their property value, upon authorization of the European Commission. As a result of the positions expressed by Suez's management and the measures taken by it, Veolia may not be able to launch a public offer with respect to Suez shares. On 3 November 2020, Veolia reiterated its intent, as publicly disclosed on 5 October 2020, that it will only launch a public offer with respect to Suez shares once the Project has been favorably received by Suez's board of directors, on which no assurance can be given at this stage. In such a case, Veolia would remain at a 29.9% shareholding level, a non-controlling shareholder unable to achieve the synergies expected from the Project.

(ii) Suez has announced its intention to oppose to the Project by any and all means, including litigation. While Veolia does not believe that any serious legal grounds exist upon which an action could successfully be brought, there can be no assurance that Suez will not initiate multiple legal proceedings in order to complicate or lengthen the completion of the Project, or that any such proceedings would not have a negative impact on the Project, Veolia or Suez. Suez's management could also continue, as part of its defensive strategy, to proceed with further asset disposals or to take other measures that could complicate, impede or render pointless Veolia's takeover of Suez. In that respect, several proceedings have already been initiated in front of different jurisdictions in France, please refer to the press releases respectively dated 9 October 2020, 19 November 2020 and 8 December 2020, each reproduced in the section "*Recent Developments*" below. There can be no assurance that any such measures and proceedings would not have an adverse effect on the Project, Veolia or Suez, or would not result in a decrease in the price of the public offer, or even in the withdrawal of the Project. In such a case, Veolia would remain at a 29.9% shareholding level, a non-controlling shareholder unable to achieve the synergies expected from the Project.

(iii) On 3 November 2020, Veolia has confirmed its intention to make a public takeover bid for the entire share capital of Suez at a price of €18 per share (cum dividend) as soon as the Board of Directors of Suez issues an opinion in favor of this proposal and desactivates the inalienability mechanism applicable to the water business in France, as publicly disclosed on 5 October 2020. On 7 January 2021, Veolia has announced that it sent to the Board of Directors of Suez the public offer proposal that it intends to file for the 70.1% of the capital of Suez which is not in its possession, which describes all the elements of the industrial project, the social project and the financial conditions that Veolia will offer when the offer is actually submitted. The financing of the offer would be provided by a bridge loan concluded with a banking syndicate. It is expected that this loan will be refinanced in part by the proceeds from the sale of the remedial assets and, possibly, by the issue of equity securities or securities giving access to the capital (depending in particular on the amount of the disposals and a possible part offered in Veolia shares in the public offering) with a view to preserving the current credit rating and maintaining the extended group's net financial debt / EBITDA ratio below 3.0x in the medium term in accordance with the group's objectives. Such transactions will depend on applicable market conditions at the time of execution. As a result, while Veolia is confident in its capacity to obtain such financings, there can be no assurance that these transactions will be able to be completed successfully or with acceptable financial terms. Any inability or difficulty in completing these transactions successfully could have an adverse effect on the Project or Veolia. In the event that it would not be able to obtain financing for the public offer, Veolia would remain at a 29.9% shareholding level, a non-controlling shareholder unable to achieve the synergies expected from the Project.

(iv) The completion of the Project depends upon number of regulatory authorizations being obtained. Although Veolia has identified specific issues relating to competition that the takeover of Suez would involve and has anticipated remedies, the definitive scope and nature of any remedies and the conditions of their implementation remain uncertain, which could have an adverse effect on the Project and Veolia.

Should the Project be completed, additional risks, standards in the context of an acquisition, will also have to be considered by any potential investor in the Notes and, in particular, but without limitation: risks relating to the integration of Suez's activities and failure to achieve expected synergies or other benefits anticipated from the Project; risks relating to Suez's performance and unexpected liabilities; risks that the Issuer incurs substantial transaction costs in connection with the Project and its completion; risks of disputes relating to the Project and its completion; risks relating to triggering change of control clauses and related provisions at a Suez level; risks relating to the transition period until completion of the Project; risk of loss and/or reputational damage; tax risks relating to the Project and its completion."

DOCUMENTS INCORPORATED BY REFERENCE

The section "*Documents Incorporated by Reference*" appearing on pages 24 to 32 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

"This Base Prospectus should be read and construed in conjunction with the information contained in the following sections which are incorporated in, and shall be deemed to form part of, this Base Prospectus, which have been previously published and filed with the AMF:

- the sections referred to in the table below of the French language *Rapport de Gestion - Commentaires sur les résultats - Comptes Consolidés au 30 septembre 2020* of the Issuer (the "**2020 Third Quarter Financial Report**") (https://www.veolia.com/sites/g/files/dvc2491/files/document/2020/11/Finance_RG_Q3_2020_v_06112020_FR.pdf);

- the sections referred to in the table below of the French language *amendement au Document d'enregistrement universel* of the Issuer (the "**Amendment to the 2019 Universal Registration Document**") which was filed with the AMF on 3 August 2020 under registration number D.20-0136-A01 which includes the interim consolidated financial statements of the Issuer for the half year ended 30 June 2020 (https://www.veolia.com/sites/g/files/dvc2491/files/document/2020/08/Finance_Veolia-Amendement_du_document_d-enregistrement_universel_2019-Rapport_financier_au_30_juin_2020.pdf);

- the sections referred to in the table below of the French language *Document d'enregistrement universel* of the Issuer for the financial year 2019 (the "**2019 Universal Registration Document**") which was filed with the AMF on 17 March 2020 under registration number D.20-0136 (https://www.veolia.com/sites/g/files/dvc2491/files/document/2020/03/Finance_VEOLIA_ENVIRONNEMENT_URD_REF-2019_VDEF.pdf);

- the sections referred to in the table below of the French language *Document de référence* of the Issuer for the financial year 2018 (the "**2018 Registration Document**") which was filed with the AMF on 13 March 2019 under registration number D.19-0140 (https://www.veolia.com/sites/g/files/dvc2491/files/document/2019/04/Veolia-Document-de-reference-2018-Rapport-Financier.pdf); and

- the section "*Terms and Conditions of the Notes*" of the following base prospectuses (together the "**EMTN Previous Conditions**") relating to the Programme included in:

  - the base prospectus dated 25 June 2019 (pages 59 to 94) filed with the AMF under number 19-298 (https://www.veolia.org/sites/g/files/dvc2491/files/document/2019/06/Finance-BP-2019-029800.pdf);

  - the base prospectus dated 22 June 2018 (pages 59 to 90) filed with the AMF under number 18-258 (https://www.veolia.org/sites/g/files/dvc2491/files/document/2018/06/Veolia_Env_-_Update_2018_-_Base_Prospectus_avec_numero_de_visa_0.pdf);

  - the base prospectus dated 30 June 2017 (pages 59 to 90) filed with the AMF under number 17-315 (https://www.veolia.org/sites/g/files/dvc2491/files/document/2017/07/Veolia-Env-Base_Prospectus_2017.pdf);

  - the base prospectus dated 27 September 2016 (pages 60 to 93) filed with the AMF under number 16-450 (https://www.veolia.org/sites/g/files/dvc2491/files/document/2016/12/Veolia-Env-Base-Prospectus-2016-27-09-2016.pdf);

  - the base prospectus dated 3 July 2014 (pages 55 to 88) filed with the AMF under number 14-354 (https://www.veolia.org/sites/g/files/dvc2491/files/document/2018/12/Finance_Veolia_2014_EMTN_Base_Prospectus_final_version.PDF);

- the base prospectus dated 19 October 2011 (pages 27 to 50) filed with the AMF under number 11-474 (https://www.veolia.com/sites/g/files/dvc2491/files/document/2020/09/Finance-08-Base_Prospectus_dated_19_October_2011.pdf); and

- the base prospectus dated 4 May 2007 (pages 28 to 51) filed with the AMF under number 07-141 (https://www.veolia.com/sites/g/files/dvc2491/files/document/2020/09/Finance_EMTN_Prospectus_dated_4_May_2007.pdf).

which are identified in the cross reference table below. Such sections are incorporated in, and shall be deemed to form part of this Base Prospectus. Non-incorporated parts of the documents listed above are either non-relevant for the investors or covered elsewhere in the Base Prospectus.

Any statement contained in a document or part of a document which is incorporated by reference herein shall be modified or superseded for the purposes of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, be part of this Base Prospectus. Statements contained in any supplement (or contained in any document incorporated by reference therein) published in accordance with section headed "Supplement to the Base Prospectus" of this Base Prospectus shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus.

The Amendment to the 2019 Universal Registration Document, the 2019 Universal Registration Document and the 2018 Registration Document are available for viewing on the website of the AMF (www.amf-france.org) and on the website of the Issuer (www.finance.veolia.com). The 2020 Third Quarter Financial Report is available for viewing on the website of the Issuer (www.finance.veolia.com).Free English translations of the 2020 Third Quarter Financial Report, 2019 Universal Registration Document and the 2018 Registration Document are also available for viewing on the website of the Issuer (www.finance.veolia.com). These documents are free translations of the corresponding French language documents and are furnished for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions.

Other than in relation to the documents which are deemed to be incorporated by reference, the information on the websites to which this Base Prospectus (including, for the avoidance of doubt, any information on the websites which appear in the documents incorporated by reference) refers does not form part of this Base Prospectus and has not been scrutinised or approved by the AMF.

For the avoidance of doubt, the information requested to be disclosed by the Issuer as a result of Annex 7 of the Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation and not referred to in the cross reference list below is either contained in the relevant sections of this Base Prospectus or is not relevant to the investors.

The relevant page references for the information incorporated by reference herein in response to the specific requirements of Annex 7 of Commission Delegated Regulation (EU) 2019/980 are as follows:

	Annex VII of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 – Registration document for wholesale non-equity securities	
	Information incorporated by reference	**Page no. in the relevant document**
3.	**RISK FACTORS**	
3.1	A description of the material risks that are specific to the issuer and that may affect the issuer's ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed '*Risk Factors*'. In each category the most material risks, in the assessment of the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence, shall be set out first. The risk factors shall be corroborated by the content of the registration document.	pp. 266 and 275 to 297 in 2019 Universal Registration Document pp. 75 to 76 in the Amendment to the 2019 Universal Registration Document
4.	**INFORMATION ABOUT THE ISSUER**	
4.1	**<u>History and development of the Issuer</u>**	
4.1.1	The legal and commercial name of the Issuer	p. 466 in 2019 Universal Registration Document
4.1.2	The place of registration of the Issuer, its registration number and legal entity identifier ("LEI").	p. 466 in 2019 Universal Registration Document
4.1.3	The date of incorporation and length of life of the Issuer, except where the period is indefinite.	p. 466 in 2019 Universal Registration Document
4.1.4	The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	p. 466 in 2019 Universal Registration Document
4.1.5	Any recent events particular to the Issuer and which are to a material extent relevant to the evaluation of the Issuer's solvency.	pp. 100-101 in 2019 Universal Registration Document pp. 10 to 11 and 28 in the Amendment to the 2019 Universal Registration Document

		pp. 2 to 7 in 2020 Third Quarter Financial Report
5.	**BUSINESS OVERVIEW**	
5.1	**<u>Principal activities</u>**	
5.1.1	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed.	pp. 23 to 27 in 2019 Universal Registration Document
5.1.2	The basis for any statements made by the issuer regarding its competitive position.	pp. 35 to 36 in 2019 Universal Registration Document
6.	**ORGANISATIONAL STRUCTURE**	
6.1	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	pp. 40 to 41 in 2019 Universal Registration Document
6.2	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	p. 474 in 2019 Universal Registration Document
7.	**TREND INFORMATION**	
7.1	A description of: (a) any material adverse change in the prospects of the issuer since the date of its last published audited financial statements; and (b) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document. If neither of the above are applicable then the issuer should include (an) appropriate negative statement(s).	pp. 8 to 19 in 2020 Third Quarter Financial Report
8.	**PROFIT FORECASTS OR ESTIMATES**	
8.1	Where an issuer includes on a voluntary basis a profit forecast or a profit estimate, that profit forecast or estimate shall be clear and unambiguous and contain a statement setting out the principal assumptions upon which the issuer has based its forecast or estimate. The forecast or estimate shall comply with the following principles: (a) there must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which	N/A

	are exclusively outside the influence of the members of the administrative, management or supervisory bodies; (b) the assumptions must be reasonable, readily understandable by investors, specific and precise and not relate to the general accuracy of the estimates underlying the forecast. (c) in the case of a forecast, the assumptions shall draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast.	
9.	**ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES**	
9.1	Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies;	pp. 398 to 410 in 2019 Universal Registration Document pp. 78 to 79 in Amendment to the 2019 Universal Registration Document
9.2	Administrative, management, and supervisory bodies conflicts of interests Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 9.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.	p. 411 in 2019 Universal Registration Document
10.	**MAJOR SHAREHOLDERS**	
10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	pp. 73 to 74 in 2019 Universal Registration Document p. 8 in Amendment to the 2019 Universal Registration Document
10.2	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	p. 473 in 2019 Universal Registration Document
11.	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**	
11.1	**<u>Historical financial information</u>**	
11.1.1	Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as	

	the issuer has been in operation and the audit report in respect of each year	
	Consolidated financial statement first half of 2020:	
		pp. 31 to 73 in Amendment to the 2019 Universal Registration Document review report: p. 74 in Amendment to the 2019 Universal Registration Document
	Consolidated financial statements 2019:	
		pp. 108 to 216 in 2019 Universal Registration Document audit report: pp. 217 to 220 in 2019 Universal Registration Document
	Non-consolidated financial statements 2019:	
		pp. 221 to 257 in 2019 Universal Registration Document audit report: pp. 258 to 260 in 2019 Universal Registration Document
	Consolidated financial statements 2018:	
		pp. 104 to 201 in 2018 Registration Document audit report: pp. 202 to 205 in 2018 Registration Document
	Non-consolidated financial statements 2018:	
		pp. 207 to 243 in 2018 Registration Document audit report: pp. 244 to 246 in 2018 Registration Document
11.1.3	Accounting standards	

	The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002	
	Consolidated financial statement first half of 2020:	
		p. 41 in Amendment to the 2019 Universal Registration Document
	Consolidated financial statements 2019:	
		pp. 117 to 119 in 2019 Universal Registration Document
	Consolidated financial statements 2018:	
		pp. 113 to 116 in 2018 Registration Document
11.1.4	Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following:	
	Non-consolidated financial statements 2019:	
	(a) the balance sheet; (b) the income statement; (c) the accounting policies and explanatory notes.	pp. 221 to 224 in 2019 Universal Registration Document pp. 225 to 226 in 2019 Universal Registration Document pp. 229 to 257 in 2019 Universal Registration Document
	Non-consolidated financial statements 2018:	
	(a) the balance sheet; (b) the income statement; (c) the accounting policies and explanatory notes.	pp. 207 to 210 in 2018 Registration Document pp. 211 to 212 in 2018 Registration Document pp. 215 to 243 in 2018 Registration Document
11.1.5	Consolidated financial statements If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial	

	statements in the registration document	
	Consolidated financial statement first half of 2020:	
	(a) the balance sheet;	pp. 31 and 32 in Amendment to the 2019 Universal Registration Document
	(b) the income statement;	pp. 33 and 34 in Amendment to the 2019 Universal Registration Document
	(c) the accounting policies and explanatory notes.	pp. 41 to 73 in Amendment to the 2019 Universal Registration Document
	Consolidated financial statements 2019:	
	(a) the balance sheet;	pp. 108 to 109 in 2019 Universal Registration Document
	(b) the income statement;	p. 110 in 2019 Universal Registration Document
	(c) the accounting policies and explanatory notes.	pp. 116 to 216 in 2019 Universal Registration Document
	Consolidated financial statements 2018:	
	(a) the balance sheet;	pp. 104 to 105 in 2018 Registration Document
	(b) the income statement;	pp. 106 to 107 in 2018 Registration Document
	(c) the accounting policies and explanatory notes.	pp. 113 to 201 in 2018 Registration Document
11.1.6	Age of financial information The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document	
	Consolidated financial statements 2019:	
		pp. 108 to 109 in 2019 Universal Registration

		Document
	Non-consolidated financial statements 2019:	
		pp. 221 to 224 in 2019 Universal Registration Document
11.2	**<u>Auditing of historical annual financial information</u>**	
11.2.1	The historical financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2006/43/CE and Regulation 537/2014/EU.	
	Consolidated financial statements 2019:	
		pp. 217 to 220 in 2019 Universal Registration Document
	Non-consolidated financial statements 2019:	
		pp. 258 to 260 in 2019 Universal Registration Document
	Consolidated financial statements 2018:	
		pp. 202 to 205 in 2018 Registration Document
	Non-consolidated financial statements 2018:	
		pp. 244 to 246 in 2018 Registration Document
11.2.1(a)	Where audit reports on the historical financial information have been refused by the statutory auditors or where they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, the reason must be given, and such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full.	p. 202 in 2018 Registration Document p. 217 in 2019 Universal Registration Document
11.2.2	Indication of other information in the registration document which has been audited by the auditors.	N/A
11.3	**<u>Legal and arbitration proceedings</u>**	
11.3.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Issuer and/or group's financial position or profitability, or	pp. 206 to 209 and 471 to 472 in 2019 Universal Registration Document pp. 67, 69 to 72 and 80 to 82 in Amendment to the

	provide an appropriate negative statement.	2019 Universal Registration Document pp. 2 and 3 in 2020 Third Quarter Financial Report
12.	**MATERIAL CONTRACTS**	
12.1	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligations to security holders in respect of the securities being issued.	p. 473 in 2019 Universal Registration Document

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purposes only of further issues of Notes to be assimilated (*assimilées*) and form a single series with Notes already issued under the relevant EMTN Previous Conditions.

EMTN Previous Conditions	
Base Prospectus dated 25 June 2019	Pages 59 to 94
Base Prospectus dated 22 June 2018	Pages 59 to 90
Base Prospectus dated 30 June 2017	Pages 59 to 90
Base Prospectus dated 27 September 2016	Pages 60 to 93
Base Prospectus dated 3 July 2014	Pages 55 to 88
Base Prospectus dated 19 October 2011	Pages 27 to 50
Base Prospectus dated 4 May 2007	Pages 28 to 51

Non-incorporated parts of the base prospectuses of the Issuer dated 25 June 2019, 22 June 2018, 30 June 2017, 27 September 2016, 3 July 2014, 19 October 2011 and 4 May 2007 respectively are not relevant for investors.

RECENT DEVELOPMENTS

The "*Recent Developments*" section of the Base Prospectus is completed with the addition on page 80 of the following press releases:

1. Press release dated 28 September 2020

"**Veolia confirms today that Engie having canceled its board of directors scheduled on September 25, it will submit its improved offer no later than September 30, 2020**."

2. Press release dated 30 September 2020

"**Veolia confirms its project to create the world leader in the ecological transformation**

Taking into consideration both the French State and Engie's concerns, Veolia has decided to improve all the characteristics of its offer in order to present the best possible offer for the vote of the Board of Directors of Engie today.

Veolia formerly undertakes to respect all the social commitments which are today presented to Engie and to the Minister of Economy and Finance.

Veolia has committed, in case it would take full control of Suez, to maintain full employment in France, and that all employees would also keep their social status, including both individual and collective benefits. With regards to activities in France which will have to be divested in order to obtain the anti-trust clearance, Veolia commits that the buyers will undertake the same commitments.

Concerning the management teams of the new Group, Veolia will integrate the executives of Suez in the management and executive committees, in a well-balanced spirit and according to their competencies.

After the purchase of the 29.9% stake of Suez from Engie, Veolia is ready to commit to launch a tender offer on 70.1% of the capital of Suez (according to its previous announcements) only provided it is on a friendly basis, benefitting from a favorable recommendation of the Board of Directors of Suez.

In order to achieve this, Veolia proposes to Suez to allow each party a period of 6 months ending on March 31st 2021, during which the 2 Groups will undertake their best efforts to reach an agreement to successfully implement the project carried out by Veolia.

In return for these commitments, Veolia intends that Suez removes the mechanism announced on September 23rd based on the Dutch-based foundation.

Finally, Veolia is also improving the price of its offer to purchase the 29.9% stake of Suez from Engie, increasing it to €18 per share (including dividend).

This revised offer remains valid today and will expire at midnight."

3. Press release dated 4 October 2020

"Following constructive discussions with the management of the Suez group since October 1, and as confirmed today to Jean-Pierre Clamadieu, Chairman of the Board of Engie, Veolia group announces that it unconditionally commits not to file a hostile takeover bid following the sale of the shares held by Engie in Suez. Any public takeover bid on Suez's remaining capital will therefore require a prior favorable reception from Suez's board of directors.

Veolia thus provides the guarantee expressed by Engie's board of directors, in addition to the price offered and the strong social commitments made by the Group, thus making possible the sale of the 29.9% of the capital that Engie holds in Suez.

Veolia has also made a commitment to Philippe Varin, Chairman of the Board of Suez, to respond favorably to the request formulated by Suez to the public authorities to extend the scope of the assets sold to the buyer of Suez Eau France to international water assets for a total turnover of around 5 billion euros (including 2.2 billion euros for the French Water).”

4. Press release dated 5 October 2020

“**Veolia acquires 29.9% of Suez’s capital from Engie and confirms its intention to acquire control**

Veolia acknowledges Engie’s decision to respond favorably to its offer to acquire a 29.9% stake in Suez.

As a reminder, this proposal, submitted on August 30 and continuously improved since, presents in particular the following elements:

- a price of 18 euros per share (dividend included), i.e. a premium of 75% over the unaffected price of July 30, 2020, paid immediately in cash and paving the way for a public tender offer on the remaining share capital of Suez for all of its shareholders;
- the guarantee of 100% of jobs and social benefits for all Suez employees in France;
- the certainty of a French operation;
- the preservation of competition thanks to the takeover by French company Meridiam of the Water activity in France from Suez, Meridiam having committed to preserving all jobs and social benefits, to take over the R&D center of Suez and to double the investments planned and to inject 800 million euros into this new scope within 5 to 7 years.

This decision marks a first decisive step in the construction in France of a world super champion of the ecological transformation making the trail in this strategic sector for at least 20 years.

Antoine Frérot said: "*I am very happy to lay the foundation stone in France today for a world super champion of the ecological transformation. This is a wonderful opportunity for the employees, customers and shareholders of both groups, and it is a project which serves France and the planet* ".

In accordance with the commitments made, Veolia confirms its intention to file a voluntary public takeover bid on the remaining Suez share capital in order to complete the merger of the two companies. This offer will be at the same price as that paid to Engie, *i.e.* 18 euros per share, under the conditions detailed below. At the same time, Veolia recalls that this offer will not be launched without first having obtained a favorable opinion from the board of directors of Suez, with which Veolia wishes to resume discussions as of tomorrow.

The details of Veolia's intentions are shown below.

Messier Maris & Associés, and Perella Weinberg Partners are acting as financial advisors to Veolia for this transaction, Cleary Gottlieb Steen & Hamilton LL.P., Professor Xavier Boucobza, Me. Patrice Gassenbach, Peltier Juvigny Marpeau & Associés and Hogan Lovells, Flichy Grangé Avocats as legal advice. Citi and Gide are the financial and legal advisers of the board of directors.

...

Veolia has today acquired Suez shares representing 29.9% of the capital of Suez from Engie, at a price of 18 euros per share (dividend included)[1].

Intention to file a public offer

Veolia intends, following the acquisition of the 29.9% block of Suez shares, to take control of Suez. To this end, Veolia intends to file a voluntary takeover bid for the remaining Suez shares. This public offer will be in cash, without cap, Veolia reserving the possibility of adding to the part offered in cash a capped part in Veolia shares.

The filing of this public offer will take place at the latest when the necessary regulatory authorizations are obtained, in particular in competition matters, within 12 to 18 months, Veolia reserving the right to file the public offer at any time before obtaining these authorizations.

[1] To protect Engie, the share transfer contract entered into with Engie includes a price supplement clause in the event that the market benefits from an overbid from Veolia, thus allowing Engie to benefit from all or part of this overbidding.

However, Veolia’s public offering will only take place once the Veolia project has been favorably received by Suez’s board of directors, possibly after the general meeting of its shareholders.

The price of the public offer will be that paid to ENGIE, *i.e.* 18 euros per share (coupon attached). This price will be adjusted to take into account any distribution in any form whatsoever (in cash or in kind), including (i) any distribution of a dividend, an interim dividend, reserves or premiums made by Suez or (ii) any amortization or reduction by Suez of its share capital, or any acquisition or repurchase of its own shares by Suez, for a price per share higher than the offer price. Likewise, in the event of an operation having an impact on Suez's capital (in particular, merger, demerger, division or consolidation of shares, distribution of free shares in respect of existing shares by incorporation of reserves or profits), the price offered per share (and, in the case of a subsidiary part offered in Veolia shares, the exchange ratio) will be automatically adjusted in order to take into account the impact of said transactions.

In addition, Veolia reserves the right, where applicable, to modify the price of 18 euros per share (coupon attached) in the event of significant events that have affected or are likely to affect Suez's balance sheet, income or outlook between the date of acquisition of the block from ENGIE and the date of filing of the tender offer. These significant events include asset disposals or acquisitions, the granting of rights to third parties over Suez assets, and commitments made outside the normal course of business. Any price change that could result from such events would be such as to reflect Suez's impairment as determined by a multi-criteria analysis.

Veolia also reserves the right not to file a public tender offer in the event of major adverse circumstances impacting the Suez group or of a sale by Suez of any strategic asset, namely the Spanish and Chilean water assets, WTS, regulated water assets in the United States of America, waste management assets in France, the UK and Australia or any other measure significantly affecting these assets.

Employee commitments

Veolia formally confirmed its employee commitments, which were handed over to Engie and the French Minister of the Economy, Finance and Recovery.

Veolia has made a commitment that the merger operation will not have a negative impact on employment in France.

Regarding the activities in France that will have to be sold to enable us to obtain regulatory authorizations, Veolia undertakes that the chosen buyers will make the same employee commitments.

On bringing together the management teams to form the new group, Veolia is committed to integrating Suez executives into the management bodies in a spirit of balance and on the basis of competence criteria.

Authorizations relating to merger control

As reported on August 30, 2020, Veolia has identified the targeted competition issues that the merger with Suez would involve and has anticipated remedies.

Notifications will be required in a number of jurisdictions, including the European Union, United States of America, United Kingdom, Australia, China, Morocco. Pending authorization from the European Commission, Veolia will not exercise the voting rights attached to its stake, except for decisions likely to protect the property value of this stake with the authorization of the Commission.

In the context of the remedies identified, Veolia proposed Meridiam as a buyer capable of preserving competition and employment for the activities of Suez Eau France. Meridiam has formally committed to this acquisition by submitting an offer to Veolia, for the benefit of Suez, relating to the management and operation of drinking water and sanitation services carried out in France as well as the R&D activities. related to water and those of the design / construction of water treatment facilities in France (Degrémont France). Meridiam's offer, which is at a market price (the price of 18 euros per Suez share offered by Veolia taking this into account), covers the scope comprising the entire capital of the company Suez Eau France and its subsidiaries, and the design-build activities in France corresponding to Degrémont France, for those not owned by Suez Eau France.

The only conditions for this acquisition would be obtaining the required authorizations for merger control and the settlement and delivery of Veolia's public tender offer for Suez. Meridiam's offer is valid until December 31, 2022.

Funding

The acquisition of the 29.9% block is financed from the group's own resources. The financing of the offer would be provided by a bridge loan concluded with a banking syndicate. It is expected that this loan will be refinanced in part by the proceeds from the sale of the remedial assets and, possibly, by the issue of equity securities or giving access to the capital (depending in particular on the amount of the disposals and a possible part offered in Veolia shares in the public offering) with a view to preserving the current credit rating and maintaining the extended group's net financial debt / EBITDA ratio below 3.0x in the medium term in accordance with the group's objectives."

5. Press release dated 9 October 2020

"**Veolia is appealing the decision of interim relief Judge of the Judicial Court of Paris.**

This decision, **which does not call into question the ownership of the shares acquired by Veolia on October 6**, has no legal basis. The so-called *"decisions already taken and publicly announced in the press on August 30, 2020 by Veolia and Engie"* covered by the ordinance do not exist. At that date, there was only an offer from Veolia to Engie. And to date, according to the CEO of Suez himself, Veolia is not a controlling shareholder.

This decision is also particularly incomprehensible as only the management of Suez is competent to organize an information-consultation of its Employee Works Council. This is a reality that cannot escape anyone. Suez has not initiated an information-consultation procedure vis-à-vis its employee representative bodies since its management is opposed to the project. Bringing responsibility for the failure to organize such a consultation to Veolia is therefore perfectly grotesque since the Group clearly did not have this power.

Veolia points out that it has always made itself available to the managers of Suez and its employee representative bodies, and as soon as August 30th. It is common knowledge that Veolia has had several meetings with Suez management over the past few days to present its project. Veolia remains available to present its project to employee representatives.

Because this interim order, provisional, and issued by a single judge is based on so-called "decisions" that do not exist, Veolia is appealing against it.

In addition, the AMF has published a notice confirming the beginning of a pre-offer period as a result of Veolia's press release dated 5 October 2020."

6. AMF's notice dated 6 October 2020

On 6 October 2020, following the Issuer's press release dated 5 October 2020 relating to its intention to file a public tender offer with respect to Suez remaining shares, the AMF has published a notice confirming the beginning of a pre-offer period as a result of which the provisions related to trading on the securities (articles 231-38 to 231-43 of the General Regulation of the AMF) and reporting on transactions (articles 231-44 to 231-52 of the General Regulation of the AMF) on Suez shares are applicable.

7. Press release dated 14 October 2020

"**Veolia successfully returns to the hybrid bond market**

Veolia's return to the hybrid bond market, which it had not tapped since 2013, has been welcomed by investors, and has enabled the Group to raise 2 billion euros at excellent conditions. The large success of the transaction was confirmed by a substantial order book of over 6 billion euros, coming from well diversified quality investors (over 500 orders coming from 3 continents).

The proceeds of this issuance will be used to refinance the purchase of 29.9 % stake in Suez from Engie that took place last week. The issuance is split into two tranches of deeply subordinated perpetual hybrid notes in euros:

- 850 million bearing a coupon of 2.25 % until its first reset date in April2026,
- 1150 million bearing a coupon of 2.50 % until its first reset date in April2029.

The strong commitment to the operation from investors once again proves the strong support of the market to Veolia's project of combining forces with Suez in order to create the World Champion of the Ecological Transformation."

8. Press release dated 3 November 2020

"Veolia confirms its intention to make a public takeover bid

Further to its press release dated October 5, 2020, Veolia undertakes in this press release to make a public takeover bid for the entire share capital of Suez at a price of

€18 per share (cum dividend) as soon as the Board of Directors of Suez issues an opinion in favor of this proposal and deactivates the inalienability mechanism applicable to the water business in France.

This information has the effect of accelerating the timetable for making the proposed public takeover bid, which will now take place at the same time as an agreement is concluded with the Board of Directors of Suez. Veolia has devoted the weeks since its acquisition of 29.9% of Suez from Engie to making a number of attempts to renew its dialog with Suez, both with the company's Chairman and with the members of its Board of Directors. Until now, the systematic response from Suez has been to turn down these approaches.

Antoine Frérot, Veolia's Chairman and Chief Executive Officer, said: "*We are convinced that we will manage to persuade the Board of Directors of Suez, either in its current form or, failing that, after a General Meeting, of the relevance of our proposal. For this reason, we wish to further clarify our timetable and to undertake to make our bid as soon as the Board of Directors issues a favorable opinion. In summary: the only thing preventing all Suez shareholders from benefiting from a public takeover bid at €18 per share is the opposition from the Board of Directors of Suez in its current form"*.

In its press release dated October 5, 2020, Veolia confirmed its intention to take control of Suez following its acquisition of the block of 29.9% of the company's shares, and for that purpose, to make a voluntary public takeover bid for the balance of Suez's shares.

Veolia states that it will make its public takeover bid at a price of €18 per share (cum dividend) as soon as a combination agreement is concluded between Suez and Veolia, according to the usual standards, confirming that the proposed bid is favorably received by the Board of Directors, effectively deactivating the inalienability mechanism of Suez Eau France and its subsidiaries and assets, including an undertaking to manage the Suez SA Group in the ordinary course of business without any asset disposals other than those necessary to obtain regulatory authorizations, and containing the usual cooperation clauses. The proposed public takeover bid will contain a suspensive condition relating to obtaining the authorizations applicable under the terms of the merger control regulations.

Until the date on which the bid is made, the other provisions of the notice of intention published by Veolia on October 5, 2020 will remain applicable, including the proposed bid price adjustment clauses. Suez shareholders will therefore have the benefit of a secure price as soon as the combination agreement is concluded (subject only to the mechanical adjustments usually found in public takeover bids, for example in the event of a dividend distribution).

If a combination agreement is not concluded as stated above, the notice of intention published by Veolia on October 5, 2020 will remain fully applicable."

9. Press release dated 4 November 2020

Information relating to the total number of voting rights forming the share capital

Article L. 238-8-II of the French commercial Code and article 223-16 of the AMF (French Financial Markets Authority) general regulation

Information closing date	Total number of shares forming the share capital *	Total number of voting rights *
		Total number of theoretical voting rights (1): 603,745,112

October 31, 2020	567,266,539	Total number of voting rights that may be exercised (2): 590,637,939

* Inclusion in the Veolia Environnement Articles of Association of a clause requiring a reporting obligation of the declaration of crossing a shareholding threshold, complementary to the one relating to the thresholds provided by the French law and the regulations in force (article 8).

(1) Number of theoretical voting rights = after taking into account the number of shares with double voting rights as of October 31, 2020 (36,478,573 shares) and the number of treasury shares held as of October 31, 2020 (13,107,173 shares).

(2) Number of voting rights that may be exercised = number of theoretical voting rights (or total number of voting rights attached to shares) - shares without voting rights (number of treasury shares held as of October 31, 2020).

10. Press release dated 5 November 2020

"**KEY FIGURES FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020**

(UNAUDITED IFRS FIGURES)

Q3 RESULTS ABOVE EXPECTATIONS:
STRONG REBOUND IN ACTIVITY COMPARED TO Q2 2020,
AND RESULTS ABOVE Q3 2019

ACQUISITION OF 29.9% OF SUEZ'S CAPITAL ON OCTOBER 6th

1st STEP OF THE CREATION OF THE WORLD LEADER OF THE ECOLOGICAL TRANSFORMATION

- **REVENUE : €18 705M and €6 293M IN Q3, FLAT[1]**
- **EBITDA : €2 492M and €893M IN Q3, UP 2.5%[1]**
- **GOOD OPERATING LEVERAGE THANKS TO THE COST SAVINGS PROGRAM AHEAD OF ANNUAL OBJECTIVE: €395M ACHIEVED AT 30 SEPTEMBER**
- **CURRENT EBIT : €771M and €333M IN Q3, UP 4.3%[1]**
- **NET CURRENT INCOME GROUP SHARE : €149M and €142M IN Q3, UP 10.6%[1]**
- **NET FINANCIAL DEBT OF €11 745M DOWN €742M vs. SEPTEMBER 2019**

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- **OBJECTIVE FOR THE END OF THE YEAR: Q4 OPERATING PERFORMANCE EQUIVALENT TO Q4 2019[2]**

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- **ACQUISITION ON OCTOBER 6th OF 29.9% OF SUEZ'S CAPITAL FROM ENGIE AT €18 PER SHARE FOR A TOTAL OF €3.4BN**
- **CONFIRMATION OF OUR INTENTION TO LAUNCH A VOLUNTARTY TENDER OFFER AT €18 PER SHARE ON SUEZ'S REMAINING CAPITAL (70.1%) AS SOON AS THE PROJECT IS ACCEPTED BY THE CURRENT SUEZ'S BOARD OF DIRECTORS OR BY A BOARD RENEWED BY ITS SHAREHOLDERS**

[1] At constant scope and FX

[2] At constant FX (as of end 2019)

Antoine Frérot, Veolia's Chairman and CEO stated: *«In a global economic context heavily impacted by the sanitary crisis, Veolia has reacted swiftly to implement the safest working conditions for its employees and has once again demonstrated its capacity to absorb shocks, to recover quickly and strongly and to pursue ambitious plans for the future. The rebound that began in June and was amplified during the summer has resulted in a very good Q3: revenue was back at the level of 2019, while profits were above, thanks to the adaptation measures put in place at the beginning of the crisis. I am very proud of all the work accomplished and I would like to thank all our employees whose total commitment has enabled us to continue to deliver high quality services to our clients and to recover a positive momentum very quickly. This is par for the course for the benchmark environmental services company.*

At the same time, we have initiated the most important project for Veolia in 30 years. On October 6th, we bought a 29.9% stake in Suez from Engie, with the goal of acquiring the remaining shares so as to create the world champion of the ecological transformation. Thanks to a unique complementarity, the new Group resulting from this industrial project will create value for all its stakeholders at a time when the priority given to environmental issues has never been greater.

- **Revenue in Q3 was €6 293 million compared to €6 441 million in Q3 2019, stable at constant scope and exchange rates. Revenue for the 9 months reached €18 705 million compared to €19 765 million in 9M2019, -5.4% at current scope and exchange rates, and -3.8% at constant exchange rates**

  The Group had a good start of the year before the COVID crisis outbreak mid-March, then rebounded as soon as June, and continued this recovery throughout the 3rd quarter.

  At constant scope and exchange rates, Q1 was nearly flat at -0.5%. Q2 revenue was down by 10.8%, recovering since May, followed by a strong improvement in June. In Q3, the recovery continued and revenue was stable (-0.1%).

  Exchange rate variations unfavorably impacted revenue growth by -€214 million (-1.1%) on the 9 month revenue.

  Scope impact was negative too and stood at -€101M, mostly due to the divestiture at the end of 2019 of our municipal energy business in the US (TNAI), partially offset by new developments in Hong Kong, Chile and Spain mostly.

  The volume/commerce impact was negative by -€862M on revenue, or -4.4%, due to the consequences of the sanitary crisis, but by only -€50M (-0.8%) in Q3..

  Strict pricing discipline has resulted in a positive impact of +€206M on the Group's revenue (+1.0%) for the 9 months and of +€63M in Q3 (+1.0%).

  Energy prices had a positive impact of +€32M on revenue, and recycled material prices weighed for -€120M, (of which -€74M due to recycled paper).

  By geography and at constant exchange rates, the evolution for the 9 month sand in Q3 is as follows:

  - In **France**, activity rose by +0.8% in Q3. **Water** revenue increased by 1.0% due to volumes up 0.8% and tariffs up 1.5%. Summer was good, even compared to a 2019 which was already up in terms of volumes. **Waste** revenue was up by 0.6%, including volume increase of 1%, and prices up 2%. This good dynamics was slowed by decreasing recycling activities, mostly in paper. *Over the 9 months*, France revenue was down 3.9% in Water and -8.8% in waste.
  - **Europe excluding France** increased by +0.8% in Q3 thanks to the very good performance in Central and Eastern Europe, up +8.3% thanks to good performances both in Water and Energy. The UK (including Ireland) exhibited a slight revenue decline of -1.3% due an exit from lockdown delayed compared to other European countries. Northern Europe was down by 4.4%. Southern Europe (Italy, Spain, Portugal) was up by +0.3%. Over the 9 months, Europe excluding France is down by 1.5% with variances in the above mentioned zones of respectively +2.7%, -4.3%, -4.7% and +0.4%.
  - Rest of the World exhibited diverse performances in Q3. Latin America was up +7.7%, thanks to tariff increases complemented by tuck-in acquisitions in Chile and Brazil, Africa Middle East grew by +1.6% with an activity rate back to 2019 level in Morocco, North America was down by -5.6% at constant scope and perimeter due to the slowdown in the refining activity, Asia decreased by -5.1% with notably

the end of several construction works, low margin activities not harming the continued results growth, and Pacific was down by -2.4% following the lockdown in Melbourne. Over the 9 months, trends are more favorable, helped by the strong underlying dynamics of all the countries. Asia grew by +1.5%, Latin America by +6.4%, Africa Middle East was stable, North America was slightly down by 3% at constant scope and exchange rates and Pacific showed a slight decline of -1.1%

- o Global businesses were up by 3.1% in Q3. Hazardous waste activities were stable with good levels of activity in incineration and landfilling, and a continued strict pricing discipline. Construction rebounded sharply, after being halted in Q2, and are up +9.9%, of which +9.8% for Veolia Water Technologies and +10.1% for SADE. Over the 9 months, Global business revenue remains down due to Q2 lockdown, including -3.0% in Construction and -8.6% in Hazardous Waste..

In Q3, at constant exchange rates, revenue was stable and split by business was as follows: Water and Waste water revenue increased by +2.6%. Waste declined by -3.4% with volumes down -2.6%, tariffs up +1.6%, and an impact of recycled material prices of -0.9%. Energy was up by +0.8%. Over the 9 months, and at constant scope and exchange rates, Water was down by -1.9%, Waste by -6.1%, Energy by -2.2% and Technology and Networks by -3.8%.

- **EBITDA increased by +2.5% at constant scope and forex in Q3, to €893M thanks to the additional cost cutting. EBITDA for the 9 months reached €2 492M vs. €2 894M at 30 September 2019.**
  - o Adaptation measures put in place to offset the negative impacts of the sanitary crisis have allowed the Group's results to rebound sharply in Q3 and to be even higher than Q3 2019, ahead of our plans
  - o Over the 9 months, scope effect was negative by -€44M mainly due to the divestiture of the municipal energy business in the US. Forex effect was negative by -€33M mostly due to Latin America and Central and Eastern Europe.
  - o At constant scope and forex, Q3 EBITDA grew by +2.5%, including a neutral volume effect thanks to the "Recover and Adapt" adaptation measures put in place for €80M , a price cost squeeze of -€34M and the strong contribution of the efficiency plan for +€64M. Over the 9 months, EBITDA stood at €2 492M vs. €2 894M at September 30 2019, including a cumulated volume/commerce impact of -€432M due to sanitary crisis.

- **Current EBIT was up +4.3% at constant scope and forex in Q3 2020, to €333M. At September 30 2020, current EBIT reached €771M vs. 1 190M in 9M2019.**
  - o Forex effect of -€13M over the 9 months.
  - o In Q3, Current EBIT reached €333M, up +4.3% at constant scope and forex, thanks to EBITDA improvement, lower depreciation and amortization (-€22M) offset by higher renewal expenses (+€22M). Provisions, Fair Value adjustments and capital gains on industrial divestments were up €7M. Share of current net income from Joint Ventures and associates was down by €4M to €33M.

- **Current net income group share in Q3 was up +10.6% at constant scope and forex (+6.8% current) to €142M. Over the 9 months, current net income group share reached €149M vs. €486M in 9M 2019.**
  - o Cost of financing was down to -€315M vs. -€333M in 9M 2019 thanks to favorable refinancing conditions and lower net financial debt. Other financial income and expense reached -€127M vs. -€132M in 9M 2019.
  - o Capital gain on financial divestments were down to +€9M vs. +€14M in 9M 2019.
  - o Income tax expense is down to -€98M vs. -€151M in 9M 2019.
  - o Non-controlling interests reached -€67M vs. -€89M in H1 2019

- **Net financial debt was €11 745M at 30 September 2020 vs. €12 487M at 30 September 2019, down by €742M vs. September 2019.**
  - o Net financial debt favorable evolution is due to controlled capital expenditures, down by €121M. This decrease is mostly attributable to maintenance investments. Growth projects have been maintained at

€211M vs. €241M at 30 September 2019. Working capital requirement has continued to improve (+€79M) thanks to strict cash management.

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- **Outlook 2020(1) : Q4 objectives confirmed**

    - Taking into consideration the recovery of our activities since the end of the lockdown and our Q3 performances, we confirm our objective of an operational performance in Q4 2020 equivalent to Q4 2019

    - The strategic choices included in Impact 2023 remain relevant.

  (1) At constant exchange rates (as of December 2019).

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- **Acquisition of a 29.9 % stake in Suez from Engie on 6th October 2020 in order to create the world champion of the ecological transformation**

    - On 31 July 2020, as part of a strategic review, Engie announced to envisage the divestment of some of its businesses including its stake in Suez.

    - On 30 August 2020, Veolia proposed to acquire 29.9 % stake in Suez from Engie at €15.5 per share and then raised the price to €18 on September 30, for a total consideration of €3.4bn.

    - On 6 October Engie accepted Veolia's offer. After the acquisition of the 29.9% in Suez, Veolia intends to launch a voluntary tender offer on the remaining share capital of Suez at €18 per share (coupon attached) once our project is accepted by Suez's current Board of Directors or by a Board renewed by its shareholders.

    - On November 3rd, Veolia has confirmed its intention to make a public takeover bid for the entire share capital of Suez at a price of €18 per share (cum dividend) as soon as the Board of Directors of Suez issues an opinion in favor of this proposal and deactivates the inalienability mechanism applicable to the water business in France

    - This acquisition is the first step of a very ambitious project: the creation of the world champion of the ecological transformation.

    - By combining the very strong competencies of Suez and Veolia, this transaction will significantly accelerate the development of the new entity facing growing competition, and enable the sector to tackle the environmental challenges of the 21st century. This project relies on the following pillars:

        - Stronger expertise and commercial offering

        - Enhanced innovation capabilities

        - An improved geographical footprint

        - A compelling combination

Finally this combination is value creating for all the stakeholders:

For employees, the combined entity, more innovative and more international, will offer even more prospects and opportunities. The transaction will have no negative impact on employment in France. Moreover, the new combined entity will be a better partner to all clients, municipalities and industrial clients, enabling them to fulfill their environmental objectives more rapidly.

Finally, the transaction will create value from year 1 for the shareholders of Veolia, thanks notably to operational and procurement synergies estimated at €500M.

This common, inspiring project is perfectly in line with the Purpose of Veolia and will position ideally the new entity in order to tackle the main challenge of this century : the ecological transformation

FINANCIAL INFORMATION FOR THE PERIOD ENDED SEPTEMBER, 30 2020

A] GENERAL CONTEXT AND COVID HEALTH CRISIS

Overview of the impact of the health crisis

The Group's performance in the first nine months of the year was marked by the impact of the health crisis. All Group regions were affected, with a low point in the second quarter when lockdowns impacted Veolia's activities to varying degrees. Faced with this health crisis, most businesses and regions have been highly resilient. The Group partly operates in activity sectors that resisted well in the crisis (such as key municipal services), while other activities that may have been impacted in the second-half of the year successfully bounced quickly back after the first wave, such as industrial waste and construction work and maintenance.

In this context, the suspension of the 2020 financial objectives announced on April 1st led the Group to react rapidly to the outbreak of the crisis, by implementing a new cost savings plan (Recover and Adapt). It enables to complete and accelerate the savings program of the Group including a reduction by €500 million of its investment program in 2020 and industrial asset optimization that lead to a 2% savings in assets depreciation as of September the 30th 2020. All this contributes to prepare the post-crisis recovery plan, while ensuring strict monitoring of cash management.

Rebound in the 3rd quarter

In the third quarter, the resumption of activities, which had already started in June, was confirmed with a strong rebound for most of the regions and the activities in which the Group operates. The Covid impact on the Group is now moderate in the 3rd quarter and the level of activity is broadly comparable to the 3rd quarter of 2019.

At constant scope and exchange rates, the results for the 3rd quarter of 2020 are generally back to their 2019 level and are slightly higher with sales representing 99.9% of sales for the 3rd quarter of 2019 and EBITDA representing 102.5% of the EBITDA for the 3rd quarter of 2019. These results should be compared with those of the 2nd quarter which were down compared to last year: at constant scope and exchange rates, the 2nd quarter of 2020 was lower than 2019 by 10.8 % in revenue and 32.6% in EBITDA.

The 3rd quarter was marked by a catch-up at revenue level fueled by a resumption of commercial development, volume growth and satisfactory activity in the works.

- Return to waste volumes comparable to the 3rd quarter of 2019 (-2.6% in the 3rd quarter of 2020 against -14.7% in the 2nd quarter of 2020 and -1.8% in the 1st quarter of 2020)
- Confirmation of the improvement in tariff indexes (+ 0.9% in Water in the 3rd quarter against + 0.6% at the end of June)
- Resumption of construction activity in the 3rd quarter with increases in revenue from works at Veolia Water Technology (+ 9.8% in the third quarter compared to -1.2% in the 1st half) (1) and SADE (+ 10.1% in the third quarter against a decline of -18.2% in the 1st half)(1)

(1) At constant exchange rates

EBITDA for the 3rd quarter, higher than the 3rd quarter of 2019 at constant exchange rates and scope, is supported by the level of sales, continued efficiency gains and the contribution of the additional savings measures put in place to cope with the health crisis.

- Growing contribution of efficiency gains: 64 million euros in the 3rd quarter, after a contribution of 131 million euros in the first half.
- Strong involvement of all geographic areas in the implementation of the new savings plan (Recover and Adapt) which amounted to 80 million in the 3rd quarter.

Situation at the end of September 2020

Compared to the situation at the end of June which was more marked by the health crisis, the situation at the end of September 2020 has improved thanks to the rebound in the 3rd quarter.

Thus, over the first 9 months of the year, the Group's results are as follows:

- -4.3% decline in revenue [(1)] (€18,705 million) and down -3.8% at constant scope and exchange rates (compared to -6.1% and -5.6% respectively in the first-half of 2020);
- -12.8% decrease in EBITDA [(1)] (€2,492 million) (compared to -19.2% in the first-half of 2020);
- Current EBIT of €771 million, down -34.1% [(1)] (versus -48.0% in the first-half of 2020);
- Current net income attributable to owners of the Company of €149 million and current net income excluding net capital gains or losses on financial divestitures of €139 million;
- Net industrial investments of €1,334 million (including €211million of discretionary capex);
- Net financial debt of €11,745 million versus €12,487 million as of September 30, 2019.

(1) At constant exchange rates

The contribution of efficiency gains and cost-saving measures (Recover and Adapt) amounted over the first 9 months to €395 million, enabling us to confirm our objective that was revised on the occasion of the publication of our half-year results, of a global savings plan of over 500 million euros in 2020.

Update on the Group's liquidity

Faced with an unprecedented crisis, in the context of the merger with Suez and the associated hybrid operation, Veolia immediately prioritized the monitoring of its liquidity. This involved the daily monitoring of changes in its cash position and weekly forecasts by Business Unit covering a five-week time frame, monitoring of Finance Back Office operations (invoicing, collection, payments, suppliers) and a daily financial market update at the Group level.

The Group is therefore pursuing a prudent and resilient financing policy: the main end-of-year bond maturities were refinanced in advance in the first half of the year; the commercial paper program has been extended and its maturities spread; lastly, pooled cash is invested primarily in liquid monetary assets, qualifying as monetary equivalents pursuant to IAS7: cash UCITS and liquid bank deposits.

The Group's liquidity position at September 30, 2020 is solid and mainly consists of the following:

(1) €7.9 billion of pooled cash (including commercial paper with an average residual maturity of 5.3 months totaling €5.8 billion);

(2) €1.1 billion of cash available in the subsidiaries;

(3) Undrawn and available bilateral credit lines totaling €4.1 billion.

B| KEY FIGURES

(in € million)	Third quarter 2019	Third quarter 2020	Δ at constant scope and exchange rates	Nine months ended September 30, 2019	Nine months ended September 30, 2020	2019 / 2020 change Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
Revenue	6 441	6 293	-0,1%	19 764	18 705	-5,4%	-4,3%	-3,8%
EBITDA	892	893	2,5%	2 894	2 492	-13,9%	-12,8%	-11,2%
EBITDA Margin	13,8%	14,2%	0,0%	14,6%	13,3%			
Current EBIT (1)	332	333	4,3%	1 190	771	-35,2%	-34,1%	-29,9%
Current Net income - Group share	133	142	10,6%	486	149	-69,3%	-66,9%	-59,4%
Current net income - Group share, excluding capital gains and losses on financial divestitures net of tax	134	134	3,9%	468	139	-70,2%	-67,7%	-59,9%
Net industrial investments	-486	-461		-1 455	-1 334			
Net free cash-flow	306	138		-167	-377			
Net financial debt	-12 487	-11 745		-12 487	-11 745			

(1) Including the share of current net income of joint ventures and associates viewed as core Company activities.

The main foreign exchange impacts were as follows:

FX impacts for the nine months ended September 30, 2020 (vs. September 30, 2019 published)	%	(in € million)
Revenue	-1.1%	-214
EBITDA	-1.1%	-33
Current EBIT	-1.1%	-13
Current net income - Group share	-2.4%	-12
Net financial debt	2.0%	244

C] INCOME STATEMENT

1. GROUP CONSOLIDATED REVENUE

Group consolidated revenue for the nine months ended September 30, 2020 was €18,705 million, compared with €19,764 million for the same period in 2019, **down -4.3% at constant exchange rates and -3.8% organically**.

The quarterly change in revenue by operating segment is as follows:

At constant exchange rates	*1st Quarter 2020*	*2nd Quarter 2020*	*3rd Quarter 2020*
France	-3.1%	-16.1%	0.8%
Europe, excluding France	1.1%	-6.7%	0.8%
Rest of the world	-1.8%	-5.7%	-6.0%
Global businesses	-3.6%	-20.8%	3.1%
Group	**-1.3%**	**-11.0%**	**-0.6%**

In Q3 2020, the increase was marked by a rebound in revenue across all segments:

- A business turnaround in France reflecting rising water volumes in France, higher incineration volumes and continued price increases in waste.
- In Europe excluding France, a boost in activity in Central Europe (+8.3% at constant exchange rates), mainly due to increased energy tariffs in Poland and which offsets a slowdown of activity in the UK due to sanitary crisis and a decrease in revenue in Northern Europe and in Iberia.
- The impact of the divestiture of the heating and cooling networks in the United States in 2019 and the Singapore waste activities in the Rest of the world.
- In Global businesses, steady construction business performance at VWT and Sade in the third quarter.

By operating segment, the change in revenue over the nine months compared with the nine months ended September 30, 2019 is down -4.3% at constant exchange rates and breaks down as follows:

(in € million)	*Nine months ended September 30, 2019 published*	*Nine months ended September 30, 2020*	*Change 2019 / 2020* Δ	*Δ at constant exchange rates*	*Δ at constant scope and exchange rates*
France	4,175	3,918	-6.2%	-6.2%	-6.2%
Europe, excluding France	6,869	6,702	-2.4%	-1.5%	-1.8%
Rest of the world	5,288	4,921	-6.9%	-4.5%	-1.7%
Global businesses	3,427	3,160	-7.8%	-7.2%	-7.9%
Other	4	4	-9.3%	-	-
Group	**19,764**	**18,705**	**-5.4%**	**-4.3%**	**-3.8%**

- Revenue decreased -6.2% in **France** at constant scope compared to the nine months ended September 30, 2019:
  - **Water** revenue is down -3.9% year-on-year, with a significant slowdown in construction activity (virtual stoppage during the lockdown) and an activity slump generated by the health crisis, partially offset by higher tariff indexation (+1.5% in 2020) and positive volume effects (+0.8%).
  - **Waste** revenue declined -8.8% at constant scope year-on-year, with a fall in the price of recyclates (-32%), including -€40 million for recycled paper and cardboard (price effect of -€26 million, volume effect of -€14 million), a drop in volumes linked to the health crisis in industrial waste collection (-16.2%) and municipal collection (-7.7% despite an upturn in Q3) and declining landfill activity (-10.3%), partially offset by higher incineration volumes (+5.4%) and tariff rises in the first quarter.
- **Europe excluding France** declined -1.5% at constant exchange rates compared with the nine months ended September 30, 2019, with varying trends across the regions:
  - In the **United Kingdom/Ireland**, revenue fell -4.3% at constant exchange rates to €1,630.7 million following an erosion in landfill volumes (-1.9%), a downturn in municipal collection contracts (non-renewal of low profit contracts) and a slowdown in commercial activity in the second quarter, compensated by a high rate of incinerator availability (92.9%).
  - **In Northern Europe**, revenue fell -4.7% at constant exchange rates compared with the nine months ended September 30, 2019 to €1,913.2 million, mainly due to:
    - A drop in industrial activity in Sweden (closure of Volvo sites due to the COVID-19 health crisis) and the Netherlands (postponed maintenance work in Energy), as well as reduced recycling activity across the region.
    - A -2.2% decline in revenue in Germany (main revenue contributor: €1,341 million) at constant scope and exchange rates due to the decline in recyclate revenue (price impact of -€39 million; volume impact of -€22 million) and despite the increase in prices for services and collection (municipal and industrial waste).
  - In **Central and Eastern Europe**, revenue totaled €2,329.9 million, up +2.7% at constant exchange rates year-on-year and +3.1% excluding the unfavorable weather impact of -€9 million. This growth was mainly driven by:
    - higher tariffs in Energy;
    - in Water, rising tariffs in the Czech Republic (annual indexation) and in Bulgaria, an increase in construction in the Czech Republic (maintenance and construction) and Romania, partially offset by declining volumes particularly in the Czech Republic (impact of the health crisis on tourism).
- Decline of -4.5% year-on-year in the **Rest of the world** at constant exchange rates due to reduction in North America impacted by a negative scope effect :
  - Revenue fell -3.0% in **North America** at constant scope and exchange rates to €1,317 million (scope impact tied to the divestiture of heating networks in the United States of €251.7 million as of September 30, 2019). This reduction was marked by the negative impact of the health crisis on industrial water activity and sulfur products, partially offset by improved hazardous waste activities and favorable tariff indexations in Municipal Water.
  - The **Pacific zone** reported a -1.1% decline in revenue at constant exchange rates for the nine months ended September 30, 2020. The increase in industrial services and hazardous waste and contract wins in New Zealand were unable to offset the lack of construction activity in Municipal Water which contributed substantially to revenue in 2019.
  - **Africa/Middle East** revenue was stable at constant exchange rates: the decrease in volumes and delayed construction work in Morocco (-6.4% at constant exchange rates) were offset by the impact of construction work in the Ivory Coast and Niger.
  - Revenue in **Asia** increased by +1.5% at constant exchange rates, mainly due to continued strong growth in the zone China/Hong Kong/Taiwan, in India and Japan, driven:
    - In the China/Hong Kong/Taiwan perimeter (+2.3% at constant exchange rates), by the integration of Southa's activities (energy services for buildings, +€31 million);

- In India (+49.2% at constant exchange rates compared with 2019), by the integration of Nagpur assets as of April 1, 2020;
- In Japan (+4.7% at constant exchange rates), by an increase in Municipal Water revenue due to organic growth in O&M activities and good performance of industrial EPC activities: Lithium and Hiroshima EPC projects.

This momentum was partly offset by the sale of waste activities in Singapore.

- Revenue growth in **Latin America** (+6.4% at constant exchange rates), driven mainly by tariff increases in Argentina (tied to inflation), the start-up of new contracts in Peru and scope impacts (Stericycle in Chile, Gadere in Ecuador and Panachi in Colombia - impact of +28 million).

- **Global businesses:** revenue fell -7.2% at constant exchange rates compared with the nine months ended September 30, 2019:
  - **Hazardous waste activities in Europe** have been relatively resilient since the end of lockdown but report a drop of -8.6% at constant exchange rates at the end of September due to the decline in landfill volumes and decontamination activities heavily impacted by the shutdown of construction and public works sites. There has been a rebound since the end of the lockdown period, solid incinerator activity and positive commercial effects which mitigate these effects;
  - **Veolia Water Technologies** activity rose by +2.6% at constant exchange rates, with revenue recognition on desalination plant construction contracts won in 2019 (All Dur II, Um Al Quwain and Rabigh 3), the sound performance of HPD and improved services activity offsetting the effects of the health crisis.

The increase in revenue between 2019 and 2020 breaks down **by main impact** as follows:

For the 3rd quarter 2020, turnover remains steady (-0,1% at constant scope and foreign exchange rates). Foreign exchange rates have negative impact by €107,8 million (mainly South American and USA dollar currencies).

The scope effect is -€36,3 million (out of which the US heating network).

Weather impact (-€3 million), unfavorable effects of recyclate prices (-€14 million) and activity volume (in sharp rebound versus 2nd quarter 2020 -0,8% versus 3rd quarter 2019) are partially offset by positive price effects (+€63 million) in waste (+1,6%) and in water in France (+1,5%).

For the period ended September 30 2020, turnover evolution is characterized by:

The **foreign exchange impact** of -€213.5 million (-1.1% of revenue) mainly reflects fluctuations in the Argentine peso (-€35.7 million), the Brazilian real (-€30.6 million), the Australian dollar (-€25.9 million), the Polish zloty (-€21.9 million), the Czech crown (-€19.7 million) and the Hungarian forint (-€17.4 million).

The **consolidation scope impact** of-€101.4 million is explained by:

- operations in 2019: sale of heating networks in the United States (-€251.7 million), acquisition of Southa in Hong Kong (+€30.5 million), sludge treatment assets in Germany (+€17.3 million) and Stericycle hazardous waste activities in Chile (+€17.2 million);
- operations in 2020, including the acquisition of Torrepet in Spain for €17.6 million, waste treatment activities in Russia (MAG +€13.8 million), buyback of Nagpur minority interests - municipal water - in India (+€12 million) and Alcoa assets (hazardous waste) in the United States (+€9.7 million).

The impact **of energy tariffs and recyclate prices** was -€88 million, with declining recyclate prices (-0.6%, or -€120 million, including a -€74 million decrease in recycled paper and cardboard prices). The energy tariff increases (mainly in Central and Eastern Europe) partly mitigates this negative effect.

The Commerce effect (Volume/works) was -€862 million including the effect of the health crisis in the second quarter.

Favorable **price effects** (+€206 million) are tied to positive tariff indexation in water in France (+1.5%) and Central and Eastern Europe and in waste in France, the United Kingdom, Northern Europe and Latin America.

The negative **weather effect** (-€1 million) was mainly due to the negative weather impact in Central Europe (Poland, Czech Republic), partially offset in Germany and Italy in the first half of 2020.

By business, the change in revenue compared with September 30, 2019 breaks down as follows:

(in € million)	*Nine months ended September 30, 2019 published*	***Nine months ended September 30, 2020***	*Change 2019 / 2020*		
			∆	*∆ at constant exchange rates*	*∆ at constant scope and exchange rates*
Water	8,094	7,890	-2.5%	-1.8%	-2.4%
of which Water Operations	*6,078*	*5,954*	*-2.0%*	*-1.4%*	*-1.9%*
of which Technology and Construction	*2,016*	*1,936*	*-4.0%*	*-3.0%*	*-3.8%*
Waste	7,568	7,090	-6.3%	-5.1%	-6.1%
Energy	4,103	3,725	-9.2%	-7.8%	-2.2%
Group	**19,764**	**18,705**	**-5.4%**	**-4.3%**	**-3.8%**

WATER

Water Operations revenue decreased -1.4% at constant exchange rates compared with the nine months ended September 30, 2019, reflecting:

- In France: resilient with increasing volume (+0,8%) with very good summer, increased tariff indexation (+1.5%) and a recovery of activity in construction after a period of stoppage during the lockdown period;
- A decline in the Rest of the world, mainly due to the end of construction contracts in the Pacific region (Springvale and Kurnell);
- In Northern Europe, lower tariffs (primarily Germany) offset by rising volumes;
- In Central and Eastern Europe: water tariff increases with good volumes expects in Czech republic (lower tourism).

Technology and Construction revenue declined -3.0% at constant exchange rates compared with the nine months ended September 30, 2019. This decrease is explained by:

- VWT revenue of €1,040 million (+2.6% at constant exchange rates), due to desalination projects won in 2019 and launched in 2020, a limited COVID 19 impact and resilient Technology & Services activities;
- SADE revenue of €896 million, down -8.8% at constant exchange rates, due to the stoppage of construction activity in France during lockdown, partially offset by the increase in construction activities in Telecoms and a turnaround in international activity.

WASTE

Waste revenue is down -5.1% at constant exchange rates compared with the nine months ended September 30, 2019:

- A commerce and volume effect of -6.4% (-1.8% in Q1, -14.7% in Q2, -2.6% in Q3);
- A positive price effect of +2.0%, partially offset by continued decline of recycled prices (impact -1.6%).

ENERGY

Energy revenue fell -7.8% at constant exchange rates compared with the nine months ended September 30, 2019 (-2.2% at constant scope and exchange rates), mainly due to:

- A scope effect of -€227 million, mainly due to the disposal of heating network activities in the United States in 2019;
- A negative weather effect of -€6 million (-0.2%), notably in Central and Eastern Europe;
- A positive energy price effect of +1.1%, with higher heating and electricity tariffs in Central and Eastern Europe.

2. EBITDA

Group consolidated EBITDA for the nine months ended September 30, 2020 was €2,491.8 million, down -12.8% at constant exchange rates compared with September 30, 2019. The margin rate fell to 13.3% in September 2020, compared with 14.6% as of September 30, 2019.

The decrease in EBITDA between 2019 and 2020 breaks down **by impact** as follows:

For the 3rd quarter 2020, EBITDA increases by +2.5% at constant scope and exchange rates. Foreign exchange rates -€14,3 million (mainly South American and USA dollar currencies), scope effect (-€6.9 million including north American heating network), negative effects on volume, commerce and works (-€2 million), weather impacts(-€1 million), unfavorable prices on recyclate (-€5 million) and prices net of inflation costs (-€34 million) are offset by cost cutting impact by +€64 million.

For the 9 months ended September 30, the EBITDA evolution is as follows.

Foreign exchange impact on EBITDA was -€32.9 million and mainly reflects fluctuations in the Czech crown (-€5.3 million), the Polish zloty (-€4.3 million), the Brazilian real (-€4.0 million), the Argentine peso (-€3.8 million), the Colombian peso (-€3.8 million), the Australian dollar (-€3.2 million), and the Hungarian forint (-€2.8 million).

The consolidation scope impact of -€44 million mainly reflects operations completed in 2019 and particularly the divestiture of heating network activities in the United States (-€61.3 million) and the acquisition of Stericycle activities in Chile (+€3.2 million), as well as the acquisition of Yibin heating networks in China (+€3.2 million), the acquisition of Southa in Hong Kong (+€2.5 million) and sludge treatment assets in Germany (+€1.2 million), as well as some developments in 2020, including the integration of Torrepet assets in Spain (+€3.2 million), waste activities in Russia (+€3.9 million) and the buyback of minority interests in municipal water in India (+€4.1 million).

Unfavorable **commerce and volume** impacts totaled -€432 million and include the COVID impacts partially offset by the introduction of a “Recover & Adapt plan”. This plan has enabled additional operating cost savings of €200 million as of September 30, 2020.

The **weather impact** was -€5 million (-€6 million as of September 30, 2019), notably due to unfavorable weather conditions in Central and Eastern Europe and Asia.

The impact of **prices net of inflation** is -€103 million.

Energy and recyclate prices had a positive impact on EBITDA and represent a marked improvement on 2019: +€20 million (versus -€27 million at September 30, 2019), including +€52 million in energy and -€32 million in recyclates, with a significant increase in the price of energy sold in Central, Eastern and Northern Europe (+€50 million mainly in Poland with higher heating prices), partially offset by a -€21 million drop in Italy resulting from the fall in the price of gas (-20%) and electricity (-18%) in connection with the health crisis.

The **contribution of cost savings plans** totaled +€195 million. These savings mainly concern operating efficiency (55%) and purchasing (33%) and were achieved across all geographic zones: France (26%), Europe excluding France (34%), Rest of the world (28%), Global businesses (11%) and Corporate (1%).

3. CURRENT EBIT

Group consolidated current EBIT for the nine months ended September 30, 2020 was €771 million, down 34.1% at constant exchange rates year-on-year.

EBITDA reconciles with Current EBIT for the nine months ended September 30, 2020 and September 30, 2019 as follows:

(in € million)	*Nine months ended September 30, 2019 published*	***Nine months ended September 30, 2020***
EBITDA	**2,894**	**2,492**
Renewal expenses (*)	(209)	(225)
Depreciation and amortization (**)	(1,597)	(1,555)
Provisions, fair value adjustments & other	5	(14)
Share of current net income of joint ventures and associates	97	73
Current EBIT	**1,190**	**771**

(*) Including renewal expenses of €180.6 million and €44.4 million for provisions for contractual commitments

(**) Including principal payments on operating financial assets (OFA) of -€88 million for the nine months ended September 30, 2020 (compared with -€94 million for the nine months ended September 30, 2019.)

The decline in Current EBIT at constant exchange rates reflects:

- A decrease in EBITDA;
- Lower depreciation and amortization charges compared with September 2019;
- An increase in operating provisions due notably to self-insurance provisions;
- A decrease in the contribution of associates, notably in China (-€9 million) in water concessions (negative change in water/construction volume mix) and North America (Canada: -€7 million).

The foreign exchange impact on Current EBIT was -€12.8 million and mainly reflects fluctuations in the Chinese renminbi (-€2.2. million), the Argentine peso (-€2.1 million), the Polish zloty (-€2.0 million), the Czech crown (-€2.0 million), the Hungarian forint (-€1.4 million) and the Brazilian real (-€1.4 million).

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The reduction in selling, general and administrative expenses mainly reflects savings realized under the Recover and Adapt plan. Selling, general and administrative expenses impacting Current EBIT decreased 5.4% (current basis) from €2,089 million for the nine months ended September 30, 2019 to €1,974 million for the nine months ended September 30, 2020.

The ratio of selling, general and administrative expenses to revenue was stable at 10.6% for the nine months ended September 30, 2020.

4. NET FINANCIAL EXPENSE

The **cost of net financial debt** is down and totaled -€315 million for the nine months ended September 30, 2020, compared with -€333 million year-on-year. This decrease is principally due to the FAVORABLE Euro debt refinancing in 2019 and 2020, combined with non euro-denominated debt savings and a higher cash remuneration. Gross cost of borrowing rate decreases by 55 bps from 3.11% 2.58%.

The financing rate was therefore 4.24% at September 30, 2020, compared with 4.22% at September 30, 2019.

Other financial income and expenses totaled -€118 million for the nine months ended September 30, 2020, stable year-on-year.

These expenses include interest on concession liabilities (IFRIC 12) of -€60.0 million, interest on the right of use (IFRS 16) of -€24.5 million and the unwinding of discounts on provisions of-€16.2 million.

Gains on financial divestitures recognized in the nine months ended September 30, 2020 totaled +€9 million, compared with +€14 million for the nine months ended September 30, 2019. In 2020, capital gains on financial divestitures mainly include the divestiture of Liuzhou in China. In 2019, capital gains on financial divestitures mainly included the divestiture of the Foshan landfill (+€36 million).

5. INCOME TAX EXPENSE

The current income tax expense for the nine months ended September 30, 2020 amounted to -€97.7 million, compared with -€151.1 million for the nine months ended September 30, 2019.

The current income tax rate for the nine months ended September 30, 2020 increased to 36.8% (versus 23.5% for the nine months ended September 30, 2019).

The change to the current tax rate is due to the geographic mix and negative net income before tax in regions without recognition of deferred tax assets.

6. CURRENT NET INCOME

Current net income attributable to owners of the Company was €149 million for the nine months ended September 30, 2020, compared with €486 million for the nine months ended September 30, 2019. Excluding capital gains and losses on financial divestitures net of tax and minority interests, current net income attributable to owners of the Company decreased from €468 million for the nine months ended September 30, 2019 to €139 million for the same period in 2020, due to the negative impact of COVID-19 on the Group's financial statements for the nine months ended September 30, 2020.

D] CHANGES IN FREE CASH FLOW AND NET FINANCIAL DEBT

Net free cash flow totaled -€377 million for the nine months ended September 30, 2020 (versus -€167 million for the nine months ended September 30, 2019).

The change in net free cash flow **compared with the nine months ended September 30, 2019** reflects:

- a decline in EBITDA;
- lower net industrial investments, down -8.3% compared with September 30, 2019 and including:
  - net maintenance investments of €607 million (3.2% of revenue);
  - growth investments in the current portfolio of €516 million (€483 million in the nine months ended September 30, 2019);
  - discretionary investments of €211 million, down €30 million compared with the nine months ended September 30, 2019.
- The seasonal decline in the change in operating working capital of -€651 million for the nine months ended September 30, 2020, compared with -€730 million for the nine months ended September 30, 2019.

Overall, **net financial debt** amounted to €11,745 million, compared with €12,487 million for the nine months ended September 30, 2019.

Compared to December 2019, variation of net financial debt, which amounted to €10,780 million as of December 2019 is mainly due to :

- Negative free cash flow -€377 million
- Nets Financial investments -€512 million

- Payment of dividends -€ 379 million
- Positive exchange rate fluctuations of €255 million as of September 30, 2020 compared with December 31, 2019, primarily in the Hong Kong dollar (€60 million), the pound sterling (€34 million), the US dollar (€26 million), the Brazilian real (€24 million) and the Polish zloty (€22 million).

Total Group gross industrial investments, including new operating financial assets, amounted to €1,446 million for the nine months ended September 30, 2020, compared with €1,574 million for the nine months ended September 30, 2019 re-presented."

11. Press release dated 19 November 2020

"**Veolia will recover all of its rights no later than February 5, 2021.**

Veolia takes note of the decision of the Paris Court of Appeal. Suez has declared to the Court that "the information-consultation procedure of its employee representative bodies began" on November 3, 4 and 5, 2020. Veolia therefore takes note that no later than February 5, 2021, it will recover all its rights.

Only the management of Suez is under legal duty to organize an information-consultation of its employee representative bodies. Veolia has provided Suez's management, over a month ago now, with all the information and documents necessary for this information-consultation.

Veolia points out that it has always made itself available to the managers of Suez and its employee representative bodies, and as soon as August 30th. Veolia remains available to present its project to employee representatives."

12. Press release dated 19 November 2020

"**The President of the Nanterre Commercial Court forbids the irrevocability of Suez's "stichting-foundation" in the Netherlands.**

Veolia welcomes the decision of the Commercial Court of Nanterre's President which prohibits Suez from taking any decision to render irrevocable the foreign inalienability mechanism of Suez Eau France, designed and implemented to prevent Veolia from carrying out its takeover project.

In an order dated today and immediately enforceable, the President of the Commercial Court of Nanterre thus forbids the Suez group to take any decision that could result in the irrevocability of the placement of Suez Eau France within an opaque instrument in the Netherlands, thus paralysing this "stichting-foundation". And this, **until the end of any meeting of a future shareholders' general assembly of Suez SA, called to rule on the said legal arrangement and its consequences, and at the latest until the shareholders' general assembly called to rule on the financial statements for the year ended December 31, 2020.**

In the meantime, Veolia will sue the Suez group as soon as possible to have this system, which violates essential rules of French law, judged null and void."

13. Press release dated 2 December 2020

Information relating to the total number of voting rights forming the share capital

Article L. 238-8-II of the French commercial Code and article 223-16 of the AMF (French Financial Markets Authority) general regulation

Information closing date	Total number of shares forming the share capital *	Total number of voting rights *
November 30, 2020	567,266,539	Total number of theoretical voting rights (1): 603,742,587
		Total number of voting rights that may be exercised (2): 590,855,414

* Inclusion in the Veolia Environnement Articles of Association of a clause requiring a reporting obligation of the declaration of crossing a shareholding threshold, complementary to the one relating to the thresholds provided by the French law and the regulations in force (article 8).

(1) Number of theoretical voting rights = after taking into account the number of shares with double voting rights as of November 30, 2020 (36,476,048 shares) and the number of treasury shares held as of November 30, 2020 (12,887,173 shares).

(2) Number of voting rights that may be exercised = number of theoretical voting rights (or total number of voting rights attached to shares) - shares without voting rights (number of treasury shares held as of November 30, 2020).

14. Press release dated 8 December 2020

"**Veolia confirms that the works councils information & consultation process has begun and that Veolia will recover all its rights as of February 5th, 2021**

The Paris court of appeal has ruled that it is not within its power to determine the starting point of the information and consultation process of Suez' works councils. Veolia will initiate proceedings before the competent jurisdictions to have them confirm that this time period started on November 5th, 2020 at the latest.

In its decision of November 19th, the Court of appeal has stated that "*the deadline for consultation is three months from the communication by the employer of the information required by law*".

The agreement between Suez and its employees clearly appears as a delaying tactic and can not affect this deadline as determined by the court of appeal.

Since August 30th, 2020, Suez' management has failed to invite Veolia to present its project to the employees' representatives even though the Suez unions have expressed publicly that wish, notably in the press.

Veolia remains available as it has always been."

15. Press release dated 10 December 2020

"**Veolia provides experts from Suez works councils with privy documents on its project**

As part of the information-consultation procedure of Suez's works councils currently in progress, the Veolia group announces that it is making available to experts from these bodies an extended data room that goes far beyond legal obligations. As of today, the experts chosen and appointed by the employee representative bodies of Suez have individual, privy and secured access to information which is normally of a confidential nature linked to trade secrets.

Veolia's voluntary approach goes beyond the legal information obligations due to the representative bodies of a third-party company, especially since Veolia has already sent Suez, since mid-October, all the information enabling the employee representative bodies of Suez to assess the importance of the proposed operation and to deliver an opinion. This approach is in line with the Group's desire to be fully transparent about its project with Suez, in line with all the announcements and all the commitments it made public as soon as August 30, 2020.

This privileged access, which must guarantee the confidentiality of the information provided by Veolia, is further proof of the Group's commitment to allow consultation of the Suez group councils as soon as possible. The experts chosen and appointed by the employee representative bodies of Suez will enable them to give a fully informed opinion on the project.

Antoine Frérot, Chairman and CEO of Veolia, declares: "As of August 30, I wanted to make our project public, so that everyone can become acquainted with it free/y. For three months now, I have repeated/y stated my desire to present this project to the employees of the Suez group and their work representatives. I therefore invite them once again to offer me a date to meet them and discuss this project, its ambitions, its opportunities, the job guarantees to which I have public/y committed several limes and our future as a great French world champion of the ecological transformation."

The documents available in this data room are in particular the presentation of the project and its ambitions (78 pages), the written commitments of Veolia and Meridiam on employment and its preservation, the offer submitted to Engie on August 30, the cooperation agreement between Veolia and Meridiam concluded on August 30, the commitments and ambitions of Meridiam for Suez Eau France, the acquisition contract for the 29.9% of Suez held by Engie or the analyzes of the activities subject to review by the relevant competition authorities. Finally, this database also includes the documents submitted to Veolia employee representative bodies or their experts, including the reports of these experts, documents already sent to the Suez group in early October 2020."

16. Press release dated 14 December 2020

"Veolia successfully issues new 3-year Panda bonds

Veolia Environnement has successfully issued two bonds for a total nominal amount of 1,5 billion Renminbis (ie 188 million Euros) on the Chinese domestic market (Panda Bond).

Veolia, the first ever French issuer on the Panda Bond market, has sold these bonds to Chinese and international investors. The bonds have a 3 year maturity and bear an interest rate of 4.45 %, which is in the lower part of the interest rate range that was proposed to investors (**between** 4.3 % and 5.1 %).

Veolia has been present in China for over 20 years and these issuances support Veolia's objective to continue to actively pursue growth in China, where the Group operates more than 80 projects in more than 40 cities.

The fact that Veolia is a repeat issuer on this market and the pricing which was achieved are a signal of the significant appreciation of Veolia's credit quality, and investors' confidence in the future development of the Group in China."

17. Press release dated 23 December 2020

Information relating to the total number of voting rights forming the share capital

Article L. 238-8-II of the French commercial Code and article 223-16 of the AMF (French Financial Markets Authority) general regulation

<table>
<tr><th>Information closing date</th><th>Total number of shares forming the share capital *</th><th>Total number of voting rights *</th></tr>
<tr><td rowspan="2">December 17, 2020</td><td rowspan="2">578,611,362</td><td>Total number of theoretical voting rights (1): 615,082,672</td></tr>
<tr><td>Total number of voting rights that may be exercised (2): 602,220,499</td></tr>
</table>

* Inclusion in the Veolia Environnement Articles of Association of a clause requiring a reporting obligation of the declaration of crossing a shareholding threshold, complementary to the one relating to the thresholds provided by the French law and the regulations in force (article 8).

(1) Number of theoretical voting rights = after taking into account the number of shares with double voting rights as of December 17, 2020 (36,471,310 shares) and the number of treasury shares held as of December 17, 2020 (12,862,173 shares).

(2) Number of voting rights that may be exercised = number of theoretical voting rights (or total number of voting rights attached to shares) - shares without voting rights (number of treasury shares held as of December 17, 2020).

18. Press release dated 7 January 2021

"New step in the Veolia Suez project

The Veolia group announces that it sent to the Board of Directors of Suez, on January 7, 2021, the public

offer proposal that it intends to file for the 70.1% of the capital of Suez which is not in its possession. This formal proposal describes all the elements of the industrial project, the social project and the financial conditions that Veolia will offer when the offer is actually submitted.

The submission of this formal proposal to the Board of Directors of the Suez group is, once again, in line with Veolia's desire to be perfectly transparent about its proposed project with Suez, and in line with all the announcements and all the commitments it has made public since August 30, 2020.

Veolia wants this proposal to establish the reality of the constituent elements of the Group's plan to create a global champion of the ecological transformation. In particular, the Group hopes that this new step will enable all Suez shareholders to know the terms of Veolia's offer proposal on which they will have to express themselves.

Antoine Frérot, Chairman and CEO of Veolia, said: "*Today we are taking a new step, which brings us even closer to the completion of our project. This step was expected: it allows Suez shareholders in particular to become officially acquainted with all the terms of our proposed offer and to form an opinion on its industrial, social and financial meaning*."

The copy of the letter of January 7, 2021 from Veolia to Suez is available at https://suez-merger.veolia.com/"

19. Letter dated 7 January 2021 addressed by the Chairman and CEO of Veolia to the Chairman of the Board of Directors of Suez

"Dear Philippe,

For nearly two months, you have complained that in implementing its industrial plan to create a French global champion of ecological transformation, Veolia has until now only given notice of its intention to make a takeover bid for Suez. ln your opinion, "an intention is not a bid". I take note of what you say. As you know, Veolia cannot formally table such a bid at the present time. But since its inability to do so is temporary, and to move things forward, I set out below the proposed takeover bid for Suez that I will table at the AMF when it becomes possible to do so. This proposal contains the elements of our plan that have been communicated since August 30.

lt summarizes the proposed takeover bid detailed in the offer document attached, but it also covers the additional points for discussion that I am prepared to include in the final version of this bid. For that purpose, I am willing to meet you, either alone or with your full Board of Directors.

The proposal is clear: to combine Suez and Veolia through the purchase of the whole of Suez's capital. As set out in the intended bid published on October 5, 2020 in accordance with Article L. 233-7 of the Commercial Code, Veolia intends, as soon as possible, to make a voluntary takeover bid for the stake in Suez's capital that it does not yet own (70.1%). This combination will provide an historic opportunity for our country to create a long-term world leader in ecological transformation, of French nationality and a European culture, an opportunity to give a strong response to the climatic and environmental concerns shared by the vast majority of our fellow citizens and by our planet's scientific, entrepreneurial and political leaders. This combination is consistent with the purposes of both companies, which, although expressed slightly differently, are extremely similar: Suez focuses on "preserving and restoring the planet's natural capital: water, soil and air", while Veolia's stated aim is to "contribute to human progress to achieve a better and more sustainable future for all".

1. The Industrial Plan

The combination of Veolia and Suez would considerably strengthen the position of the newly-formed group as the leading global player in the management of water and the treatment of waste. With the contribution made by Veolia's skills in energy, which is a key component of ecological transformation, the group would have access to a unique range of solutions and technologies. Currently, the industrial ecological transformation market remains extraordinarily fragmented: in global markets estimated at €625 billion for water and €360 billion for waste, Veolia is currently the world leader with a market share of only 2% or 3%, and its challenger is Suez, with a market share of about 2%. Consolidation of the sector appears to be inevitable, and in fact has already started, for example with the purchase of Viridor by KKR or of Urbaser by China Tianying. Indeed, such consolidation is necessary, particularly to meet the challenges of financing the increasing Research & Development efforts essential to the development of new environmental technologies, of mobilizing the capital necessary to launch model operations for the treatment of hazardous waste or the protection of water resources - both strongly growing sectors, or of developing solutions to enable industries to meet environmental standards - which are bound to become stricter in the next few decades.

Due to their excellent geographical complementarity, particularly in Europe (Veolia is extremely strong in Central and Eastern Europe and the United Kingdom, while Suez's historical territories are located in Northern Europe and Spain), but also outside it, the combination of the two groups will result in the creation of the world's leading player in the management of water and the treatment of waste. This Veolia-Suez group will have a unique offer in terms of services and performance both for regional authorities and industrial customers. This complementarity will also be extremely strong in strategic future growth segments and in know-how, especially in digital.

The operation would effectively create a sustainably French "armed force" on the ecological transformation front, a force capable of making commitments to achieve tangible and measurable targets and results within short timeframes, not only to local authorities but also to industrial companies and the agricultural sector.
The combination of Suez and Veolia will create substantial value for the benefit of all its stakeholders:

- shareholders will benefit from the increase in net profit associated with operational synergies;
- the two groups' customers will have access to an enlarged global network, to a more extensive range of
- offers and technologies, and to a capacity for innovation accelerated by the ability to amortize over a wider customer base, enabling them to achieve their own environmental objectives faster;
- protection of the planet is central to this combination because its very foundation is ecological transformation (with broader offers and geographical complementarities);
- the two groups' employees will have greater professional development and wider mobility prospects, and their occupations will benefit from increased visibility and attractiveness;
- finally, regions will benefit from the greater dynamism of their supplier and subcontractor networks, and
- from an increased contribution to training and jobs.

Finally, this combination fits perfectly with the creation of a more powerful and sovereign Green Deal Europe capable of exporting an alternative to the model of the Chinese blocs - which have been particularly active in the last few years and especially ambitious in terms of future ecological transition activities - and those of America. lt could become a major advantage in the implementation of the Green Deal and of the European recovery plan, and it is a perfect match for the ambitions of the European Commission.

For all these reasons, I believe that this French solution for Suez, based on a long-term view and on industrial logic, is the best both for our groups and for French industry.

There has recently been much talk of potential alternative bids for Suez, and in particular those that might be made by consortiums of financial partners. As we know all too well, consortiums potentially involve divergent interests that could harm Suez and pull the group in contradictory directions. Financial partners making a bid have higher expectations in terms of returns on capital invested than industrial companies, and they expect those returns to be delivered faster; sooner or later, this will result in Suez having more debt, having to make more asset sales and having to pay exceptional dividends to de-risk and boost the returns of those investors. There are no exceptions to this rule, and this will inevitably jeopardize Suez's stability and integrity. What is more, the inevitable disengagement of the various shareholders over time will pose a threat to the group's sustainability from the very outset and will result in a potential fragmentation of its assets through successive sales of businesses, a large proportion of which will, of necessity, be to foreign interests. A separation of the water and waste businesses would be prejudicial to the interests of customers, whose needs in terms of ecological transformation are frequently found at the boundary between those activities or where they overlap, not to mention the area of energy.

For all these reasons, I cannot see how such an alternative bid could be as attractive as a consistent, permanent and French industrial approach such as that presented above.

2. The Social Plan

This new Veolia-Suez group will be firmly rooted in France. This will not only ensure that today's jobs will be preserved (in the manner detailed below), but also that the jobs of the future will be invented in France. lndeed, the plan is to invest significantly in France, in particular in R&D (through the technological networks of excellence that are so crucial to tomorrow's world).

Specifically, Veolia undertakes to ensure that the combination does not have a negative impact on employment in France: the entire workforce of Suez and its controlled subsidiaries engaged in salaried activity in France will retain their positions and their social benefits. The ongoing acquisition of Osis from Suez provides concrete proof of this and has been welcomed by the unions at Osis. Veolia's undertaking will remain valid at least until the second half of 2023, which is already two years after this combination is finalized, representing an extraordinarily strong commitment in terms of employment. But the ambition for the new group goes much further than that and is to have a sustainably net positive impact on employment in France.

The history of employment relations at Veolia shows that commitments given are observed. But Veolia is ready to give commitments monitored by national representative bodies and subject to penalties, in order to provide a solemn "guarantee" that they will be fulfilled. These commitments combined with Veolia's track record and the possibility of penalties are worth more than the deafening silence from all the potential partners involved in alternative bids. I look forward to having an opportunity to discuss this matter with Suez employees.

As regards activities in France that will have to be sold to obtain regulatory approvals, Veolia also undertakes to ensure that the chosen purchasers enter into the same commitments in terms of jobs for employees of the purchased companies working in France, and price will be the last of the chosen criteria for the sale of such activities. Meridiam has already given the same commitments with regard to the areas that it would acquire and has even committed to recruiting more than 1,000 apprentices as early as the first year.

It is proposed that a joint committee be formed including representatives of Suez, Veolia and their employees, which will monitor the compliance of the purchaser selection process with these commitments.

The synergies published by Veolia, estimated at €500 million per year, relate to operational efficiency measures (in particular, improving plant performance and reducing the electricity consumption of water treatment plants) and savings made by the consolidation of purchasing activities; they are therefore entirely consistent and compatible with the employment commitments given in this letter.

ln the same way, our intentions with respect to the jobs of employees at Suez's headquarters, numbering about 750 people, are entirely compatible with our commitments. Specifically, on the basis of the information we have, we currently envisage that between 100 and 200 employees whose work is mainly associated with Water France, will join this activity. The remaining employees are either in positions that are indispensable to Veolia (researchers, engineers, lawyers, etc.), or consist of about 300 individuals in other positions for whom Veolia undertakes to devise a suitable and stimulating career path, within a group that will provide unprecedented opportunities due to its new size.

In terms of combining the management teams to constitute the new group, we undertake to include senior executives from Suez in management bodies in a spirit of balance and based on skills criteria. ln that spirit, Veolia undertakes to arrange an independent assessment of candidates for management positions within the new group in order to allocate responsibilities objectively between professionals from the two companies. In order to guarantee the objectivity of the allocation of management positions, and when necessary at least for the top 100, Veolia will put a system in place to assess skills and to make an impartial selection of the best applicants, using external expertise to ensure the independence of the assessment and to choose the best candidates, whether they come from Veolia or from Suez.

Following this objective assessment procedure, Veolia could bring in four or five executives from Suez to be among the dozen or so members of its executive committee. ln the same way, about fifteen to twenty country managers would be selected from the Suez workforce in the forty or so countries where the combined group will be represented upon completion of the operation.

Ultimately, Suez employees will have nothing to lose and much to gain from the new opportunities presented by the enlarged, more innovative and international group. The aim will be to build a French, global, ecological transformation champion, an exciting and motivating project for all.

The social environment at Veolia, the humanist philosophy that guides the company, the importance that I attach to such matters and the reality of the social management of our group, all provide a guarantee of their own observance and of the success of the enterprise that we wish to build with Suez and all its employees.

3. The Terms of the Bid

For the acquisition of the Suez shares not owned by Veolia (about 70.1%), Veolia proposes a cash price of €18 per share tendered, with dividend rights, without interest and subject to the deduction of any withholding tax that might be applicable. The tender offer will be conditional upon the successful completion of competition procedures and upon preservation of the integrity and consistency of your group's strategic assets.

This price will be reduced by any other distribution or adjusted to take account of any capitol transaction (for example, a share split or consolidation, capital increase or reduction, redemption of shares, merger, spin-off, asset transfer, etc.) decided upon between now and the date of settlement and delivery of the acquired shares.

ln particular, the following factors have been taken into account by Veolia in determining the price per share:

- Market references:
  - analysis of Suez's historic share price on July 30, 2020
  - the share price target of financial analysts
  - the purchase price of 29.9% of Suez from Engie in October 2020
- Intrinsic valuation:
  - discounting future available cash flows
- Relative valuation:
  - multiples of comparable listed companies·.

ln addition, account has been taken of Suez's financial information available in annual and interim financial statements, presentations and reports of financial analysts, financial communications and press releases.

This price of €18 per share is extremely attractive and represents:

- a premium of 75% on the Suez share price unaffected by the announcement of Engie's intentions on July 31, 2020, of €10.30;
- a premium of 73% on the weighted average for the three months preceding July 31, 2020, of €10.40;
- a premium of 57% compared to the average target prices for Suez shares published between June 3, 2020 and July 31, 2020, of €11.00;
- a premium on all Suez closing prices since November 2015, more than five years ago.

The tabling of the takeover bid will be subject to the suspensive condition that the necessary regulatory approvals will be obtained. We hope to obtain approval as early as phase 1. According to our analyses, we should have to notify in 20 jurisdictions, including the European Union. Contacts have already been made, particularly with the EU, and the first pre-notifications were made in mid-November.

Apart from Water France, mentioned below, a certain number of disinvestments will have to be made in the waste sector in France, which we will endeavor to carefully select. A number of industrial and financial players will certainly be candidates for the purchase of these. Internationally, the disposals to be envisaged should, overall, be extremely limited and concern few assets, mainly in Australia and perhaps in the United Kingdom.

Veolia has the necessary funds to complete the bid and its payment is not subject to any financing condition. The bid will be financed by a bridging loan concluded with a banking syndicate. lt is anticipated that this loan will be refinanced in part by the proceeds of the sales required by the competition authorities and by the issue of hybrid debt securities and equity or convertible securities, in order to preserve a credit rating equivalent to a solid investment grade rating.

Veolia's bid will not include any withdrawal threshold type clause or any clause relating to a material adverse change between now and its closing date.

4. Points open for discussion in the context of your Board's agreement

I have carefully analyzed the terms of execution of the Veolia-Suez combination in order to anticipate and overcome any difficulties so that they do not have an unfavorable impact either on Veolia or Suez. Since the public announcement of our plan on August 30, 2020, we have been able to refine our proposal and even to offer improvements and specific undertakings which, I think, answer all the fears that this ambitious project may legitimately have generated.

Veolia's Board of Directors authorizes me to enter into discussions with you immediately provided that they take place in good faith for the purposes of reaching an agreement, which could take the form of a Combination Agreement.

I am ready to open such discussions on three main points:

- **The terms of the Bid:**

- ln addition to the main offer in cash, I am prepared to discuss the introduction in due course of a subsidiary offer in shares, subject to a percentage limit, particularly for the benefit of our many common shareholders and all those who clearly see the value of our industrial plan. The terms of this offer would be defined when the time comes, before the opening of the offer. Of course, shareholders preferring cash will be able to take advantage of the main offer without any limit.

- **The sale of Suez's Water activities in France**

- I would like to see a solution offering real, long-term competition on the French market for local authorities. For France, the main issue concerns all Suez's Water activities. I have taken the initiative of securing a partnership agreement and an offer for this asset from Meridiam, a very reputable French infrastructure management company, which, subject to obtaining the required merger control approvals, has undertaken to purchase all the Water activities in France of Suez and its subsidiaries, including the business of designing and building water treatment installations in France (Degrémont France) and the R&D activity (Centre International de Recherche sur l'Eau et l'Environnement (CIRSEE)) associated with that division, which are not owned by Suez Water France.
- In fact, local public services have been central to Meridiam's industrial plan since its creation in 2005. The assets managed by Meridiam are managed for a minimum period of 25 years and it can therefore give a commitment without any exit obligation. As a company with a mission, Meridiam works closely with the French regions on specific projects distributed throughout the country such as large infrastructure projects in the area of transport, local social facilities or key energy transition infrastructures. Meridiam wishes to develop a water platform, and, along with taking over the investment, has effectively undertaken to invest €800 million in the next 5 to 7 years.
- In the context of an agreement, we could find a solution that allows for the divested business to have an international component, subject to this not undermining the industrial logic of the project that we are proposing: for example, a presence in two or three countries and international revenue equivalent to the revenue in France.

- **Social commitments**

- ln spite of the uncertainties associated with the current health crisis and economic situation, I have made exemplary commitments in the area of employment. These commitments would last until the second half of 2023 in the context of the integration of the two groups. I have proposed public monitoring of these commitments, which would be a first in France, in the form of a parliamentary, multi-year mechanism, including, if necessary, penalties for non-compliance. We can cover these commitments in detail in our discussions. I would also like to reserve a place for the management of Suez and give them an exemplary role in the conduct of this operation both at the Comex and country management levels. The manner in which these commitments would be organized can also be discussed.
- The joint committee to ensure compliance with the criteria for the selection of disinvestments may also be discussed.
- Finally, the participation of certain Suez directors, including an employee director, on the Board of Directors of Veolia, may also be envisaged.

I would also like the following three counterpart measures on the part of Suez to be discussed:

- The effective deactivation of the inalienability mechanism relating to Suez Water France and its subsidiaries and assets;
- A commitment to manage the Suez SA group in the ordinary course of business and as a prudent owner,

particularly from the point of view of its liquidity, and in particular a commitment not to sell assets other than those necessary to obtain regulatory approvals, with a limited list of strategic assets that could not be sold by Suez during the validity of the Combination Agreement: Suez's activities in Spain, Chile and the United States in water, and in the United Kingdom and Australia in waste;

- The usual cooperation clauses, particularly in the antitrust process.

Veolia's Board of Directors unanimously supports this letter and the project that it describes. Completion of the envisaged operation will not require the approval of Veolia's shareholders. This proposal contains all the constituent elements of Veolia's plan. I hope that it will allow the discussions between our two companies, as outlined at the beginning of October, to be reopened. If dialog is refused again, I will be obliged to draw the necessary conclusions as to our intentions concerning the conduct of the bid.

5. Expenses

Each of the parties will pay any expenses and fees that it may incur for the purposes of the discussions mentioned in this letter and for the preparation and completion of the agreements referred to herein.

6. Choice of law and jurisdiction

This letter is subject to French law. Any disputes arising or that may arise in connection with this letter will be subject to the exclusive jurisdiction of the courts under the jurisdiction of the Paris Court of Appeal, even in the case of multiple defendants, connected issues, indemnity claims or applications to intervene. This letter is indicative and does not create any obligation on Veolia's part that is not included in a definitive agreement with Suez.

The above therefore summarizes our proposal to Suez stakeholders and how it will be reflected in terms of a Bid to all Suez shareholders, with whom the final decision on this offer legitimately rests. I would ask you please to pass this letter on to all the members of your Board of Directors and to the staff representative bodies concerned.

I look forward to hearing from you and to holding the discussions necessary to formalize an agreement.”

SUBSCRIPTION AND SALE OF THE NOTES

The section "*Subscription and Sale of the Notes*" appearing on pages 81 to 84 of the Base Prospectus is amended as follows:

(i) The selling restriction entitled "*Prohibition of Sales to EEA and UK Retail Investors*" appearing on page 81 is deleted in its entirety and replaced with the following:

"***Prohibition of Sales to EEA Retail Investors***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); or

(ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes."

(ii) The selling restriction entitled "*United Kingdom*" appearing on page 82 is deleted in its entirety and replaced with the following:

"***United Kingdom***

Prohibition of sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

(a) in relation to any Notes which have a maturity of less than one (1) year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom."

FORM OF FINAL TERMS

The section "*Form of Final Terms*" appearing on pages 85 to 100 of the Base Prospectus is amended as follows:

(i) The disclaimer entitled "*PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS*" appearing on page 85 is deleted in its entirety and replaced with the following:

"**PROHIBITION OF SALES TO EEA RETAIL INVESTOR**S - The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**")]/[MiFID II]; or (ii) a customer within the meaning of Directive 2016/97/EU on insurance distribution, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation 1286/2014/EU (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation."

(ii) After the disclaimer entitled "*MIFID II product governance / Professional investors and ECPs only target market*" appearing on page 85, the following two paragraphs are inserted:

"**[UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes, on the basis of the relevant applicable provisions of English law, has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][2]

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation."

[2] Legend to be included only (i) if the Notes are being offered to investors in the United Kingdom and (ii) following completion by the manufacturers of the target market assessment in respect of the Notes, on the basis of the relevant applicable provisions of English law.

GENERAL INFORMATION

The section "*General Information*" appearing on pages 101 to 104 of the Base Prospectus is amended as follows:

a) The item (9) appearing on page 102 is deleted in its entirety and replaced with the following:

"Save as disclosed in this Base Prospectus, neither Veolia Environnement nor any member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Veolia Environnement is aware) during a period covering at least the past twelve (12) months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Group."

b) The item (10) appearing on page 102 is deleted in its entirety and replaced by the following:

"Save as disclosed in this Base Prospectus, and in particular in the press releases set forth in the section "Recent Developments" above, including with respect to the impact that the sanitary crisis resulting from COVID-19 has already had or may have, there has been no significant change in the financial performance or financial position of the Issuer or the Group since 30 September 2020."

PERSONS RESPONSIBLE FOR THE SUPPLEMENT

The Issuer confirms that the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and that it contains no omission which could affect its import.

Veolia Environnement
21 rue La Boétie
75008 Paris
duly represented by Antoine Frérot, Chairman and CEO
on 8 January 2021