



**Information relating to elements of the compensation of the Chairman and Chief Executive Officer
published pursuant to the recommendations of the
AFEP-MEDEF Corporate Governance Code**

Grant of performance shares by the Board of Directors on May 5, 2020

Paris, May 6, 2020

In the context of the Group's compensation policy and the authorization given by the General Shareholders' Meeting of Veolia Environnement on April 22, 2020 (23rd resolution), the Board of Directors decided, on May 5, 2020, on a proposal from its Compensation Committee, to grant 1,109,400 performance shares (or about 0.2% of the share capital, under an authorization from the Shareholders' Meeting with a global limit of 0.5% of the capital) to around 450 beneficiaries including the Group's top executives, high potential employees and key contributors.

In this context, 51,993 performance shares were granted to the Chairman and Chief Executive Officer, Mr. Antoine Frérot (or about 0.01% of the capital, under an authorization from the Shareholders' Meeting with a global limit of 0.04% of the capital).

These shares will vest subject to the beneficiary **remaining with the Group** until May 5, 2023, inclusive, save in the event of death, invalidity or exceptional circumstances and a **performance condition** tied to the attainment of the following internal and external criteria:

- **financial criteria in the amount of 50%;**
- **quantifiable non-financial criteria in the amount of 50%.**

The number of performance shares that vest under this plan will depend on the attainment of:

For the **50% financial quantifiable** portion:

- **a Profitability indicator (CNIGS) (economic performance criteria) for 25%** of performance shares granted, assessed on expiry of the plan, based on target average growth in current net income attributable to owners of the Company (CAGR: Compound Annual Growth Rate) of 7% per year from 2019, over the reference period comprising fiscal years 2020, 2021 and 2022.
 - if CNIGS as of December 31, 2022 is less than or equal to €847 million, no performance shares will vest under this indicator.
 - if CNIGS is equal to or more than €931 million, 100% of performance shares will vest under this indicator.
 - shares will vest on a proportional basis between these two thresholds;
- **a relative TSR indicator (stock market performance criteria) for 25%** of performance shares granted, measuring the relative performance of the total shareholder return (TSR) of the Veolia Environnement share (including dividends) compared with the Stoxx 600 Utilities (Price) SX6P (European Utilities) index ("the Index"). This performance will be determined as of December 31, 2022, the fiscal year and calculated over the three fiscal years, 2020, 2021 and 2022, corresponding to the reference period (the "Reference Period"). This performance condition will be applied over the reference period as follows:



- if the TSR of the Veolia Environnement share over three years:
- is lower than the Index: no shares will vest under this criterion,
- increases in the same amount as the index: 50% of the performance share granted under this indicator will vest,
- increases by 10% or more compared with the Index: all performance shares granted under this indicator will vest,
- increases between the Index and 10% higher than the Index: the number of shares that vest under this criterion will be determined by linear interpolation (proportional basis);

For the **50% non-financial quantifiable** criteria: *(Note: the 2019 reference base as well as the 2023 target for these indicators are detailed in Section 1.2.4.6 of the 2019 Universal Registration Document)*

- a **climate** indicator (for **5%** of performance shares granted): by the end of 2022 annual contribution to avoided GHG emissions in metric tons of CO₂ equivalent, as follows:
 - if the indicator is less than or equal to 12 million metric tons, no performance shares will vest,
 - if the indicator is equal to or more than 14 million metric tons, all performance shares granted under this indicator will vest,
 - between these two thresholds, the number of shares that vests under this indicator will be determined by linear interpolation (proportional basis);
- a **Customer satisfaction** indicator (for 5% of performance shares granted): measurement of customer satisfaction using the Net Promoter Score (NPS) methodology, as follows:

If more than 50% of revenue is covered by the NPS approach in the 10 largest Business Units (“BU”), based on the following attainment scores:

- if the overall NPS score is less than 20, no performance shares will vest,
- if the NPS global score is equal to or more than 30, all performance shares granted under this indicator will vest,
- between these two thresholds, the number of shares that vests in respect of this indicator will be determined by linear interpolation (proportional basis);

If less than 50% of revenue is covered in the 10 largest Business Units, no performance shares will vest in respect of this indicator.

- **Diversity** indicator (for 10% of performance shares granted): percentage of women appointed among executive officers during the period 2020-2022, as follows:
 - if the indicator is less than or equal to 35%, no performance shares will vest,
 - if the indicator is equal to 42%, 50% of performance shares granted under this indicator will vest,
 - if the indicator is equal to 50%, all performance shares granted under this indicator will vest,
 - between these thresholds, the number of shares that vests under this indicator will be determined by linear interpolation (proportional basis);



- an **Access to essential services** indicator (for 5% of performance shares granted): increase in the number of inhabitants benefiting from inclusive services to access or retain access to sanitation services under Veolia contracts at constant scope, as follows:
 - if the indicator is less than or equal to the 2019 base (4.17 million inhabitants), no performance shares will vest,
 - if the indicator increases 10% compared to the 2019 base, all performance shares granted under this indicator will vest,
 - between these two thresholds, the number of shares that vests in respect of this indicator will be determined by linear interpolation (proportional basis);
- an **Innovation** indicator (for 5% of performance shares granted): by the end of 2022, inclusion by the Group in 10 contracts of at least 10 different innovations based on a predefined list presented in Section 7.4.4.2 of the Universal Registration Document, as follows:
 - if the indicator is less than or equal to 5, no performance shares will vest,
 - if the indicator is equal to or more than 10, all performance shares granted under this indicator will vest,
 - between these two thresholds, the number of shares that vests in respect of this indicator will be determined by linear interpolation (proportional basis);
- a **Water resource protection** indicator (for 5% of performance shares): by the end of 2022 improvement in the efficiency of drinking water networks (volume of drinking water consumed/volume of drinking water produced), as follows:
 - if the indicator is less than or equal to 72.5%, no performance shares will vest,
 - if the indicator is equal to or more than 74%, all performance shares granted under this indicator will vest,
 - between these thresholds, the number of shares that vests under this indicator will be determined by linear interpolation (proportional basis);
- a **Circular economy/Plastics** indicator (for 5% of performance shares granted): by the end of 2022, increase of the volume of transformed plastic, in metric tons of products leaving plastic transformation plants, as follows:
 - if the indicator is less than or equal to 450 thousand metric tons, no performance shares will vest,
 - if the indicator is equal to or more than 530 thousand metric tons, all performance shares granted under this indicator will vest,
 - between these two thresholds, the number of shares that vests in respect of this indicator will be determined by linear interpolation (proportional basis);
- a **Socio-economic footprint** indicator for Veolia’s activities in countries where the Group operates (for 5% of performance shares granted): by the end of 2022 measure of wealth created and the number of jobs supported by Veolia in the world using the local footprint methodology, calculated by the company Utopies. Attainment of this indicator will be measured as follows:
 - if there is an external annual publication in each of the three years (2020, 2021, 2022) on the global



impacts and impacts by geographic zone in at least 45 countries, all performance shares granted under this indicator will vest,

- if there is an external annual publication in two of the three years on the global impacts and impacts by geographic zone in at least 45 countries, 66% of performance shares granted under this indicator will vest,
 - if there is an external annual publication in one of the three years on the global impacts and impacts by geographic zone in at least 45 countries, 33% of performance shares granted under this indicator will vest,
 - if there are no annual publications of the global impacts and impacts by geographic zone in at least 45 countries, no performance shares granted under this indicator will vest.
- a **Biodiversity** indicator (for 5% of performance shares granted): measure of the rate of progress with action plans aimed at improving the impact on the natural environment and biodiversity at sensitive sites, as follows:
- if the indicator is less than or equal to 30%, no performance shares will vest,
 - if the indicator is equal to or more than 60%, all performance shares granted under this indicator will vest,
 - between these two thresholds, the number of shares that vests in respect of this indicator will be determined by linear interpolation (proportional basis);

Pursuant to Article L. 225-197-1 of the French Commercial Code, Mr. Antoine Frérot will also be obliged to retain as registered shares until the end of his duties, 40% of the total performance shares granted under this plan, net of applicable taxes and social security contributions, until an overall shareholding corresponding to 200% of his annual gross fixed compensation is reached.

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