



VEOLIA ENVIRONNEMENT

Société anonyme with a share capital of €2,897,915,945

21, rue La Boétie, 75008 Paris, France

Registered with the Paris Trade and Companies Register under number 403 210 032.

UPDATE TO THE 2020 UNIVERSAL REGISTRATION DOCUMENT



This update to 2020 Universal Registration Document was filed on September 15, 2021 with the *Autorité des Marchés Financiers* (AMF, the French Financial Markets Authority), as the competent authority pursuant to Regulation (EU) 2017-1129, without prior approval in accordance with Article 9 of this Regulation.

The Universal Registration Document may be used when securities are offered to the public or admitted to trading on a regulated market, if supplemented by a securities note and, where applicable, a summary and all updates to the Universal Registration Document. These documents were approved as a whole by the AMF in accordance with Regulation (EU) 2017-1129.

This update (the “**Update**”) supplements and must be read in conjunction with the 2020 Universal Registration Document filed with the AMF on March 17, 2021 under number D.21- 0145 (the “**2020 Universal Registration Document**”).

A cross-reference table is presented in this Update to facilitate the identification of information incorporated by reference and information updated or amended.

In the Update, the terms “**Veolia Environnement**”, “**Veolia**” and the “**Company**” refer to Veolia Environnement S.A. and the term “**Group**” refers to the Company and all its consolidated subsidiaries.

The 2020 Universal Registration Document and the related Update are available on Veolia’s website (<https://www.veolia.com/en>) on the “*Financial Publications*” page, as well as on the AMF’s website (www.amf-france.org).

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1. SELECTED FINANCIAL INFORMATION AND RE-PRESENTED PRO FORMA ALTERNATIVE PERFORMANCE MEASURES

<i>(€ million)</i>	Key figures	
	Year ended December 31, 2020	Half-year ended June 30, 2021
Revenue	26,009.9	13,645.1
Operating income after share of net income (loss) of equity-accounted entities	919.5	739.8
Net income attributable to owners of the Company	88.8	300.5

<i>(€ million)</i>	Re-presented unaudited pro forma alternative performance measures*		
	Half-year ended June 30, 2020	Year ended December 31, 2020	Half-year ended June 30, 2021
Re-presented pro forma revenue	16,870	35,321	18,287
Re-presented pro forma EBITDA	2,035	4,975	2,921
Re-presented pro forma CAPEX net of industrial divestitures	(1,320)	(3,106)	(1,277)

* The re-presented unaudited pro forma key performance measures presenting additional unaudited information for the half-years ended June 30, 2020 and 2021 and the year ended December 31, 2020, aim to illustrate the impact of (i) the planned takeover of Suez by Veolia and the Scope Divestment (as defined in Section 2.1.1.4 of this Update), as well as (ii) the sale of assets put up for sale by the Suez group in fiscal years 2020 and 2021 (including Group transactions in Northern Europe) on a selection of key performance measures. The re-presented pro forma alternative performance measures differ from the pro forma performance measures based on the pro forma consolidated statement of financial position and income statement (see Section 3 of Appendix 2 to this Update), in so far as they aim not only to reflect the impact of the acquisition transaction but also to neutralize the impact of asset disposals by Suez in fiscal years 2020 and 2021 (including Group transactions in Northern Europe), the impact of which does not reflect the normal course of business and therefore the performance of the combined new group. This pro forma information and measures are presented for information purposes and present a situation that is by nature hypothetical.

2. SUEZ ACQUISITION PROJECT

Section 1.2.5 « Project of Acquisition of Suez » of the 2020 Universal Registration Document is amended and completed as follows:

2.1 *Presentation of the Transaction*

2.1.1 *Background of the Transaction*

2.1.1.1 *Acquisition of Engie's participation in Suez*

Following the announcement by Engie on July 31, 2020 of the launch of a strategic review including its stake in Suez, Veolia made a firm offer to Engie on August 30, 2020 for the immediate acquisition of a block of Suez shares held by Engie representing approximately 29.9% of the share capital and voting rights of Suez. This offer, initially made at a price of €15.50 per share (*cum dividend*), was increased by Veolia on September 30, 2020 to a price of €18 per share (*cum dividend*). The initial offer and the improved offer were each the subject of a Veolia press release, respectively on August 30 and September 30, 2020.

On October 5, 2020, the Board of Directors of Engie accepted Veolia's improved offer and, prior to the announcement of the draft Offer, Veolia and Engie entered into a share purchase agreement pursuant to which Veolia acquired from Engie 187,800,000 Suez shares, representing approximately 29.9% of the share capital and voting rights of Suez, at a price of €18 per share (*cum dividend*) (the "**Block Acquisition**"). In a press release published on the same day, Veolia confirmed its intention to file the draft tender offer for the shares of Suez not owned by Veolia (the "**Offer**") at the price of €18 per share (*cum dividend*).

The Block Acquisition was financed with Veolia's own resources and then refinanced on October 14, 2020 through the issuance of undated deeply subordinated notes of last rank in euros (€850 million at a 2.25% yield with a first revision date in April 2026, and €1,150 million at a 2.50% yield with a first revision date in April 2029).

2.1.1.2 *Filing of the Offer*

On November 3, 2020, Veolia publicly indicated that this filing would take place as soon as Suez's board of directors had issued a favorable opinion on the proposed combination (the "**Transaction**") and deactivated the mechanism ensuring the inalienability of Suez's water business in France set up through a foundation under Dutch law. This information, which was intended to accelerate the timetable for filing the draft Offer, was also the subject of a press release by Veolia.

On January 7, 2021, Veolia formally sent its Offer proposal, at a price of €18 per share (*cum dividend*), to Suez's Board of Directors. This proposal described in particular all the aspects of the industrial project, the social proposal and the financial conditions proposed by Veolia. The letter addressed to the Suez Board of Directors and the preliminary draft offer document prepared in this context were the subject of a press release by Veolia and were made available to the public.

On February 7, 2021, Veolia's Board of Directors decided to modify the declaration of intent made in the context of the Block Acquisition, by no longer conditioning the filing of the draft Offer on a favorable response from Suez's Board of Directors, in accordance with applicable regulations, and to file the draft Offer with the AMF accordingly.

The draft Offer, which at the time proposed a price of €18 per share (*cum dividend*), and the corresponding draft offer document were filed with the AMF on February 8, 2021 by Crédit Agricole Corporate and Investment Bank, HSBC Continental Europe, Bank of America Europe DAC (Branch in France), and Morgan Stanley Europe SE (the "**Presenting Banks**"), acting on behalf of Veolia, in

accordance with the provisions of Article 231-13 of the AMF General Regulation. This filing was the subject of a filing notice from the AMF¹.

2.1.1.3 Agreement in principle entered into between Veolia and Suez on their combination

On April 12, 2021, Veolia and Suez announced that they had reached an agreement in principle (the “**Agreement in Principle**”) setting out the general principles of a comprehensive and friendly solution for a combination between the two groups. This announcement was made via a joint press release from Veolia and Suez, available on their respective websites (www.veolia.com and www.suez.com).

The Agreement in Principle sets out the main terms and conditions of the combination between Veolia and Suez, in particular:

- the increase of the draft Offer price from €18 per share (*cum* dividend) to €20.50 per share (*cum* dividend);
- the reiteration of Veolia’s social commitments for a period of four years from the closing of the Offer;
- the recommendation of the Offer by the Board of Directors of Suez, subject to obtaining a fairness opinion in accordance with the regulations in force;
- the creation of a new Suez, which would have nearly €7 billion in revenue, made up of assets forming a coherent and sustainable industrial and social entity with real growth potential;
- the full cooperation of Suez, Veolia and the new Suez takeover consortium (namely Meridiam, Caisse des dépôts et consignations, CNP Assurances, and Global Infrastructure Partners (the « **Consortium** »)) in obtaining the necessary clearances;
- the deactivation of the Dutch foundation by Suez, the termination of the asset sale agreements with Cleanaway in Australia, and the withdrawal of Suez and Veolia from ongoing litigations; and
- the conclusion of the final agreements reflecting the said Agreement in Principle by May 14, 2021 at the latest.

2.1.1.4 Conclusion of the final agreements

On May 14, 2021, Veolia and Suez entered into a combination agreement (the “**Combination Agreement**”) and a memorandum of understanding (the “**Memorandum of Understanding**”) with the Consortium.

Prior to their conclusion, the Combination Agreement and the Memorandum of Understanding were approved by the Board of Directors of Veolia and the Board of Directors of Suez. The Suez Board of Directors also welcomed the proposed combination of the two groups.

a. Main terms of the Combination Agreement

The Combination Agreement between Veolia and Suez sets out the terms and conditions for the implementation of the Offer and establishes the general principles for the creation of the new Suez through the sale by Suez to the Consortium of its Water and Waste businesses (excluding hazardous

¹ AMF notice no. 221C0312 of February 8, 2021 available on the AMF website (www.amf-france.org).

waste) in France and certain international assets (the “**Scope**”, and the sale of this Scope to the Consortium, the “**Scope Divestment**”). The Combination Agreement contains:

- the terms and conditions of the Offer;
- the undertaking by Veolia to increase the price of the draft Offer from €18 per share (cum dividend) to €20.50 per share (cum dividend) and the filing of the corresponding revised draft offer document, subject to, and concurrently with, the notification of the delivery by the Suez Board of Directors of a reasoned opinion in favor of the Offer, in accordance with Article 231-19 of the AMF General Regulation;
- the undertaking by Suez to convene its board of directors to give a reasoned opinion on the Offer subject to its fiduciary duties, the opinion of the Suez Group Committee, and the positive conclusion of the independent expert on the fairness of the financial terms of the Offer;
- the reiteration of Veolia’s social commitments for a period of four years from the first settlement-delivery date of the Offer;
- the undertaking by Veolia and Suez to cooperate fully in obtaining all necessary regulatory clearances in connection with the Offer and more generally with the combination, including obtaining merger control clearance from the European Commission;
- the guiding principles and draft Memorandum of Understanding in accordance with which the Scope Divestment must be prepared and implemented;
- Veolia and Suez’s commitment to cooperate fully in the preparation and completion of the Scope Divestment;
- the conditions for the deactivation of the Dutch foundation by Suez, and Veolia and Suez’ withdrawal of the ongoing litigation;
- a customary exclusivity undertaking by Suez in favor of Veolia; and
- a customary undertaking made by Suez concerning management in the normal course of business.

The Combination Agreement shall terminate on the later of the date of settlement-delivery of the Offer and the date of completion of the Scope Divestment, unless it is terminated earlier by mutual agreement of the parties or unilaterally (i) by Veolia if (a) the Board of Directors of Suez recommends a superior offer, (b) Suez fails to perform any of its obligations under the Combination Agreement or (c) the AMF announces the failure of the Offer, and (ii) by Suez if (a) Suez accepts a superior offer, (b) Veolia fails to perform any of its obligations under the Combination Agreement, (c) the Offer is declared non-compliant by the AMF or following a court decision, (d) Veolia withdraws from the Offer or (e) the AMF announces the failure of the Offer. The Combination Agreement will also automatically terminate if the first settlement-delivery of the Offer and the completion of the Scope Divestment have not occurred at the latest on June 30, 2022.

For the purposes of their cooperation in accordance with the terms of the Combination Agreement, Veolia and Suez have also organized an exchange of limited information concerning them through a “data room” procedure, in accordance with the applicable regulations.

b. Main terms of the Memorandum of Understanding

The purpose of the Memorandum of Understanding entered into between Veolia, Suez and the Consortium is to provide a framework for the negotiation of the final agreements and to organize the

procedures for informing and consulting the relevant employee representative bodies of the Suez group in connection with the Scope Divestment.

In accordance with the provisions of the Memorandum of Understanding, the Consortium submitted to Suez and Veolia, on June 27, 2021, a firm and definitive offer under the terms of which the Scope Divestment would be carried out for the benefit of a newly created company owned by Meridiam and Global Infrastructure Partners, each holding 40% of the capital, by Caisse des dépôts et consignations holding 12% and by CNP Assurances holding 8% (the “**Consortium Acquisition Vehicle**”).

The Scope Divestment would include (i) Suez’s Water and Waste operations (excluding hazardous waste) in France, (ii) Suez’s global “Smart & Environmental Solutions” business unit (excluding “SES Spain”, “SES Aguas Andinas” and part of “SES Colombia”), (iii) Suez’s Municipal Water operations in Italy, as well as its stake in ACEA, (iv) Suez’s Municipal Water operations in the Czech Republic, (v) Suez’s Municipal Water and Waste (except hazardous waste) activities in Africa, as well as its stake in Lydec, (vi) Suez’s Municipal Water activities in India, Bangladesh and Sri Lanka, (vii) Suez’s Municipal Water, Industrial Water and Infrastructure Design and Construction activities in China as well as all of the activities of the Suyu group and two industrial incinerators in Shanghai and Suzhou, (viii) Suez’s Municipal Water activities in Australia, and (ix) Suez’s activities in Uzbekistan, Azerbaijan, Turkmenistan and Kazakhstan.

The Consortium's offer values the Scope Divestment at €10.4 billion in enterprise value (taking into account liabilities related to IFRS 16). This valuation includes a potential earn-out amounting €300 million to be paid at the end of the 2021 financial year, determined according to the level of EBITDA achieved by the divested business at the end of the 2021 financial year. This offer values the Scope at €9.1 billion in equity value.

The completion of the Scope Divestment would nevertheless be subject to (i) certain reorganizations relating to the divested scope, (ii) the transfer to the Consortium of at least 90 % of the revenues of the divested scope, and (iii) the settlement of the Offer. As a result, the divestment transaction may not be completed if one of these conditions precedent is not met.

Following the submission of the firm and final offer of the Consortium, the Consortium Acquisition vehicle, Suez and Veolia have signed a Put Option Agreement (the “Put Option Agreement”) pursuant to which the Consortium Acquisition Vehicle has granted a promise to purchase relating to the Scope Divestment, which may be exercised by Suez as soon as the information and consultation procedures with the relevant employee representative bodies of the Suez group are completed.

Attached to the Put Option Agreement is a draft Share and Asset Purchase Agreement (the “SAPA”) which would be entered into between Suez, Veolia and the Consortium Acquisition Vehicle in the event of the exercise of the put option and which sets forth the terms and conditions of the transfer of shares, assets and liabilities held by certain entities of the Suez group to the Consortium Acquisition Vehicle, with a view to the creation of the “new Suez”.

It is specified that SAPA includes, but is not limited to:

- a detailed description of the activities included in the Scope Divestment;
- a detailed description of the reorganization steps to be implemented prior to the completion of the Scope Divestment;
- mechanisms for adjusting the purchase price, upwards or downwards, as usually determined on the basis of financial statements prepared as of the completion date or linked to possible changes in the scope of the divested scope until the completion date, subject to the sett-off mechanisms described in (iv) below;

- mechanisms for implementing economically and industrially equivalent solutions in the event that certain assets to be transferred to the Consortium Acquisition Vehicle cannot be transferred;
- the conditions precedent mentioned above;
- the possibility of completing the Scope Divestment in two stages (staggered closing);
- the social undertakings given by the Consortium Acquisition Vehicle.

The Consortium’s offer also provides for employee shareholding to be increased to 10% of the capital within seven years of the completion of the Scope Divestment.

2.1.1.5 Recommendation of the Offer by the Board of Directors of Suez and finalization of the Offer

On June 29, 2021, in accordance with Article 231-19 of the AMF General Regulation, and having acknowledged the opinion of the Suez Group Committee on the Offer dated June 21, 2021 and the report of the independent expert, Finexsi, on the financial terms of the Offer dated June 29, 2021, the Board of Directors of Suez considered that the Offer was in the interest of Suez, its shareholders and its employees and recommended to the shareholders to tender their Suez shares to the Offer. It being specified that the report of the independent expert concluded that the Offer price is fair from a financial standpoint for Suez’s shareholders.

In accordance with the terms of the Combination Agreement, Veolia consequently decided to increase, as announced, the price of the draft Offer from €18 per share (*cum dividend*) to €20.50 per share (*cum dividend*) and has instructed the Presenting Banks, acting on behalf of Veolia, to inform the AMF of the said price increase and to file the corresponding revised draft offer document.

The draft Offer thus increased and the revised draft offer document were filed with the AMF on June 30, 2021 by the Presenting Banks, acting on behalf of Veolia, in accordance with the provisions of article 231-13 of the AMF’s general regulations. This filing was the subject of a filing notice from the AMF².

It is recalled that, following the detachment of the dividend of €0.65 per share, approved by the general meeting of Suez shareholders held on June 30, 2021, the Offer price of €20.50 per share (*cum dividend*) has automatically been reduced by an amount of €0.65 per share to €19.85 per share (distribution rights attached).

2.1.2 Reasons for the Transaction

2.1.2.1 Building a global leader in ecological transformation

The merger of Veolia and Suez will create a group that will drive ecological transformation at the global level while retaining its French and European roots. Bringing together the strengths of the two groups within a new entity will make it possible to combine expertise to meet the fundamental challenges facing us today, as evidenced by the various recovery plans and the demands of public and private clients. At a time when demand for ecological solutions from citizens and consumers alike has never been so strong, it is essential to translate this demand into concrete “industrial” solutions that are operational, effective and financeable, for both local communities and large industries.

² AMF notice no. 221C1589 of June 30, 2021 (supplement to the AMF notice no. 221C0312 of February 8, 2021) available on the AMF website (www.amf-france.org).

The market of solutions for ecological transformation (combating global warming, pollution treatment, recycling and circular economy to fight against the increasing scarcity of raw materials, digitalization of uses, etc.) is growing strongly but today also very fragmented: as an illustration, the new combined entity will have a market share of around 5%³ worldwide.

Consolidation of the sector appears to be inevitable, particularly in order to meet the challenges of financing the increasing Research & Development efforts essential to developing new environmental technologies, of mobilizing the capital necessary to launch 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. This consolidation has already begun, especially with the acquisition of strategic assets in Europe (Spain, Germany and the United Kingdom) by Chinese stakeholders and American investment funds.

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 blocks - which have been particularly active in the last few years and especially ambitious in terms of future ecological transition activities - and those of America. It could become an 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.

Size is an asset for the development and deployment of these industrial solutions of ecological transformation: to offer a complete range of solutions in all the countries where Veolia's industrial customers are present, as well as to enable the funding of Research & Development for new solutions to the major problems we face. Today we probably have half of the solutions to the major environmental problems we face, which we must deploy as quickly as humanity is capable of doing so, and invent the other half.

The new group formed by the combination of Suez and Veolia will be able, thanks to its expertise, its technological lead, the level of excellence of its talents, its geographic footprint, the breadth of its range of offerings and its financial strength, to offer all its public and private clients more effective solutions, deployed on a large scale, to fight against major environmental disruptions and global warming.

This industrial project, which has a very high environmental impact, will create substantial value:

- for the planet and future generations, the success of the new group means accelerating the definition and implementation of environmental solutions: circular economy, treatment of difficult pollution, fight against global warming, etc.;
- for Suez shareholders, a significant premium is offered over the company's unaffected share price, and for Veolia's shareholders, operating synergies make it possible to forecast a significant accretion in net earnings per share;
- for the employees of both companies, who will be engaged in an exciting project to build a new leading group in ecological transformation, with French and European roots. Prospects for personal development and mobility will be strengthened in this new, fast-growing, larger and even more international company. However, this does not mean sacrificing the French roots of both groups, and employment in France is subject to firm and specific guarantees.
- for the territories. For the French territories, this project guarantees that it is in France that we will maintain and develop a sector of excellence of ecological transformation. It is in France that most

³ Source: Company

of the research and development resources will be based, that the industrial pilots will be installed, that tomorrow's talents will be trained; in short, that the "French school" of ecological transformation will be located, capable of then leading the export of a value chain of French suppliers and startups. These talents and technologies have indeed become a sovereignty issue clearly identified as such by China and the United States. In Europe, and beyond, the new entity will operate in a very multi-local mode, in which territorial anchoring and partnerships with local authorities are key, as the history of the two groups shows. The new ecological transformation solutions will create local service jobs, which cannot be relocated, in all the geographies in which the businesses will operate, and ;

- for clients, the new entity extends the range of environmental solutions that can be offered to them, over an even larger geographic footprint, and increases efficiency by pooling know-how and expertise.

This project is fully in line with the *raison d'être* of Veolia and Suez. It ideally positions the new group to meet the main challenge of the century: ecological transformation.

2.1.2.2 Consolidation of expertise, know-how and commercial offer

Suez and Veolia's strategies are quite comparable in the water (operations, technologies, construction) and waste (solid and hazardous) businesses, with Veolia also having additional activities in energy efficiency and local energy loops (these activities have historically been carried out by Engie and not Suez).

The merger of the two companies will make it possible to accelerate these strategic plans, building on strong complementarities, and to create a new group for which each of its business components (water, waste, energy, for local communities as well as industrial and tertiary customers) is essential. Brought together under the same brand and supported by teams united by the same values, they will offer a complete range of skills and solutions at a time when their customers are seeking to make their activities cleaner, more sober and more virtuous.

The complementarities between the two groups cover a number of areas:

- *geographical complementarity*. The geographic footprints of the two groups are almost perfectly complementary, with the exception of France and, to a lesser extent, the United Kingdom and Australia. When Veolia and Suez have a significant presence in the same country, it is usually in a different business. For example, in Spain, Suez is number 1 in municipal water, notably through Agbar, while Veolia is mainly present in energy and services for industrial and tertiary clients; in water technologies, "Suez Water Technologies & Solutions" has a strong presence in North and Latin America, while "Veolia Water Technologies" is more present in Europe and Africa and the Middle East.
- *complementary client portfolio*. Veolia and Suez have each developed a highly complementary portfolio of major industrial accounts (Veolia with Shell, Danone, Unilever, Arcelor Mittal, Sinopec, PSA, Suez with Exxon Mobil, BASF or BP), all of which benefit from the broad range of services developed by Veolia through on-site services for industrial clients (Total Waste Management, industrial utilities including energy, etc.). The combination of the two highly complementary commercial networks will give rise to an unparalleled set of references and strategic partnerships in terms of reducing the environmental footprint.
- *complementarity of offerings*. First and foremost, Veolia's presence in the energy efficiency, local energy loops and industrial energy segments are major assets that will benefit Suez' current clients seeking to reduce their carbon footprint. Furthermore, in water and waste, each of the groups has a number of specific features: in waste, Suez has developed the recycling of plastics such as LDPE and PVC, as well as recycled/virgin hybrid plastics, while Veolia has

stepped up the pace in “food-grade” plastics particularly PET and HDPE; in water, Suez has historically developed excellent skills in wastewater treatment and the reuse of water, and Veolia in sludge recovery.

- *know-how complementarity*. The know-how acquired locally by the Suez and Veolia teams is perfectly complementary. In waste (the waste sector), Veolia has succeeded in optimizing the production of energy from incineration plants or landfills, as well as the sale of electricity on the open market and through flexibility mechanisms. This know-how put at the service of Suez’s assets is a strong leverage for productivity and operational synergies. In the water (the water industry), the digital tools developed in particular by Suez in Spain, are among the best on the market.
- *technological complementarity*. The combination of Suez’s and Veolia’s portfolios of proprietary patented technologies for treating industrial water is perfect for conceiving new solutions, such as treating new pollution or improving clients’ performance. As for municipal water treatment technologies, they will be included in the “New Suez” with the *centres de recherche et développement* CIRSEE and Lyre Research & Development centers.

2.1.2.3 Increased capacity for investment and innovation

In a particularly fragmented volume market, innovation is fundamental to invent and develop the technologies that are still missing to fully succeed the ecological transformation. However, the margins generated by environmental services are limited, and managing large volumes allows to finance the investments needed to deploy the infrastructure essential to the ecological transformation. The same is true for research expenditure, which is necessary to develop breakthrough innovations without which it will be difficult to meet the goals set to limit global warming. Bringing Veolia and Suez together will guarantee the productivity of these investments and the emergence of new solutions.

The six major innovation themes identified in Veolia’s Impact 2023 strategic program (health and new pollutants, adaptation to climate change, new material loops, the food chain, new energy services and new digital offerings) will combine harmoniously with the innovation areas chosen by Suez.

The combination of talents and research skills would accelerate the development of these solutions for the future and allow a better return on the necessary investments. This enhanced innovation capacity will be able to lean on innovative French SMEs in the fields of ecological transformation, through a support fund supported by the new entity.

Numerous acceleration opportunities have already been identified in terms of innovation.

On air quality, Veolia has entered into a research partnership with Airlab and has developed a range of indoor air quality services. The ambition of the merger of the two groups will be to develop and deploy financially affordable solutions enabling people to live in a healthy environment inside and outside buildings.

Concerning micropollutants in water, Veolia has developed treatment technologies adapted to a wide range of constraints and is involved in major partnerships for monitoring and research on micropollutants. “Suez Water Technologies & Solutions” has developed advanced treatment using membrane technologies and an ozonation technology that complements Veolia’s activated carbon technology for the treatment of new pollutants in water. The ambition will be to take advantage of changes in regulatory standards by increasing knowledge of the effects of micropollutants on health and inventing new solutions to detect and treat micropollutants.

In the area of flood prevention and management, Veolia has excellent references, has developed services to diagnose local vulnerabilities, has positioned itself on innovative business models and has a

mobile solutions offer, mainly in Europe. Suez, for its part, has innovative digital solutions and has a mobile solutions offer in North and Latin America. The ambition will be to develop an innovative global offer to assist territories and their various stakeholders in the prevention of shocks linked to climate change and rapid recovery following extreme weather events.

In water resource management and drought control, Veolia is now offering technologies and solutions and has developed an irrigation as a service offer, covering the financing of the necessary equipment. Suez, for its part, has advanced expertise in smart agriculture. The ambition will be to accelerate the development of the reuse of treated wastewater to serve the ecological transformation of agriculture, making it possible to secure and improve yields in the agricultural sector.

On CO₂ capture and use, Veolia has expertise and numerous references in the decarbonation of industries and has invested in R&D in CO₂ capture, storage and recovery. Suez is developing partnerships with industry and local authorities (project with BP for carbon capture and storage from energy coming from waste in the United Kingdom). The ambition will be to develop efficient service offers for CO₂ capture at an attractive cost.

The recycling of electric vehicle batteries could be accelerated. While the number of end-of-life vehicle batteries is estimated at 1.1 million units by 2030, Veolia has developed an innovative and differentiating hydrometallurgy process that can recover up to 95% of the metals present in the cathode. In addition, Veolia has developed a partnership with Solvay on the production of high-purity metal salts and has developed upstream knowledge, in particular on battery diagnostics.. The ambition is to become a champion in electric vehicle battery recycling in France and Europe, targeting a 20% market share, and to be a significant player in China.

The recovery of organic materials for agriculture could also be accelerated. While the Farm to Fork strategy aims to reduce soil nutrient losses by 50% and reduce the use of inorganic fertilizers by 30% by 2030, natural and organic fertilizers represent only 5% of the market. Veolia has expertise in agricultural fertilizers, is broadening and accelerating its organic fertilizer offer, is working on deploying fertigation and reuse offers, and is supporting startups that are pioneers in bioconversion. For its part, Suez has state-of-the-art technologies for reusing water for agricultural purposes. The ambition will be to contribute to the ecological transformation of agriculture by offering a whole range of services: organic fertilizers, securing water needs, insect-based animal feed, using soil as a carbon well, etc.

2.1.2.4 Strengthened geographical positions

As a result of the geographical complementarities of the two groups and the consolidation of the key geographies where both groups are present, the international footprint of the new group would be strengthened, with a significantly increased share in fast-growing regions of the world.

The combination will enable Veolia to significantly increase its size: based on unaudited pro forma alternative performance measures as of December 31, 2020 (see Section 3.2 of Appendix 2 to this Update), the combined group would generate revenue of €36,685 million. Re-presented to take account of the sale by Suez of certain activities (including activities in Northern Europe) in fiscal years 2020 and 2021, re-presented pro forma group revenue for the 12 months ended June 30, 2021 would be €36,738 million and re-presented pro forma EBITDA for the same period would be €5,861 million, before synergies.

The new group will be much more international, with France accounting for about 16% of the new group, Europe excluding France for about 37%, the rest of the world for about 28% and the world's specialty companies (water treatment technologies and construction) for about 18%.

In France, even after the creation of the “New Suez”, which includes all of Suez’s Municipal Water and Solid Waste activities as well as the Smart & Environmental Solutions business, estimated revenues are expected to be nearly €6 billion.

In the United Kingdom, Veolia is a major player in waste management, operating in the municipal sector as well as in the tertiary and industrial sectors. It is also present in municipal water (non-regulated), energy services to buildings and services to industry. Suez has a portfolio of around ten private finance initiative (PFI) or public-private partnership (PPP) contracts in waste, comparable to that of Veolia but geographically complementary, and a significant presence in the collection of ordinary industrial waste (OIW), again complementary to that of Veolia. The potential for value creation through operating synergies (internalization, plant availability rates, electricity sales, etc.) resulting from these geographical complementarities is significant.

In Northern Europe, Veolia is present in Germany (waste, energy, municipal water), Belgium (energy services to buildings and industries, Brussels wastewater treatment plant), the Netherlands (waste, plastic recycling, energy services to buildings) and the Nordic countries (recycling, energy services to buildings and industries). Following the sale of activities to the Schwarz group, Suez will remain present in Belgium (solid waste), the Netherlands (plastic recycling) and Germany (waste sorting and plastic trade/recycling). Potential synergies exist in the packaging recycling sector in the latter country, where the two groups have complementary positions.

In Central and Eastern Europe, Veolia has a strong and diversified presence in heating systems (Poland, Czech Republic, Hungary, Romania), municipal water (Czech Republic, Poland, Romania, Armenia) and, to a lesser extent, waste. Suez is less present, with its activities, post-disposal of the “new Suez” scope, concentrated mainly in solid and hazardous waste in the Czech Republic, waste in Serbia and water in Slovenia, Croatia, Romania and Denmark. The addition of Suez’s solid recovered fuel (SRF) production capacity will accelerate the substitution of coal in Veolia’s heating networks in this region. The development of a hazardous waste activity could be an interesting opportunity.

In Southern Europe, Veolia is mainly present in energy services to buildings (Spain, Italy, Portugal) and possesses a number of solid waste operations, including plastic recycling (Spain). Suez, with its subsidiary Sociedad General de Aguas de Barcelona (Agbar), is a major private water operator in Spain, where it has also developed some hazardous waste operations. In Greece, it also has a minority stake in the Thessaloniki water company.

In North America, Veolia is mainly active in hazardous waste (United States, Canada) and industrial services (United States) and has an unregulated municipal water business (operators of public infrastructure under an operation and maintenance contract or, more rarely, a concession, a low capital-intensive activity with low margins) and in energy services to buildings (United States). Suez is present in the regulated (stable and low risk but capital intensive) and unregulated water sector in the United States and has a small organic and hazardous waste management business in Canada. In the United States, the complementary technologies and solutions of “Suez Water Technologies & Solutions” should accelerate development in industrial water, and in Canada, complementarities should be found in industrial services and hazardous waste.

In Latin America, the two company’s positions are highly complementary and offer development opportunities. Veolia has a balanced presence in terms of geography and business. It is present in water (concessions) in Ecuador, Colombia and Mexico and to a lesser extent (services) in Peru, in solid and hazardous waste (collection and treatment) in Argentina, Colombia, Brazil, Chile and Mexico, in energy, and in Argentina, Chile (building services) and Colombia (industry). On the subcontinent, Suez is mainly present in water and wastewater treatment through Agbar and especially Aguas Andinas in Chile. However, it is also present in industrial water (via “Suez Water Technologies & Solutions”) and, to a more limited extent, in solid and hazardous waste. The complementary positions of the two groups in water and waste offer opportunities for development.

In Asia, Veolia has a strong presence in China and Hong Kong (municipal and industrial water, solid and hazardous waste, municipal and industrial heating systems, biomass power plants, energy services to buildings), Japan and Korea (municipal and industrial water, plastic recycling, hazardous waste, biomass power plants and services to buildings), and Southeast Asia (plastic recycling in Indonesia, bioconversion in Malaysia, hazardous waste in Singapore, municipal water and industrial services in India). Suez is notably present in the solid and hazardous waste market in China, Hong Kong and Taiwan (waste incineration, landfills, collection), and in plastic recycling in Thailand. The complementary geographic positions of the two groups in hazardous waste around the main industrial zones should enable them to continue to develop at a high pace in a high-potential market. The joint development of innovative activities (bioconversion, recycling of electric vehicle batteries) should help to accelerate them.

Suez and Veolia's positions are highly complementary in Africa and offer opportunities for acceleration in the Near East and Middle East. Veolia distributes water and electricity in Rabat and Tangiers in Morocco, and has operations in Niger (water) and South Africa (water and waste). It is present in the major water markets (Saudi Arabia, United Arab Emirates), is growing in industrial services (United Arab Emirates), has recently made an entry in hazardous waste (Saudi Arabia) and is present in energy efficiency (United Arab Emirates). Suez is present in Oman in municipal waste, in the United Arab Emirates in waste collection and has recently entered the hazardous waste sector in Saudi Arabia. In the Middle East, complementarities are expected to accelerate in hazardous waste in Saudi Arabia and the United Arab Emirates and in water, desalination and municipal and industrial waste in Oman and Qatar.

In Australia and New Zealand, Suez and Veolia present strong complementarities in a rapidly changing geography in sustainable waste management. The two groups have highly complementary positions in waste (activities and geographic locations, except for the Sydney region where both groups have a strong presence). The potential for operational synergies (internalization of metric tons and rationalization of OIW collection in waste) is significant.

In summary, the main areas of complementarity are geographic, in the United Kingdom, Australia, Africa and China (hazardous waste), and relate to business lines in Spain, Belgium, Latin America, the Near and Middle East and the United States.

2.1.2.5 Dynamics of team building

Suez and Veolia have much in common. They share a common culture of technical excellence, entrepreneurial determination, customer focus, a taste for innovation, service to the environment, and a culture of French engineers and entrepreneurs who have successfully deployed their expertise internationally.

Their corporate purposes, developed using very similar methods, feature significantly convergent content, with a common reference to historical know-how, an identical promise in terms of customer benefits (public health, quality of life, essential services, resources, territories) and a strong emphasis on innovation.

Their respective values (responsibility, solidarity, respect, innovation and customer focus for Veolia, passion for the environment, customer priority, respect and team spirit for Suez) are extremely similar.

Their structures are currently very similar, with a focus on geographic management that favors local roots and proximity to customers and cross-functional support functions (finance, human resources, operational performance, strategy and innovation, etc.).

The reorganizations carried out in recent years by the two groups make them more compatible and complementary than ever. Their new strategic plans, Shaping 2030 for Suez and Impact 2023 for

Veolia, are highly convergent and both radically focused on markets and technologies with high growth and potential for innovation.

2.1.2.6 Synergies – Economic gains

The Transaction would create value for Veolia's shareholders as early as the first year, thanks in particular to operational and purchasing synergies estimated at €500 million, 20% of which would be achieved in the first year and more than 60% during the second year following the implementation of the Offer. Among those synergies, the synergies relating to the operational optimizations are estimated at 300 million euros, and the synergies stemming from savings in purchasing made by the new group are estimated at 200 million euros. These expected synergies should be fully achieved within a four-year time frame.

The aforementioned geographical, technological, expertise and know-how complementarities of the two groups constitute a source of strong value creation for the benefit of all stakeholders of the new group. They will allow a cross-fertilization encouraging each business segment in each country to gain in productivity and operational efficiency.

By way of illustration, the operational synergies will include, inter alia, rationalization of waste collection, internalization of the treatment of collected waste streams, optimization of the availability rate and efficiency of the various plants operated by the two groups, energy performances etc.

These potential synergies are in essence of a notional and essentially prospective nature and their amount is provided for information purposes only. In this respect, it is specified that this synergy potential is only an estimate by Veolia in the absence of a business plan prepared jointly with Suez's management. These synergies have been taken into account in the Offer price.

2.1.3 Governance

Subject to the success of the Offer, Veolia intends to ask Suez's general shareholders' meeting or board of directors to appoint or coopt its representatives to the board of directors, in order to reflect the new composition of the shareholding, as well as the renewal or the appointment of directors unrelated to the Veolia, for a period at least equal to the period during which the shares of the Company will remain listed on Euronext Paris.

It is specified that, for the purposes of the implementation of the Scope Divestment in accordance with the terms of the Combination Agreement and the Put Option Agreement, in the event that the first settlement of the Offer occurs prior to the completion of the Scope Divestment, the board of directors of Suez will include three independent directors appointed by Suez until the date of completion of the Scope Divestment.

In accordance with the commitments made by Mr. Antoine Frérot on behalf of Veolia, a recruitment proposal for positions involving appointment to the Veolia Executive Committee was sent to four Suez executives:

- Isabelle Calvez, currently Director of Group Human Resources at Suez, who will become Director of Human Resources at Veolia;
- Sébastien Daziano, currently Director of Executive Coordination, Surety and Institutional Relations at Suez, who will become Director of Strategy and Innovation at Veolia;
- Azad Kibarian, currently CEO of IWS (Industrial Waste Specialties) Europe, who will become Director of the Italy and Africa-Middle East zone; and
- Angel Simon, currently Executive Vice President of the Group's Southern Europe and Latin America region, who will become Director of the Iberia and Latin America zone.

These proposals have been accepted, which, after obtaining the necessary authorizations and closing the Transaction, will bring the number of members of Veolia's Executive Committee to 16 as of the

closing date of the Transaction. A quarter of the members of the Executive Committee will therefore come from Suez.

The composition of Veolia's Management Committee, which will include around 40 members, will be announced in October 2021. The appointment of all “country” managers and Group support functions, bringing together around one hundred people, will be decided and announced when the Transaction closes, i.e. before the end of the year.

2.1.4 Terms of financing of the Offer

Assuming that all the shares concerned are tendered to the Offer, the maximum cost of the Offer would be approximately €8.97 billion. The financing of the Offer is provided by a bridge loan concluded with a banking syndicate. It is envisaged that this facility will be refinanced by the proceeds of the disposals made in the context of the Scope Divestment, by a capital increase with preferential subscription rights of around €2.5 billion. The financing plan aims to maintain a solid investment grade credit rating for the combined group and to keep the net financial debt/EBITDA ratio below 3.0x in the medium term in line with the Group's objectives. In this context, an issuance of hybrid bonds could also be considered if necessary.

2.1.5 Tentative timetable of the Offer

The tentative timetable of the Offer is as follows :

February 8, 2021	<ul style="list-style-type: none"> – Draft Offer filed with the AMF at a price of €18 per share (<i>cum</i> dividend), along with the corresponding draft offer document, and said draft offer document made available to the public – AMF filing notice⁴
May 14, 2021	<ul style="list-style-type: none"> – Veolia and Suez enter into the Combination Agreement
June 29, 2021	<ul style="list-style-type: none"> – Suez draft reply document filed with the AMF, including the reasoned opinion of the board of directors, the independent expert's report and the opinion of the competent employee representative body and said draft reply document was made available to the public
June 30, 2021	<ul style="list-style-type: none"> – Offer price increased from €18 per share (<i>cum</i> dividend) to €20.50 per share (<i>cum</i> dividend) and corresponding revised draft offer document filed with the AMF and said revised draft offer document was made available to the public – AMF amending filing notice⁵
July 6, 2021	<ul style="list-style-type: none"> – Detachment of the dividend of €0.65 per share approved by the annual general meeting of Suez shareholders on June 30, 2021, setting the Offer price at €19.85 per share (distribution rights attached)

⁴ AMF notice no. 221C0312 of February 8, 2021 available on the AMF website (www.amf-france.org).

⁵ AMF notice no. 221C1589 of June 30, 2021 (supplement to the AMF notice no. 221C0312 of February 8, 2021) available on the AMF website (www.amf-france.org).

July 20, 2021	<ul style="list-style-type: none"> – AMF’s clearance decision with respect to the Offer, which entails approval (“<i>visa</i>”) of the offer document – Offer document posted on the websites of Veolia and of the AMF and made available to the public at the registered offices Veolia and of the Presenting Banks – Publication of the press release announcing the availability of the offer document – AMF’s approval (“<i>visa</i>”) of Suez’s reply document⁶ – Reply document posted on the websites of Suez and of the AMF and made available to the public at the registered offices of Suez – Publication of the press release announcing the availability of Suez’s reply document
July 28, 2021	<ul style="list-style-type: none"> – Information relating to Veolia, in particular to its legal, financial and accounting characteristics, made available to the public on the websites of Veolia and the AMF, and made available at the registered offices of Veolia and of the Presenting Banks – Publication of the press release announcing the availability of the information relating to Veolia, in particular to its legal, financial and accounting characteristics – Information relating to Suez, in particular to the legal, financial and accounting characteristics of the Company posted on the websites of the Suez and of the AMF, and made available to the public at the registered office of Suez – Publication of the press release announcing the availability of the information relating to Suez, in particular to its legal, financial and accounting characteristics
	<ul style="list-style-type: none"> – Determination by the AMF of the opening of the offer – Publication by the AMF of the notice announcing the opening of the Offer – Publication by Euronext Paris of the notice relating to the Offer and its terms
July 29, 2021	– Opening of the Offer
By mid-December 2021 at the latest	– Obtaining the approval with regard to merger control from the European Commission
End of 2021	<ul style="list-style-type: none"> – Determination by the AMF of the closing of the Offer – Publication by the AMF of the notice announcing the closing of the Offer – Publication by Euronext of the notice announcing the closing of the Offer
End of 2021	– Closing of the Offer
End of 2021	– Notice announcing the result of the Offer published by the AMF
January 2022	– In the event the Offer is successful, opening of the reopened Offer
January 2022	– In the event the Offer is successful, settlement of the Offer
January 2022	– Closing of the reopened Offer
January 2022	– Notice announcing the result of the reopened Offer published by the AMF
January 2022	– Settlement –delivery of the reopened Offer

⁶ AMF notice no. 221C1825 of July 20, 2021 available on the AMF website (www.amf-france.org)

2.2 Legal aspects of the Transaction

2.2.1 Terms of the Offer

Veolia irrevocably undertook to acquire from the shareholders of Suez all shares of Suez included in the Offer at a price of €19.85 per share (distribution rights attached for a minimum period of twenty-five (25) trading days).

The Offer is made on a voluntary basis and will be conducted following the standard procedure pursuant to Articles 232-1 *et seq.* of the AMF General Regulation.

The Offer is for all the Suez shares not held by Veolia, representing a maximum number of 452,080,143 Suez shares.

Pursuant to Article L. 621-8 of the French Monetary and Financial Code, and Article 231-23 of its general regulations, the AMF has, in accordance with the reasoned approval decision relating to the Offer after having verified the compliance of the tender offer for the shares of Suez dated July 20, 2021, granted its approval (“*visa*”) no. 21-338 dated July 20, 2021 on the offer document prepared by Veolia. The offer document approved by the AMF and the information relating to the legal, financial and accounting characteristics of Veolia are, in accordance with articles 231-27 and 231-28 of the AMF's general regulations, made available free of charge to the public at the registered offices of Veolia and of each of the Presenting Institutions. These documents are also available on the websites of the AMF and Veolia. A press release specifying the terms and conditions for making these documents available has been issued by Veolia before the opening of the Offer.

As Suez shares are admitted to negotiation on Euronext Brussels, pursuant to the provisions of Article 4,§4 of the Belgian statute dated April 1, 2007 regarding tender offers in Belgium (*loi belge du 1^{er} avril 2007 relative aux offres publiques d'acquisition*), the Offer will be opened in Belgium. To this effect, the offer document has been recognized by the Belgian authority for financial services and markets in accordance with Article 20 of the aforementioned law.

In accordance with Article 232-4 of the AMF General Regulation, if the Offer is successful, it will be automatically reopened within ten trading days following the publication of the final result of the Offer, under terms identical to those of the Offer. The AMF will publish the timetable for the reopening of the Offer, which will remain open for at least ten trading days. However, Veolia reserves the right, in the event that it is able and decides to perform a squeeze-out immediately following the Offer pursuant to Articles 237-1 *et seq.* of the AMF General Regulation, to request from the AMF the implementation of such a squeeze-out within ten (10) trading days after publication of the notice announcing the results of the Offer. In that event, the Offer will not be reopened.

In accordance with Article 232-11 of the AMF General Regulation, Veolia may withdraw its Offer within five trading days following the publication of the timetable for a competing offer or an improved competing offer. In such case, Veolia will then inform the AMF of its decision which will be made public. It may also withdraw its Offer if it no longer serves its intended purpose, or if Suez adopts measures that modify its substance, either during the Offer or in the event that the Offer is successful, or if measures adopted by Suez increase the costs of the Offer for Veolia. Veolia will only be able to use this option with the prior authorization of the AMF, which will render its decision in accordance with the principles set forth in Article 231-3 of its general regulations. In the event of a withdrawal, shares tendered in the Offer will be returned to their owners without any interest, indemnification or other payment being due.

2.2.2 Adjustments of the terms of the Offer

If Suez were to proceed with a distribution (i.e. any distribution in any form whatsoever (in cash or in kind)) including (i) any distribution of a dividend, interim dividend, reserves or premiums or (ii) any

redemption or reduction by Suez of its capital, or any acquisition or repurchase by Suez of its own shares, in any event for which the reference date on which one must be a shareholder in order to receive the Distribution would be set no later than the settlement-delivery date of the Offer (included) or, as the case may be, the reopened Offer (included), the offered price per share under the Offer will be adjusted to take such Distribution into account, it being specified that in the event that the transaction takes place between the settlement date of the Offer (excluded) and the settlement date of the Reopened Offer (included), only the price of the reopened Offer will be adjusted.

Similarly, in the event of transactions affecting the share capital of the Company (in particular merger, spinoff, stock split, reverse stock split, distribution of free shares for existing shares through the capitalization of profits or reserves) decided during the same period, and for which the reference date on which one must be a shareholder in order to receive the Distribution is set no later than the settlement date of the Offer (included) or, as the case may be, of the Reopened Offer (included), the offered price per share will be mechanically adjusted to take into account the effect of such transactions.

2.2.3 Conditions of the Offer

2.2.3.1 Validity threshold

In accordance with Article 231-9, I of the AMF General Regulation, the Offer will lapse if, at its closing date, Veolia does not hold a number of shares representing a fraction of the share capital or voting rights of the Company greater than 50% (this threshold being hereinafter referred to as the “**Validity Threshold**”). It will not be known whether or not the Validity Threshold has been met until the AMF publishes the final, or, if applicable, provisional result of the Offer.

If the Validity Threshold is not reached, the Offer will not have a positive outcome and the shares tendered in the Offer will be returned to their holders within three trading days following the publication of the result notice informing of the expiry of the Offer, without any interest, indemnity or other payment of any kind whatsoever being due to the said holders.

2.2.3.2 Merger control clearances

In accordance with Article 231-11 of the AMF General Regulation, the Offer is subject to the condition precedent of obtaining merger control clearance from the European Commission, in accordance with Article 6.1.b) of EC Regulation No. 139/2004 of January 20, 2004, it being specified that Veolia reserves the right to waive this condition, after prior consultation (without right of veto) with Suez, particularly with a view to accelerating the Offer timetable after taking account of discussions with the European Commission. The AMF will set the closing date of the Offer on receipt of European Commission authorization or confirmation there is no opposition to this authorization or, where applicable, on the exercise by Veolia of the right to waive this condition precedent.

In accordance with Article 231-11 of the AMF General Regulation, the Offer will automatically lapse if the combination is the subject of the European Commission procedure provided in Article 6.1.c) of EC Regulation No. 139/2004 of January 20, 2004, unless Veolia has exercised its right to waive the aforementioned condition precedent, prior to the initiation of the procedure.

The transaction has received merger control clearance in the United States, Canada, Colombia, Ecuador, South Korea, Saudi Arabia, Taiwan, China and Russia.

3. RISK FACTORS

The section “*risks relating to the selection and integration of acquisitions*” in Chapter 2 of the 2020 Universal Registration Document is amended and supplemented as follows:

Proposed Veolia - Suez combination

On October 5, 2020, Veolia purchased from Engie a number of Suez shares representing approximately 29.9% of the share capital and voting rights of Suez at a price of €18 per share (*cum* dividend), for a total price of approximately €3.4 billion, with a view to creating the great French world champion of ecological transformation. After several months of negotiations, Veolia and Suez entered into a business combination agreement on May 14, 2021 (the “**Combination Agreement**”), confirming the terms of the agreement in principle reached on April 11, 2021, following approval by their respective boards of directors. This Combination Agreement enables Veolia to acquire the strategic assets necessary to build the world champion in ecological transformation, while guaranteeing a consistent and sustainable industrial and social scope for the new Suez. This agreement reiterates the social commitments made by Veolia and provides for an enhancement of the price of the public tender offer (set at €19.85 (*cum* distribution rights)).

On June 29, 2021, the Board of Directors of Suez recommended the enhanced public tender offer. The French majority investor consortium consisting of Meridiam, GIP and CDC/CNP Assurances has delivered its final binding offer to Veolia and Suez to purchase the new Suez for an enterprise value of €10.4 billion (the “**Scope Divestment**”). All of the consortium’s commitments to maintain all jobs and social benefits were formally confirmed, as well as those relating to the holding period.

Veolia has identified the main risk factors related to the Transaction below.

Risks related to the integration of Suez’ activities and the expected synergies or other benefits of the Transaction

The expected benefits of the proposed Transaction will partly depend upon the successful integration of Suez’s activities into the Group’s. The Transaction will involve the integration of two significantly sized Groups that are currently conducting a vast range of activities and operate independently. The companies could face significant difficulties when implementing an integration plan, some of which may have been unforeseeable or badly apprehended by Veolia and Suez, notably with respect to differences in standards, controls, procedures and rules, corporate culture, the organization, the history of technological investments, and the need to integrate and harmonize the various operating systems and procedures that are specific to each Group, such as financial and accounting systems and other IT systems.

In that regard, Veolia could have difficulties retaining some of its key employees or those of Suez. In connection with the integration process, Veolia will have to resolve problems inherent to the management and integration of a larger number of employees with different experience, backgrounds, compensation structures, and cultures, which could disrupt its ability to manage its business as expected.

In addition, the integration process could be long and complex and require significant time and resources. It may be particularly complex due to the divestment, concurrently with the completion of the Transaction, of the businesses within the scope of the new Suez. This could draw management’s attention and resources away from other strategic opportunities and from day-to-day operations during the integration process. Integration efforts may also lead to significant costs, which could have a material adverse effect on Veolia’s business, operating results, financial position, prospects and share price. Any expected failure of the integration could have a similar adverse effect. In addition, the integration could result in significant costs and investments. In addition, the integration of the activities of Suez with those of Veolia could result in the disqualification of certain invitations to

tender and/or the failure to obtain or loss of public contracts or concessions due, for example, to a desire for diversification on the part of clients present in both books.

Finally, although Veolia expects the Transaction to create significant value through the synergies achieved in the medium and long term and significant operational and purchasing synergies (see 2.1.2.6 of this Update), there can be no assurance of the existence or achievement of these synergies within the expected time frames, as the achievement and extent of any synergies depend on a number of factors and assumptions, many of which are not directly actionable by Veolia or Suez, and such potential synergies are solely an estimate of Veolia in the absence of a business plan developed jointly with Suez management. Any delay in completing the Transaction could affect the achievement of the expected synergies. In addition, costs incurred in view of obtaining these synergies may be higher than expected or additional unexpected costs that may even exceed the value of the expected synergies could arise, leading to a loss of value for Veolia's shareholders. The failure to achieve expected synergies and/or an increase in the costs incurred in this regard could decrease Veolia's return on its investment and diminish the Transaction's value creation (including for Veolia's shareholders) and, more generally, have a material adverse impact on Veolia's activities, repute, operating results, financial position, prospects and share price.

Risks related to Suez's performance and unforeseen liabilities

Suez's performance and operating indicators could deteriorate from the level reached in 2020 and through the first half of 2021 or in previous years, particularly in the current context of continuing volatility due to the persistence of the Covid-19 epidemic and financial, legal and commercial factors, most of which are by their very nature exogenous to Suez. There can be no assurance that the objectives announced by Suez for 2021 will be achieved or that Suez's performance will be maintained at this level in the short, medium and long term – if either does not occur, this would have a material adverse effect on Veolia's activities, operating results, financial position, prospects and share price following completion of the Transaction. In addition, the definition of Suez's alternative performance indicators, such as EBITDA, is different from the indicators used and communicated by Veolia. These indicators, even when read in conjunction with those published by Veolia, may not reflect the current or future performance of the combined entity.

Veolia has conducted a very limited due diligence of Suez's business based *inter alia* on public information. No assurance can be given that this process has identified any significant regulatory issues or other difficulties, risks or contingent liabilities relating to Suez or that other factors beyond the control of Veolia or Suez will not arise in the future. As a result, following completion of the Transaction, unanticipated operational difficulties and/or significant unanticipated liabilities of Suez may arise and have an adverse effect on Veolia's business, repute, operating results, financial position, prospects, and share price, which difficulties and/or liabilities might have been identified by Veolia if more exhaustive diligence had been conducted. Similarly, operating difficulties or other risks identified in due diligence could ultimately prove to be insufficiently provisioned or be more significant than initially anticipated, or Veolia may not be in a position to remedy such difficulties, which could have a material adverse effect on the Group's results, cash flows, profitability, financial position and reputation.

Risks that Veolia may incur substantial transaction costs in connection with the Transaction and its completion

The aggregate amount of all external fees, costs and expenses incurred by Veolia in connection with the Offer (including the fees and expenses of its financial, legal and accounting advisors, communication expenses and expenses relating to the financing of the Offer) is estimated at approximately €200 million (excluding taxes). This amount does not include the fees, costs and expenses that will be incurred more broadly in connection with the Transaction and its completion (including the Scope Divestment), which could be substantially higher, which could have a material adverse effect on Veolia's activities, operating results, financial position, prospects and share price.

Risks of disputes relating to the Transaction and its completion

In connection with or following the Transaction, Veolia could face claims and disputes, in particular from customers, partners, suppliers, employees, shareholders or bondholders of the Group or the Suez group. Such claims and litigation could delay or prevent the completion of the Transaction (see “*Risk relating to a failure to complete the Transaction*”) and/or have a material adverse effect on Veolia’s activities, operating results, financial position, prospects and share price.

Risks related to the triggering of change of control clauses and related provisions at Suez level

Suez is party to contracts (with customers, suppliers, partners in joint ventures or consortia, regulatory authorities and financing agreements), some of which include change of control clauses. Some of these clauses could be triggered by the Transaction to the extent that control of Suez and certain of its subsidiaries will be acquired by Veolia upon completion of the Transaction. In addition, some of Suez’s contracts allow the authorities that granted them to terminate them at any time, with compensation that may be less than the actual value of the relevant contracts. The triggering of these provisions or termination of these contracts could result in a loss of contractual rights and benefits, or could lead to the triggering of other provisions, such as call options and/or put options relating to shares held by Suez, or to the termination or renegotiation of agreements. Although Suez has undertaken in the Business Combination Agreement to use its best efforts to obtain the consent of the counterparties to certain particularly important contracts until the later of the two following dates: (i) the first settlement date of the Offer or (ii) the completion date of the Scope Divestment, the completion of the Transaction is not conditional upon obtaining all third party consents under such contracts. As a result of the Transaction, Suez could therefore lose the benefit of some of these contracts if the relevant counterparties were to terminate them or negotiate more onerous financial terms in order to grant their consent. This could have a material adverse effect on Veolia’s activities, operating results, financial position, prospects and share price.

Risks related to the transition period until the completion of the Transaction

During the transition period until the completion of the Transaction, the Transaction will be subject to significant uncertainty that could have an adverse effect on relationships with certain customers (and in particular with potential customers in connection with calls for tenders), strategic partners, and employees of both Veolia and Suez. Some strategic partners, suppliers, or customers may decide to delay operational or strategic decisions pending greater certainty as to whether the Transaction will be completed. The Transaction could convince customers of Veolia and/or Suez to work with other players in the sector or could have an adverse effect on Veolia’s and/or Suez’s relations with their customers. Such adverse effects on companies’ relationships could have a material adverse effect on Veolia’s revenue, profits, cash flows from operating activities, and share price.

Tax risks related to the Transaction (including the Scope Divestment) and to the implementation of the prior or subsequent reorganization transactions

The completion of the Transaction (including the Scope Divestment) and the implementation of the prior or subsequent reorganization transactions could result in adverse tax consequences (tax costs, loss of tax attributes, etc.).

More generally, the organization of the Group following the completion of the Transaction and the reorganization operations that may be implemented in order to streamline the organization of the combined group and facilitate the integration of the activities of Veolia and Suez may give rise to tax inefficiencies and/or additional tax costs (for example, tax costs related to the reorganizations that would be implemented in order to facilitate the integration, the inability to implement or delay in implementing local tax consolidations between Veolia and Suez entities in certain countries, transfer pricing policies, tax costs related to the Scope Divestment, etc.). These various factors could lead to

an increase in Veolia's tax expenses and have a material adverse effect on its effective tax rate, its results and/or its financial position.

As of the date of this document, the structuring and valuation work relating to the transactions that will lead to the Scope Divestment and those that could be implemented in the context of the integration are still in progress, and in view of the limited information to which Veolia has had access, Veolia is not yet in a position to quantify the tax implications with precision.

The Transaction could also result in the loss of tax losses or the benefits of tax consolidation agreements, which could increase the tax charge or lead to the impairment of deferred tax assets, and consequently impact the combined group's net income and financial position.

In addition, the tax treatments or regimes applicable to past or future reorganizations involving the companies of the Suez and Veolia Groups (including in the context of the Scope Divestment or the implementation of the integration) are likely to be interpreted by the competent French or foreign authorities in a manner that differs from the assumptions used by the two Groups to structure the transactions. Veolia is therefore not in a position to guarantee that the relevant tax authorities will agree with the interpretation of the legislation adopted or that may be adopted in the various jurisdictions concerned or with the quantification of the resulting tax consequences.

Risks related to the failure to complete the Transaction

If the Transaction is not completed, Veolia's ongoing business could be materially and adversely affected and Veolia would be exposed to a number of risks, including:

- having incurred and continuing to incur significant costs and expenses in connection with the proposed Transaction (which will be “at a loss” if the Transaction is not completed);
- holding a 29.9% stake in Suez that is insufficient to give it the control necessary to achieve synergies, and which may be difficult to dispose of at an acceptable price;
- experiencing the effects of a negative reaction from the financial markets, and in particular a negative effect on its share price, which may have gone up in anticipation of the Transaction's expected benefits;
- experiencing negative reactions from customers, employees, partners and government authorities; and
- having dedicated significant time and resources to issues relating to the Transaction that could otherwise have been allocated to day-to-day transactions and other opportunities from which Veolia could have benefited.

In addition, Veolia could be subject to litigation as a result of the failure to complete the Transaction. If the Transaction does not occur, the occurrence of these risks could have a material adverse effect on Veolia's activities, operating results, financial position, prospects and share price.

Risks related to the failure to complete (or the late completion) of the Transaction in reason of the failure to obtain necessary clearances

The Transaction is subject, among other things, to merger control clearance from the European Commission. The European Commission and other competition authorities could impose measures or conditions, such as the transfer of assets or activities (possibly significant and beyond the assets and activities constituting the new Suez that are to be transferred to the Consortium) of Veolia and/or Suez and/or a specific timetable for completion of the Transaction, that Veolia and/or Suez would not be able to accept, and/or specific conditions of implementation of the Transaction. In any event, no guarantee can be given that Veolia will obtain these authorizations and, in particular, the authorization from the European Commission in the anticipated timing. Any delay in the completion of the Transaction or the integration of Veolia and Suez and, *a fortiori*, the failure to complete the

Transaction, could have a material adverse effect on Veolia's business, operating results, financial position, synergies from the Transaction, prospects and share price.

In addition, it should also be noted that the Offer, pursuant to the provisions of Article 231-9, I of the AMF general regulation, will lapse if at its closing date, Veolia, acting alone or in concert within the meaning of Article L. 233-10 of the French Commercial Code, does not hold a number of shares representing a fraction of the Company's share capital or voting rights greater than 50%. If this threshold is not reached, the Offer will not be successful and the Transaction may not be completed, which could also have a material adverse effect on Veolia's business, operating results, financial position, prospects and share price.

Risks related to the failure to complete (or the late completion) of the Scope Divestment and risks related to the fact that the scope of the new Suez may differ from the scope initially agreed between Veolia, Suez and the Consortium.

Pursuant to the Put Option Agreement dated June 29, 2021, the scope of the new Suez to be sold to the Consortium (the "**Scope**") would include the Water and Waste activities (excluding hazardous waste) in France and certain international activities of Suez (see 1.3.1 of the offer document).

The transfer of the Scope to the Consortium requires in particular the implementation of prior reorganization operations. The final completion of the Transfer of the Scope will only occur if it allows the transfer to the Consortium of at least 90% of the revenues generated by the Scope as of December 31, 2020 (the "**Materiality Threshold**"), as well as the transfer of certain identified strategic assets. The final completion of the Scope Divestment will not occur unless the Materiality Threshold is reached or the strategic assets are transferred. In addition, a mechanism for seeking an equivalent alternative solution from an economic and industrial point of view is provided for in the event that it is impossible to transfer certain assets included in the Scope, so the Scope ultimately transferred may differ from the Scope agreed upon in the Put Option Agreement.

Any delay in the completion of the Scope Divestment to the Consortium and, *a fortiori*, the failure to complete the Scope Divestment to the Consortium, could have a material adverse effect on Veolia's business, operating results, financial position, prospects and share price.

In addition, changes in the scope of consolidation transferred to the Consortium could have a material adverse effect on Veolia's business, operating results, financial position, prospects and share price.

Finally, certain assets not initially included in the scope of consolidation could be transferred to the Consortium, which could have an adverse effect on Veolia's business, operating results, financial position, prospects and share price.

Risks related to the financing of the Transaction

The Offer will be financed by a bridge loan established with a banking syndicate (see 2.1.4 of this Update). It is envisaged that the drawdown of this loan will be refinanced by the proceeds of the disposals made in the context of the Scope Divestment and by a capital increase with preferential subscription rights of around €2.5 billion. The financing plan aims to maintain a solid investment grade credit rating for the combined group and to keep the net financial debt/EBITDA ratio below 3.0x in the medium term in line with the Group's objectives. In this context, an issuance of hybrid bonds could also be considered if necessary. In the event that Veolia is unable to proceed with the currently contemplated refinancing transactions prior to, or shortly after, completion of the Offer, it would bear the cost of the bridge loan over a longer period, which would temporarily increase its financing costs, its total indebtedness and its leverage ratio, which could have an impact on its credit rating, and thus on its financing costs, results and/or financial position. In addition, in the event that, despite the envisaged financing plan, Veolia's rating were to be downgraded below that of Suez, some of Suez's creditors would have the right to early repayment of their receivables, which would increase the need

for refinancing through the drawdown of the Group's other financial resources or through additional bond issues, and could have an impact on its financing costs, results and/or its financial position.

Risks related to the future operating results and financial position presented in the pro forma financial information

The unaudited pro forma financial information for the year ended December 31, 2020 set forth in this Amendment have been prepared to illustrate the impact of the Transaction (including the Scope Divestment) and the related financing transactions as if they had occurred (i) on January 1, 2020 for the pro forma income statement, thus deeming the agreements of the competition authorities obtained at that date and, (ii) on December 31, 2020 for the pro forma statement of financial position.

The unaudited restated pro forma alternative performance indicators for June 30, 2020, December 31, 2020, and June 30, 2021, included in this Amendment, have been prepared to show the impact of (i) the Transaction (including the Scope Divestment) as well as (ii) the sale of assets put up for sale by the Suez group in fiscal years 2020 and 2021 (including Group transactions in Northern Europe) as if they had occurred on January 1, 2020.

This pro forma financial information and these pro forma alternative performance indicators are based on preliminary estimates and assumptions that Veolia believes are reasonable and that are provided for illustrative purposes only. The estimates and assumptions used to prepare this pro forma financial information and these pro forma alternative performance indicators set forth in this Amendment may differ substantially from the Group's current and future results of operations. As a result, the unaudited pro forma financial information and the unaudited restated pro forma alternative performance indicators included in this Amendment are not intended to indicate the results of operations that would actually have been achieved if the Transaction (including the Scope Divestment) as well as the sale of assets put up for sale by the Suez group in fiscal years 2020 and 2021 had been completed on the assumed date or during the periods presented, or that may be recorded in the future.

Moreover, by definition, the unaudited pro forma financial information included in this Amendment covers only information of an accounting nature (turnover) and of a non-accounting nature (EBITDA and CAPEX).

The pro forma financial information and restated pro forma alternative performance indicators have not been audited by Veolia's statutory auditors and are based, in addition to the corresponding audited consolidated financial statements of Veolia, on information prepared by Suez for the fiscal year ended on December 31, 2020 and for the first semester 2021 ended on June 30, 2021.

As a result, undue reliance should not be placed on the unaudited pro forma financial information and unaudited restated pro forma alternative performance indicators set forth in this Amendment, which, beyond their illustrative nature, may not accurately reflect the current or future performance of the combined entity. See "*Unaudited Pro Forma Financial Information as of December 30, 2020*".

4. CORPORATE GOVERNANCE

4.1 Members of the Board of Directors

4.1.1 Members of the Board of Directors and members of the Board Committees

The Combined General Meeting of the Company on April 22, 2021 renewed the terms of office as director of Caisse des dépôts et consignations, represented by Mr. Olivier Mareuse and Mrs. Marion Guillou and appointed Mr. Pierre-André de Chalendar as a director for a four-year period expiring at the end of the Ordinary General Meeting called to approve the financial statements for the year ending December 31, 2024.

In addition, Mr. Jacques Aschenbroich resigned as director from May 28, 2021.

The Caisse des dépôts et consignations decided, in accordance with Veolia's internal rules, to abstain from any necessary deliberations and decisions of the Board of Directors during the period of the proposed merger with Suez. Veolia welcomed this decision in a press release issued on May 4, 2021.

At the date of filing of this Update, the Board of Directors of the Company had twelve directors, including two directors representing employees and five women.

	Independence	Date of first appointment	Expiry of current office
Antoine Frérot <i>Chairman and Chief Executive Officer</i>		May 7, 2010	2022 GSM
Louis Schweitzer <i>Vice-Chairman</i>		April 30, 2003	2023 GSM
Maryse Aulagnon <i>Senior Independent Director</i>	◆	May 16, 2012	2023 GSM
Caisse des dépôts et consignations, Represented by Olivier Mareuse	◆	March 15, 2012	2024 GSM
Pierre-André de Chalendar	◆	April 22, 2021	2024 GSM
Isabelle Courville	◆	April 21, 2016	2024 GSM
Clara Gaymard	◆	April 22, 2015	2023 GSM
Marion Guillou	◆	December 12, 2012	2024 GSM
Franck Le Roux^{(1)◆}		October 15, 2018	October 2022
Pavel Páša^{(1)◆}		October 15, 2014	October 2022
Nathalie Rachou	◆	May 16, 2012	2024 GSM
Guillaume Texier	◆	April 21, 2016	2024 GSM

◆ Director representing employees.

◆ Independent pursuant to AFEP-MEDEF Code independence criteria, as assessed by the Board of Directors.

(1) Director representing employees, not taken into account when calculating independence percentages pursuant to Article 9.3 of the AFEP-MEDEF Code.

The four Board Committees are comprised as follows:

- **Accounts and Audit Committee:** Mrs. Nathalie Rachou (Chairwoman), Mrs. Isabelle Courville, Mr. Franck Le Roux (Director representing employees), Mr. Olivier Mareuse and Mr. Guillaume Texier.
- **Nominations Committee:** Mr. Louis Schweitzer (Chairman), Mrs. Maryse Aulagnon, Mr. Pierre-André de Chalendar and Mrs. Isabelle Courville.
- **Compensation Committee:** Mrs. Maryse Aulagnon (Chairman), Mrs. Marion Guillou, Mr. Franck Le Roux (Director representing employees) and Mr. Louis Schweitzer.
- **Research, Innovation and Sustainable Development Committee:** Mrs. Isabelle Courville (Chairwoman), Mrs. Clara Gaymard, Mrs. Marion Guillou, Mr. Pavel Páša (Director representing employees) and Mr. Guillaume Texier.

In addition, Section 3.2.1.6. “Vice-Chairman/Senior Independent Director” of the 2020 Universal Registration Document should be read as follows (with reference to fiscal year 2020 and not fiscal year 2019):

Role of the Vice-Chairman

The Vice-Chairman chairs the meetings of the Board and organizes and directs its work when the Chairman is absent or unable to do so. In particular, he chairs the sessions bringing together members of the Board, with or without the Chairman and Chief Executive Officer (*executive sessions*), as well as discussions assessing the performance of the Chairman and Chief Executive Officer.

In 2020, at the end of nearly all the Board meetings (except extraordinary meetings dedicated to meetings the proposed merger with Suez and to external growth projects), the Vice-Chairman chaired five executive sessions (compared with six Board meetings in 2020 excluding aforementioned extraordinary meetings) without the presence of the Chairman and Chief Executive Officer. These executive sessions notably allow the directors to express their comments and wishes regarding improvements in the Board’s activities. During the annual assessment of the activities of the Board and its Committees, directors considered these executive sessions to be essential to the proper functioning of the Board.

4.2 Compensation of the Chairman and Chief Executive Director

4.2.1 2021 Long-term compensation

In accordance with the Group’s compensation policy and the authorization granted by the Veolia Environnement Extraordinary General Meeting of April 22, 2021 (22nd resolution), on May 4, 2021 the Board of Directors decided, at the recommendation of the Compensation Committee, to grant 927,459 performance shares (representing around 0.16% of the share capital respecting the General Shareholders’ Meeting authorization of 0.5%) to approximately 400 beneficiaries, including top executives, high-potential employees and key contributors of the Group.

In this context, 39,516 performance shares were granted to the Chairman and Chief Executive Officer, Mr. Antoine Frérot, (i.e. approximately 0.01% of the share capital compared with 0.04% authorized by the General Shareholders’ Meeting).

The detailed features and performance conditions of this performance share plan are presented in Section 3.4.3 (pages 160 *et seq.*) of the 2020 Universal Registration Document.

4.2.2 Shares vested under the 2018 Performance Share Plan

In accordance with the Group's compensation policy and the authorization granted by the Veolia Environnement General Shareholders' Meeting of April 19, 2018, the Board of Directors decided on May 2, 2018, at the recommendation of the Compensation Committee, to grant:

- 248,580 free shares, i.e. 0.04% of the share capital as of December 31, 2018, to all employees of the France scope (49,716 beneficiaries);
- 1,731,368 performance shares, i.e. 0.31% of the share capital as of December 31, 2018, to approximately 700 top executives and high-potential employees of the Group.

In this context, 49,296 performance shares were initially granted to Mr. Antoine Frérot (i.e. approximately 0.01% of the share capital compared with 0.04% authorized by the General Shareholders' Meeting).

In addition, 1,682,072 performance shares (i.e. 0.30% of the share capital), with a fair value under IFRS 2 of €25,466,570, were granted to other employee beneficiaries as follows:

- key positions (449 beneficiaries including the Executive Committee and the Management Committee): 1,301,072 performance shares (i.e. 0.23% of the share capital);
- high-potential employees (116 beneficiaries): 183,000 performance shares (i.e. 0.03% of the share capital);
- key contributors (111 beneficiaries): 198,000 performance shares (i.e. 0.04% of the share capital).

The vesting of these performance shares is subject to the following conditions:

- a presence condition until the end of the three-year vesting period i.e. until the expiry of the plan scheduled for May 2, 2021; and
- a financial performance condition corresponding to average growth in Current Net Income, Group Share (CNIGS) per share (CAGR: Compound Annual Growth Rate) of 10% per year, as recorded at the end of the plan period in 2021, based on results for the 2018, 2019 and 2020 fiscal years compared with the 2017 base year. If this average growth is less than 5%, no performance shares will vest. Between 5% and 10%, the shares would vest on a proportional basis.

On March 9, 2021 and at the recommendation of the Compensation Committee, the Board of Directors decided to adjust the financial objective of the internal economic performance criteria (Current Net Income, Group Share) in the 2018, 2019 and 2020 performance share plans, and submit, in accordance with good governance practices, this change in financial objective for shareholders' approval with regards to the Chairman and Chief Executive Officer as a beneficiary. It is recalled that a communication was issued on the adjustment to the financial objective in the 2018 plan on April 1, 2020. Accordingly, the Board of Directors decided to propose the neutralization of fiscal year 2020 in calculating the attainment of this sole Company financial performance indicator and a reduction in the same proportion for this criteria, i.e. one-third, of the number of rights to shares currently vesting under the 2018, 2019 and 2020 performance share plans. The Board of Directors considered its decision to adjust these plans, made at the recommendation of the Compensation Committee, to be balanced in consideration for ambitious financial objectives and results aimed at returning to or exceeding the Company's 2019 pre-crisis performance level. This adjustment, which seeks to align the interests of shareholders with those of plan beneficiaries who are strongly committed to the Company's performance recovery after the health crisis, was approved by the General Shareholders' Meeting of April 22, 2021.

The Chairman and Chief Executive Officer, acting pursuant to the delegation granted by the Board of Directors' Meeting of May 2, 2018, noted on May 3, 2021 (i) the expiry on May 2, 2021 of the vesting period for the performance shares granted, (ii) the 100% attainment of the aforementioned performance condition and (iii) with regard to the conditions provided in the Plan rules and given the above adjustment to rights, the vesting of 971,827 shares to 585 beneficiaries (including 32,865 shares vested to Mr. Antoine Frérot).

The detailed features and the performance condition of this performance share plan are presented in Section 3.4.3 (pages 160 *et seq.*) of the Company's 2020 Universal Registration Document.

4.3 Corporate officer and executive share ownership

4.3.1 Transactions in Veolia Environnement shares by executives

The table below details transactions in Veolia shares between March 18, 2021 and the date of filing of this Update performed by members of the Company's Executive Committee. To the best of the Company's knowledge, no other transactions involving the purchase or sale of Veolia shares by members of the Executive Committee or any person with close personal links to them were reported during this period:

Nom du dirigeant	Financial instrument	Type of transaction	Transaction date	Transaction location	Unit price (in euros)	Volume of securities	Total transaction amount (in euros)
Estelle Brachlianoff	Shares	Acquisition ⁽¹⁾	05/03/2021	Outside a trading venue	26.56	4,959	131,711.04
Estelle Brachlianoff	Shares	Disposal	05/06/2021	Euronext Paris	25.7038	106	2,724.60
Antoine Frérot	Shares	Acquisition ⁽¹⁾	05/03/2021	Outside a trading venue	26.56	32,865	872,894.40
Philippe Guitard	Shares	Acquisition ⁽¹⁾	05/03/2021	Outside a trading venue	26.56	4,960	131,737.60
Eric Haza	Shares	Acquisition ⁽¹⁾	05/03/2021	Outside a trading venue	26.56	4,138	109,905.28
Jean-Marie Lambert	Shares	Acquisition ⁽¹⁾	05/03/2021	Outside a trading venue	26.56	5,279	140,210.24
Claude Laruelle	Shares	Acquisition ⁽¹⁾	05/03/2021	Outside a trading venue	26.56	4,959	131,711.04
Helman le Pas de Sécheval	Shares	Acquisition ⁽¹⁾	05/03/2021	Outside a trading venue	26.56	5,920	157,235.20
Christophe Maquet	Shares	Acquisition ⁽¹⁾	05/03/2021	Outside a trading venue	26.56	1,488	39,521.28
Jean-François Nogrette	Shares	Acquisition ⁽¹⁾	05/03/2021	Outside a trading venue	26.56	3,710	98,537.60
Laurent Obadia	Shares	Acquisition ⁽¹⁾	05/03/2021	Outside a trading venue	26.56	4,138	109,905.28
Laurent Obadia	Shares	Disposal	05/06/2021	Euronext Paris	25.7038	814	20,922.89
Frédéric Van Heems	Shares	Acquisition ⁽¹⁾	05/03/2021	Outside a trading venue	26.56	5,422	144,008.32

(1) Vesting of rights to performance shares granted on May 2, 2018.

5. OPERATING AND FINANCIAL REVIEW

The Operating and financial review of the results for the half-year ended June 30, 2021 is presented in the half-year financial report in [Appendix 1](#) to this Update.

6. FINANCIAL STATEMENTS

6.1 Condensed Consolidated Financial Statements for the half-year ended June 30, 2021

The consolidated financial statements for the half-year ended June 30, 2021 are presented in the half-year financial report in Appendix 1 to this Update.

7. PRO FORMA FINANCIAL INFORMATION AND RE-PRESENTED PRO FORMA ALTERNATIVE PERFORMANCE MEASURES

Unaudited pro forma financial information for the year ended December 31, 2020 and alternative performance measures for the half-years ended June 30, 2020 and June 30, 2021 and the year ended December 31, 2020 are presented in Appendix 2 to this Update. The statutory auditors' report on this pro forma financial information for the year ended December 31, 2020 is presented in Appendix 3.

8. SHARE CAPITAL AND OWNERSHIP

8.1 Information on the share capital and stock market data

8.1.1 Share capital

As of August 31, 2021, Veolia Environnement's share capital was €2,897,915,945, divided into 579,583,189 fully paid-up shares, all of the same class, with a par value of €5 each.

As of the date of filing of this Update, the Company's share capital is unchanged.

8.1.2 Market for the Company's shares

Veolia Environnement shares

Regulated market– Euronext Paris (Compartment A)				CAC 40
Admission	ID code			Admission
July 20, 2000	ISIN	Reuters	Bloomberg	August 8, 2001
	FR 0000124141-VIE	VIE. PA	VIE. FP.	

Euronext Paris– Share price and trading volumes in number of shares

The table below presents high and low share prices and trading volumes in Veolia Environnement shares on the Euronext Paris regulated market over the past eighteen months.

Year (month)	Share price (in €)		Trading volume in number of shares
	High	Low	
2021			
August	29.270	27.190	22,519,437
July	28.070	25.120	31,145,338
June	26.260	24.830	24,439,894
May	26.690	24.760	30,631,142
April	26.840	21.820	41,658,883
March	23.590	21.300	40,285,883
February	23.940	22.020	32,037,183
January	23.530	19.850	43,828,893
2020			
December	20.620	18.705	34,468,891
November	19.995	16.000	54,057,701
October	19.035	15.675	45,799,952
September	20.550	17.880	42,987,508
August	20.600	18.630	35,259,841

July	20.590	19.075	40,250,340
June	22.180	19.735	43,762,392
May	20.100	17.820	36,686,927
April	20.640	17.500	44,855,741
March	28.680	16.015	95,375,115
February	29.090	25.590	50,566,702
January	26.990	23.230	36,961,422

Source : Bloomberg.

Following the delisting by Veolia Environnement of its American Depositary Receipts (ADRs) from the New York Stock Exchange (NYSE), the final listing of the ADRs on the NYSE occurred on December 22, 2014. Since this date, the ADRs are traded on the US over-the-counter market under the code VEOEY. The ADR program is managed by Deutsche Bank as a sponsored level 1 facility.

8.1.3 Non-equity securities

EMTN program

In June 2001, a Euro Medium Term Note (EMTN) program was set-up for a maximum amount of €4 billion. This maximum amount was raised to €16 billion on July 13, 2009.

The main outstanding bond issues performed under the EMTN program as of June 30, 2021 are as follows:

Issue date	Currency	Nominal issue amount (in millions of currency units)	Additional drawdowns / partial repurchases	Nominal amount outstanding as of June 30, 2021 (in millions of currency units)	Interest rate	Maturity
November 25, 2003	EUR	700		700	6.125%	November 25, 2033
May 24, 2007	EUR	1,000		645	5.125%	May 24, 2022
December 2013	EUR		(150)			
April 2015	EUR		(205)			
October 29, 2007	GBP	500		650	6.125%	October 29, 2037
January 7, 2008	GBP		150			
March 30, 2012	EUR	750		750	4.625%	March 30, 2027
April 9, 2015	EUR	500		500	1.59%	January 10, 2028
October 4, 2016	EUR	600		600	0.314%	October 4, 2023
October 4, 2016	EUR	500		500	0.927%	January 4, 2029
March 30, 2017	EUR	650		650	0.672%	March 30, 2022
March 30, 2017	EUR	650		650	1.496%	November 30,

December 5, 2018	EUR	750	750	1.94%	January 7, 2030
January 14, 2019	EUR	750	750	0.892%	January 14, 2024
January 15, 2020	EUR	500	500	0.664%	January 15, 2031
April 15, 2020	EUR	700	700	1.25%	April 15, 2028
June 15, 2020	EUR	500	500	0.80%	January 15, 2032
January 14, 2021	EUR	700	700	0%	January 14, 2027

As of June 30, 2021, the total nominal outstanding amount of the EMTN program was €8,358 million, maturing in more than one year.

Offering of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE)

Veolia Environnement redeemed early the bonds convertible into and/or exchangeable for new and/or existing shares (“OCEANE”) issued on March 8, 2016 and maturing March 15, 2021, in the nominal amount of approximately €700 million. On September 13, 2019, an initial redemption of 93% of the nominal amount was performed at a unit price of €30.31 as part of a redemption offer. This was followed on November 13, 2019 by a second supplementary redemption of 7% of the nominal amount at par, that is a unit price of €29.99, on the exercise of a clean-up call.

On September 12, 2019, Veolia Environnement completed an offering of bonds convertible and/or exchangeable for new and/or existing shares (“OCEANE”) maturing January 1, 2025 by way of a private placement without shareholders’ preferential subscription rights, of a nominal amount of approximately €700 million. These bonds will not bear interest and were issued at 103.25% of their principal amount. The bonds have a nominal unit value of €30.41 representing a premium of 35% above the Company’s reference share price on the issue date.

As of June 30, 2021, the total nominal outstanding amount was approximately €700 million, maturing in more than one year.

Public issue on the US market

On December 23, 2019, Veolia Environnement performed a partial redemption in the amount of US\$100 million of the US\$400 million bond line paying interest at 6.75% and maturing in June 2038, issued in 2008 on the American market.

As of June 30, 2021, the total nominal outstanding amount was US\$300 million (€252 million euro-equivalent), maturing in more than one year.

Bond issue program on the Chinese domestic market (Panda Bonds)

On December 10, 2019, Veolia Environnement filed with the National Association of Financial Market Institutional Investors (NAFMII) two bond issue programs on the Chinese domestic market for a period of two years and a maximum nominal amount of 10 billion renminbi, replacing the program signed in August 2016 and maturing in August 2018.

On June 24, 2020, Veolia Environnement performed two bond issues under this new program for a total amount of 1.5 billion renminbi, through a private placement with Chinese and institutional investors. The bond issues mature on June 24, 2023 and pay a coupon of 3.85%.

On December 16, 2020, Veolia Environnement continued its bond issue program with two bond issues totaling 1.5 billion renminbi, maturing on December 16, 2023 and bearing a coupon of 4.45%.

As of June 30, 2021, the total nominal outstanding amount on these bond issues was 3 billion renminbi (€391 million euro-equivalent).

Commercial paper

Veolia Environnement has a short-term financing program comprising Negotiable European Commercial Paper (NEU CP) capped at €6 billion. The financial documentation for this program was updated with the Bank of France on May 17, 2021.

As of June 30, 2021, the total outstanding amount of negotiable commercial paper issued by the Company was €5,962 million.

On May 18, 2020, Veolia Environnement set-up a commercial paper program capped at GBP 600 million with the Bank of England (which launched this program), under the bank's COVID Corporate Financing Facility assistance program. The program has been closed by the Bank of England.

Group employee share ownership transaction

On September 7, 2021, Veolia announced the launch of a Group employee share ownership transaction. This transaction, offered to approximately 147,000 Group employees, aims to involve them in Veolia's development and performance. The offer is proposed within the framework of the Veolia group savings plan and international group savings plan in accordance with Articles L. 3332-18 *et seq.* of the French Labor Code and concerns a maximum of 11,572,227 shares (i.e. approximately 2% of the share capital). The settlement and delivery of the new shares to be issued is expected to take place on December 8, 2021.

8.2 Veolia Environnement shareholders

8.2.1 Breakdown of shareholders as of August 31, 2021

The table below presents the number of shares and the corresponding percentage of share capital and voting rights held as of August 31, 2021 by Veolia Environnement's principal known shareholders.

A double voting right was introduced on April 3, 2016 for shares held in registered form by the same shareholder for at least two years, in accordance with the Florange law of March 29, 2014.

To the best of the Company's knowledge, as of the date of filing of this Update, no shareholder other than those listed in the table below, directly or indirectly held 4% or more of the Company's share capital or voting rights.

Shareholders as of August 31, 2021	Number of shares	% of share capital	Theoretical number of voting rights	Number of voting rights that may be exercised	% of voting rights that may be exercised*
Caisse des Dépôts ⁽¹⁾	36,348,326**	6.27	62,384,445	62,384,445	10.29
BlackRock ⁽²⁾	30,787,781	5.31	30,787,781	30,787,781	5.08
Employees ⁽³⁾	23,391,222	4.04	33,208,770	33,208,770	5.48
Veolia Environnement ⁽⁴⁾	12,356,372***	2.13	12,356,372***	0*	0*
Public and other investors	476,699,488	82.25	479,720,055	479,720,055	79.15
TOTAL	579,583,189	100.0	618,457,423	606,101,051	100.0

* Percentage of voting rights as a proportion of effective voting rights (Veolia Environnement treasury shares do not exercise voting rights).

** Including 26,036,119 shares held in registered form for more than two years.

*** As of August 31, 2021, Veolia Environnement held 12,356,372 treasury shares.

- (1) Based on the analysis of the Company's shareholders as of June 30, 2021 To the best of the Company's knowledge, the most recent notification that Caisse des dépôts et consignations had crossed, upwards, the legal 10% share capital and/or voting rights threshold, was filed on December 3, 2020 (AMF Decision and Information no. 220C5270 of December 4, 2020). On May 11, 2021, Caisse des dépôts notified that CNP Assurances had crossed, downwards, the bylaws 2% reporting threshold on May 5, 2021. This followed the sale of shares by CNP Assurances. Caisse des dépôts, which did not cross any thresholds, held at that date, directly and indirectly via CNP Assurances and LBP Prévoyance, 37,679,967 shares and 63,716,086 voting rights, representing 6.50% of the share capital and 10.36% of voting rights – the Caisse des dépôts et consignations directly holding at that date 26,036,119 shares and 52,072,238 voting rights representing 4.50% of the capital and 8.47% of voting rights.
- (2) Based on the analysis of the Company's shareholders as of June 30, 2021. Between March 18, 2021 and August 31, 2021, Blackrock filed several notifications that it had crossed, upwards or downwards, the legal 5% share capital and/or voting rights threshold (see AMF Decisions and Information no. 221C0646, no. 221C0739, no. 221C0756, no. 221C0773, no. 221C0801, no. 221C0818, no. 221C0841, no. 221C0938, no. 221C1065, no. 221C1104).
- (3) Direct and indirect shareholdings, including financial investment vehicles.
- (4) Treasury shares without voting rights. This information is included in the monthly report of transactions carried out by Veolia Environnement in its own shares that was filed with the French Financial Markets Authority (AMF) on September 7, 2021.

To the best of the Company's knowledge, as of the date of filing of this Update to the Universal Registration Document, there are no agreements between one or more of the Company's shareholders and no shareholders' agreements or agreements to which the Company is a party, that could have a material impact on the Company's share price, and there are no shareholders' agreements or other agreements of such nature to which any significant non-listed subsidiary of the Company is a party.

No third party controls Veolia Environnement and, to the Company's knowledge, there are no agreements that, if implemented, could result in a change of control or takeover of the Company.

The Company intends to recover the pre-crisis dividend policy in 2021.

8.3 Dividend policy

8.3.1 Dividends per share and total amounts paid during the past five fiscal years

<i>(in euros)</i>	2016 Dividend	2017 Dividend	2018 Dividend	2019 Dividend	2020 Dividend ⁽¹⁾
Gross dividend per share	0.80	0.84	0.92	0.50	0.70
Net dividend per share	0.80 ^(*)	0.84 ^(*)	0.92 ^(*)	0.50 ^(*)	0.70 ^(*)
TOTAL DIVIDEND DISTRIBUTION(**)	439,772,185	462,685,249	509,096,391	277,172,439	397,078,213

(*) The dividend is eligible for the 40% tax rebate.

(**) Amount paid by the Company.

(1) Approval by the Combined General Meeting of April 22, 2021 (4th resolution) of a dividend for fiscal year 2020 of €0.70 per share.

9. PERSON ASSUMING RESPONSIBILITY FOR THE UPDATE

9.1 Person assuming responsibility for the Update

Mr. Antoine Frérot, Chairman and Chief Executive Officer of Veolia Environnement

9.2 Statement by the person assuming responsibility for the Update to the Universal Registration Document

“I hereby certify that to the best of my knowledge and having taken all reasonable care to ensure that such is the case, the information contained in this Update is true and fair and does not contain any omission likely to affect its import.”

Aubervilliers, September 15 2021

Chairman and Chief Executive Officer

Mr. Antoine Frérot

10. ADDITIONAL INFORMATION

10.1 *Litigation and arbitration*

The most significant legal proceedings involving the Company or its subsidiaries are described hereinafter. In addition, tax audits and disputes are described in section 11.2, note 11 to the condensed interim consolidated financial statements for the half-year ended June 30, 2021 presented in the 2021 Half-year financial report in **Appendix 1** to this Update.

The description of the most significant judicial, administrative or arbitral proceedings set forth in note 12 to the condensed interim consolidated financial statements for the half-year ended June 30, 2021 presented in the 2021 Half-year financial report in **Appendix 1** to this Update, is incorporated by reference in this Update. The main updates concerning these disputes, which are set forth in note 12 and reflect significant changes that have occurred up to the date of filing of this Update, are also described hereinafter.

The Company is not aware of any other current or threatened judicial, administrative or arbitral proceedings which, during the past twelve months, may have had or have had a material adverse effect on the financial condition or profitability of the Company and/or the Group

NORTH AMERICA

– **United States - Flint**

See note 12 to the condensed interim consolidated financial statements as of June 30, 2021 in Appendix 1.

In August 2021, the federal court certified an issues class action with respect to VNA, for which leave has been sought to file an appeal. The issues class action, even if successful on the merits in a future trial, will address neither specific causation nor alleged individual damages. Each class plaintiff must therefore file an individual action in order to prove specific causation and personal damages.

With respect to individual federal actions (in Bellwether trials, which are distinct from the issues class action), the first trial is scheduled to begin in February 2022.

– **United States – WASCO and Aqua Alliance**

Several current and former indirect subsidiaries of Veolia Eau in the United States⁽⁷⁾ are defendants in lawsuits in the United States, in which the plaintiffs seek recovery for personal injuries and other damages allegedly due to exposure to asbestos, silica and other potentially hazardous substances. With respect to the lawsuits against Veolia Eau's former subsidiaries, certain of Veolia Eau's current subsidiaries retain liability and in certain cases manage the defense of the lawsuits. In addition, in certain instances, the acquirers of the former subsidiaries benefit from indemnification obligations provided by Veolia Eau or the Company in respect of these lawsuits. These lawsuits typically allege that the plaintiffs' injuries resulted from the use of products manufactured or sold by Veolia Eau's current or former subsidiaries or their predecessors. There are generally numerous other defendants, in addition to Veolia Eau's current or former subsidiaries, which are accused of having contributed to the injuries alleged. Reserves have been booked for the possible liability of current subsidiaries in these

⁷ *Subsidiaries of the Aqua Alliance group or of WASCO (formerly Water Applications & Systems Corporation and United States Filter Corporation), the parent company of the former U.S. Filter group, most of whose businesses were sold to various buyers in 2003 and 2004.*

cases, based on the nexus between the injuries claimed and the products manufactured or sold by these subsidiaries or their predecessors, the extent of the injuries allegedly sustained by the plaintiffs, the involvement of other defendants and the settlement history in similar cases. These reserves are booked at the time such liability becomes probable and can be reasonably assessed, and do not include reserves for possible liability in lawsuits that have not been initiated.

As of the date of this registration document, a number of such claims have been resolved either through settlement or dismissal. To date, none of the claims has resulted in a finding of liability.

During the ten-year period ended December 31, 2020, the average annual costs that the Group has incurred with respect to these claims, including amounts paid to plaintiffs, legal fees and expenses, have been \$781,243 after reimbursements by insurance companies.

CENTRAL AND EASTERN EUROPE

Lithuania

See note 12 to the condensed interim consolidated financial statements as of June 30, 2021 in Appendix 1.

AFRICA MIDDLE EAST

Egypt

In September 2000, Veolia Propreté entered into a 15-year contract with the Governorate of Alexandria (“**Governorate**”) for the collection and treatment of waste, as well as urban cleaning of the city of Alexandria (“**Contract**”).

In October 2011, Onyx Alexandria, a subsidiary of Veolia Propreté incorporated to perform the Contract, terminated the Contract for serious breach by the Governorate of its payment obligations, and more generally for misconduct committed by the Arab Republic of Egypt (“**Egypt**”), causing the total loss of the investment made by Veolia Propreté.

In June 2012, Veolia Propreté initiated arbitration proceedings against Egypt on the basis of the France-Egypt bilateral investment treaty (“**BIT**”) and under the auspices of the ICSID (International Center for Settlement of Investment Disputes).

On November 9, 2016, the Governorate initiated arbitration proceedings against Veolia Propreté and Onyx Alexandria before the Cairo Regional Centre for International Commercial Arbitration (“**CRCICA**”) and sought compensation for damages resulting from the alleged wrongful termination of the Contract and Onyx Alexandria's breach of its contractual obligations for an amount of 186.2 million Egyptian pounds (which corresponds to an amount of approximately €10 million). Veolia Propreté and Onyx Alexandria strongly contest the merits of all these claims.

In an award dated May 25, 2018, the International Centre for Settlement of Investment Disputes, ICSID ruled that the Contract's breaches by the Governorate did not involve sufficiently serious acts of Egypt that could be assimilated to violations of the BIT and consequently rejected all of Veolia Propreté claims for compensation. The arbitral tribunal held in particular that the contractual claims should have been referred to CRCICA according to the arbitration clause included in the Contract. In this arbitration, Onyx Alexandria submitted counterclaims for approximately 1 billion Egyptian pounds (approximately €54.1 million) and the Governorate requested the arbitral tribunal's

authorization to amend its initial claims for compensation of approximately €28.9 million. The procedure is still ongoing.

VEOLIA TECHNOLOGIES AND CONTRACTING

- **VWT v. K+S Potash**

See note 12 to the condensed interim consolidated financial statements as of June 30, 2021 in Appendix 1.

- **VWT v. Antero**

See note 12 to the condensed interim consolidated financial statements for as of 30, 2021 in Appendix 1.

VEOLIA ENVIRONNEMENT

- **Veolia Environnement v. Suez**

From October 5, 2020 following the acquisition by the Company of a 29.9% stake in the share capital of Suez SA, held by Engie, the Company and Suez were involved over several months in many legal disputes.

These disputes concerned in particular:

- The Company's press release of August 30, 2020 and the opening of a pre-offer period for the Suez shares (action brought by Suez)
- The information and consultation process with the employee representative bodies (IRPs) of Suez (action initiated by the Suez IRPs) ;
- The inalienability mechanism of Suez Eau France activities through the “Stichting foundation” of Suez created in the Netherlands (action launched by the Company) ;
- The tender offer filed by the Company for Suez shares on February 8, 2021 with the French Financial Markets Authority (AMF) (legal action initiated by Suez).

On May 14, 2021, the Company and Suez signed an agreement under which they agreed to suspend and waive the pending disputes. On June 1, 2021, Nanterre Commercial Court approved the agreement.

SOUTH EUROPE

- **Veolia Propreté vs the Republic of Italy**

See note 12 to the condensed interim consolidated financial statements as of June 30, 2021 in Appendix 1.

10.2 Documents available to the public

Type of document	Accessibility
<ul style="list-style-type: none"> • Company press releases • Annual Registration Documents and Universal Registration Documents (including notably historical financial information relating to the Company and the Group) filed with the AMF and any related updates. 	www.veolia.com/en/veolia-group/finance/regulated-information 30, rue Madeleine Vionnet, 93300 Aubervilliers
<ul style="list-style-type: none"> • Information disclosed to the public by the Company during the preceding twelve months in France or other EU member states, pursuant to any securities regulations applicable to the Company. 	www.veolia.com/en/veolia-group/finance/regulated-information AMF website
Regulated information published by the Company, pursuant to Article 221-1 <i>et seq.</i> of the AMF's general regulations.	www.veolia.com/en/veolia-group/finance/regulated-information
<ul style="list-style-type: none"> • Company's Articles of Association. 	www.veolia.com/en/governance
<ul style="list-style-type: none"> • Minutes of General Shareholders' Meetings, Statutory Auditors' reports and all other corporate documents. 	30, rue Madeleine Vionnet, 93300 Aubervilliers

10.3 Statutory Auditors

KPMG SA

Member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* (Versailles Regional Auditors' Association).

Represented by Mr. Baudouin Griton and Mr. Eric Jacquet.

2, avenue Gambetta, Tour Eqho, 92066 Paris la Défense Cedex.

Company first appointed by the Combined General Meeting of May 10, 2007 and reappointed by the Combined General Meeting of April 18, 2019 for a six-year term that will expire at the end of the General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2024.

Ernst & Young et autres

Member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* (Versailles Regional Auditors' Association).

Represented by Mr. Jean-Yves Jégourel and Mr. Quentin Séné.

1-2, place des Saisons – Paris - La Défense 1 – 92400 Courbevoie.

Company first appointed on December 23, 1999 and reappointed by the Combined General Meeting of April 20, 2017 for a six-year term that will expire at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2022.

11. CROSS-REFERENCE TABLE

This cross-reference table presents the sections detailed in Annex 1 of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019 and refers to the pages of the 2020 Universal Registration Document and the present Update where the information for each section can be found.

		2020 Universal Registration Document		Update	
Annexes 1 and 2 of the Delegated Regulation 2019-980 of March 14, 2019		Section	Page	Section	Page
1.	1 – Persons responsible, third party information, experts’ reports and competent authority approval				
	1.1 Persons responsible for the information	8.8.1	517	9.1 and 9.2	40
	1.2 Statement by those responsible for the information	8.8.2	517	9.2	40
	1.3 Statement or expert report	N/A	N/A	N/A	N/A
	1.4 Confirmation of third part information	N/A	N/A	N/A	N/A
	1.5 Statement without prior approval by the competent authority	AMF box	AMF box	AMF box	AMF box
2.	Statutory Auditors	8.6	515 and 516	10.3	44
3.	Risk factors	2.2	79	3	21
4.	Information about the issuer				
	4.1 Legal and commercial name	8.1.1	506	N/A	N/A
	4.2 Place of registration, registration number and legal entity identifier (LEI)	8.1.1	506	N/A	N/A
	4.3 Date of incorporation and length of life of the issuer	8.1.1	506	N/A	N/A
	4.4 Domicile, legal form, legislation, country of incorporation, address, registered office telephone number and website	8.1.1	506	N/A	N/A
5.	Business overview				
	5.1 Principal activities	1.3.1 and 1.3.2	23 and 28	N/A	N/A
	5.2 Principal markets	1.3.3, 1.3.4 and 1.5	30, 31 and 42	N/A	N/A
	5.3 Important events in the development of the issuer’s business	1.2, 5.2.1, 5.2.2 and 6.1.6 Note 3	17, 299, 301 and 340	N/A	N/A

		2020 Universal Registration Document		Update	
Annexes 1 and 2 of the Delegated Regulation 2019-980 of March 14, 2019		Section	Page	Section	Page
5.4	Strategy and objectives	1.1, 1.2, 4.1, 5.2.1 and 5.5.6	14, 17, 186, 299 and 323	N/A	N/A
5.5	Dependency on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	1.5.3.1	57	N/A	N/A
5.6	Basis for any statements made by the issuer regarding its competitive position	1.3.4.2	36	N/A	N/A
5.7	Investments				
5.7.1	Material investments completed	5.2.2.2, 5.4.2 and 6.1.6 Note 5.4.1	302, 318 and 345	N/A	N/A
5.7.2	Investments in progress or for which firm commitments have already been made	5.1, 5.2.2.1 and 6.1.6 Note 5.4.1	296, 301 and 347	N/A	N/A
5.7.3	Joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses	6.1.6 Note 7.2.4	357	N/A	N/A
5.7.4	Environmental issues that may affect the issuer's utilization of property, plant and equipment	4.2	195	N/A	N/A
6. Organizational structure					
6.1	Brief description of the Group	1.5.1	42	N/A	N/A
6.2	List of issuer's significant subsidiaries	6.1.6 Note 17 and 6.2.5 Note 7.11	431 and 480	N/A	N/A
7. Operating and financial review					
7.1	Financial condition				
7.1.1	Development and performance of the issuer's business and of its financial position for each year and interim period for which historical financial information is required	5.2, 5.3.1, 5.3.2, 5.3.3, 5.5.1, 5.5.7, 5.5.8 and 6.1.1 to 6.1.3	186, 299, 305, 306, 310, 321, 324, 325 and 328 to 331	1 and 6.1	4 and 33
7.1.2	Likely future development of the issuer and research and development activities	4.1	1 to 12	2.1.2.3	12

		2020 Universal Registration Document		Update		
Annexes 1 and 2 of the Delegated Regulation 2019-980 of March 14, 2019		Section	Page	Section	Page	
	7.2	Operating results				
	7.2.1	Significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations	5.3.3, 5.3.4 and 6.1.6 Note 7.2	310 to 315 and 355	2.1.1.1 and 6.1	5 and 33
	7.2.2	Reasons for material changes in net sales or revenues	5.3.2.1, 5.3.2.2	306 to 309	2.1.1.1	5
8. Capital resources						
	8.1	Information on the issuer's capital resources	6.1.5 and 6.1.6 Note 11	334 and 415	6	33
	8.2	Source and amount of cash flows and description of these cash flows	6.1.4, 6.1.6 Notes 7.3, 10.3.2 and 7.1.7	332, 360, 409 and 500	6	332
	8.3	Borrowing requirements and funding structure	5.4.1, 5.4.3, 5.4.4, 6.1.6 Notes 10.1 and 10.2	316, 319, 319, 389 and 397	2.1.4 and 6	17 and 33
	8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	6.1.6 Note 10.1.3	396	6	33
	8.5	Information regarding the anticipated sources of funds needed to fulfill commitments referred to in item 5.7.2	5.5.4 and 6.1.6 Note 16	323 and 430	2.1.4 and 6	17 and 33
9. Regulatory environment						
	9.1	Description of the regulatory environment that the issuer operates in and that may materially affect its business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations	1.6	57	2.1.1	5
10. Trend information						
	10.1	Significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last fiscal year to the date of the registration document	1.3.2 and 5.5.4	28 and 323	N/A	N/A

		2020 Universal Registration Document		Update	
Annexes 1 and 2 of the Delegated Regulation 2019-980 of March 14, 2019		Section	Page	Section	Page
	10.2 Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year	1.2 and 5.5.6	17 and 323	2.1.1.1	5
11.	Profit forecasts or estimates				
	11.1 Profit forecasts or estimates	5.5.6	323	N/A	N/A
	11.2 Principal assumptions upon which the issuer has based its forecast, or estimate	5.5.6	323	N/A	N/A
	11.3 Statement that profit forecasts or estimates are comparable with historical financial information and consistent with the issuer's accounting policies	5.5.6	323	N/A	N/A
12.	Administrative, management and supervisory bodies and senior management				
	12.1 Information concerning members of the administrative, management or supervisory bodies	3.1.1, 3.1.2 and 3.1.3	108 and 121	2.1.3	16
	12.2 Administrative, management and supervisory bodies and senior management conflicts of interests	3.1.3	121	N/A	N/A
13.	Compensation and benefits				
	13.1 Amount of remuneration paid and benefits in kind granted by the issuer and its subsidiaries	3.1.1, 3.1.2 and 3.1.3	108 and 121	2.1.3	16
	13.2 Amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits	3.1.3	121	N/A	N/A
14.	Board practices				
	14.1 Date of expiration of the current term of office and the period during which the person has served in that office	3.1.1 and 3.1.2	108 and 121	2.1.3	16

		2020 Universal Registration Document		Update	
Annexes 1 and 2 of the Delegated Regulation 2019-980 of March 14, 2019		Section	Page	Section	Page
	14.2 Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits, or an appropriate statement to the effect that no such benefits exist.	6.1.6 Note 15, 3.1.3 and 3.6	430, 121 and 181	N/A	N/A
	14.3 Information on the issuer's Audit Committee and Compensation Committee	3.2.2.1 and 3.2.2.3	133 and 137	N/A	N/A
	14.4 Statement on compliance with the corporate governance regime in effect	3.2.1.1	122	N/A	N/A
	14.5 Potential material impacts on corporate governance	3.1.2 , 3.2.1.2 and 3.2.2	121, 122 and 133	3	21
15. Employees					
	15.1 Number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information and a breakdown of persons employed by main category of activity and geographic location	Profile / Key figures and 4.4.2	1 to 12 and 248	3	21 to 23
	15.2 Share ownership, options, performance share grants	3.1.1.2, 3.4.1.1.2, 3.4.3, 3.4.4 and 3.5.1	109, 145, 160, 171 and 180	N/A	N/A
	15.3 Arrangements providing for employee involvement in the share capital	4.4.4.4 and 5.2.4	262 and 304	N/A	N/A
16. Major shareholders					
	16.1 Name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest or a statement to the effect that no such person exists	7.2	501	8.2.1	38
	16.2 Existence of different voting rights	7.2 and 8.1.4	501 and 509	8.2	38
	16.3 Direct or indirect ownership or control of the issuer	7.2.2	502	8.2.1	38

		2020 Universal Registration Document		Update	
Annexes 1 and 2 of the Delegated Regulation 2019-980 of March 14, 2019		Section	Page	Section	Page
	16.4 Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control	8.3	514	2.1.1.1 and 3	5 and 21
17. Related party transactions					
	17.1 Details of related party transactions	6.1.6 Note 15	430	N/A	N/A
18. Financial information concerning the issuer's assets and liabilities, financial position and profits and losses					
	18.1 Historical financial information	Profile, 5.3.1, 6.1, 6.2 and 8.7	1 to 12, 305, 328, 442 and 516	N/A	N/A
	18.1.1 Audited historical financial information covering the latest three financial years and the audit report in respect of each year	6.1	328	N/A	N/A
	18.1.2 Change of accounting reference date	N/A	N/A	N/A	N/A
	18.1.3 Accounting standards	5.3	305	N/A	N/A
	18.1.4 Change of accounting framework	N/A	N/A	N/A	N/A
	18.1.5 Audited financial information prepared according to national accounting standards	5.3	305	5 and 6.1	32 and 33
	18.1.6 Consolidated financial statements	6.1	328	6	32
	18.1.7 Age of financial information	5.3.1	305	6	32
	18.2 Interim and other financial information	N/A	N/A	5,6 and 7	32,33 and 34
	18.2.1 Quarterly or half-yearly financial information	5.3.2	306	5,6 and 7	32,33 and 34
	18.3 Auditing of historical annual financial information	6.1.7 and 6.2.6	438 and 484	N/A	N/A
	18.3.1 Independent audit of historical annual financial information	6.1.7 and 6.2.6	438 and 484	N/A	N/A
	18.3.2 Other information audited by the auditors	6 Note 7	472	N/A	N/A

		2020 Universal Registration Document		Update	
Annexes 1 and 2 of the Delegated Regulation 2019-980 of March 14, 2019		Section	Page	Section	Page
	18.3.3 Information not extracted from the issuer's audited financial statements	6.1.7 and 6.2.6	438 and 484	N/A	N/A
	18.4 Pro forma financial information				
	18.4.1 Significant change in gross values	N/A	N/A	8.1	35
	18.5 Dividend policy	7.3 and 8.1.2	503 and 507	8.3	39
	18.5.1 Description of the policy on dividend distributions and any restrictions thereon	7.3 and 8.1.2	503 and 507	8.3	39
	18.5.2 Dividend per share	8.1.2	507	8.3.1	39
	18.6 Legal and arbitration proceedings				
	18.6.1 Major proceedings	6.1.6 Note 14 and 8.2	426 and 511	10.1	41
	18.7 Significant change in the issuer's financial position				
	18.7.1 Description	5.5.4 and 6.1.6 Note 16	323 and 430	N/A	N/A
19.	Additional information				
	19.1 Share capital			8.1.1	35
	19.1.1 Amount of issued and authorized share capital, the number of shares issued and fully paid and issued but not fully paid, the par value per share, a reconciliation of the number of shares outstanding at the beginning and end of the period	7.1.1, 7.1.2 and 7.1.4	492 and 496	8	35
	19.1.2 Information on shares not representing capital	N/A	N/A	N/A	N/A
	19.1.3 Number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer	7.1.3	493	N/A	N/A
	19.1.4 Information on convertible securities, exchangeable securities or securities with subscription warrants	7.1.5, 7.1.7 and 6.1.6 Note 10.1.1.1	499, 500 and 389	N/A	N/A

		2020 Universal Registration Document		Update	
Annexes 1 and 2 of the Delegated Regulation 2019-980 of March 14, 2019		Section	Page	Section	Page
	19.1.5 Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase the capital.	7.1.4	496	N/A	N/A
	19.1.6 Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option	N/A	N/A	N/A	N/A
	19.1.7 Share capital history	7.1.6	499	8.1.2	35
	19.2 Memorandum and Articles of Association				
	19.2.1 Register and corporate purpose	8.1.1	506	N/A	
	19.2.2 Rights, preferences and restrictions attaching to each class of existing shares	8.1.2 and 8.1.4 to 8.1.6	507 and 509 to 510	N/A	N/A
	19.2.3 Provisions of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer	N/A	N/A	N/A	N/A
20.	Key contracts				
	20.1 Summary of each material contract	8.3	514	N/A	N/A
21.	Documents available				
	21.1 Statement on the documents that can be inspected	8.5	515	N/A	N/A

12. APPENDICES

This Update contains the following Appendices:

- Appendix 1: Half-year financial report as of June 30,2021
- Appendix 2: Unaudited pro forma financial information for the year ended December 31, 2020 and alternative performance measures for the half-years ended June 30, 2020 and June 30, 2021 and the year ended December 31, 2020
- Appendix 3: Statutory auditors' report on the pro forma financial information for the year ended December 31, 2020

Appendix 1
Half-year financial report as of June, 2021

Appendix 2

Unaudited pro forma financial information for the year ended December 31, 2020 and alternative performance measures for the half-years ended June 30, 2020 and June 30, 2021 and the year ended December 31, 2020

Appendix 3
**Statutory auditors' report on the pro forma financial information
for the year ended December 31, 2020**

This is a free translation into English of the auditors' report issued in the French language and is provided solely for the convenience of English speaking readers.

This report should be read in conjunction with, and is construed in accordance with, French law and professional standards applicable in France.

To Antoine Frérot, Chairman and Chief Executive Officer of Veolia Environnement

In our capacity as statutory auditors of your company and in accordance with Regulation (EU) n°2017/1129 supplemented by the Commission Delegated Regulation (EU) n°2019/980, we hereby report to you on the pro forma financial information of Veolia Environnement (the "Company") for the year ended December 31, 2020 set out in section 7 of the amendment to the universal registration document (the "Pro Forma Financial Information").

The Pro Forma Financial Information has been prepared for the sole purpose of illustrating the impact of the planned take over of Suez by Veolia, its financing and the divestment of its Water and Waste businesses (excluding hazardous waste) in France and certain international assets of Suez, described in the section 1.1 of the Pro Forma Financial Information, might have had on the consolidated balance sheet at December 31, 2020 and the consolidated income statement of the Company for the year ended December 31, 2020 had it taken place with effect from December 31, 2020 for the consolidated balance and January 1, 202 for the consolidated income statement. By its very nature, this information is based on a hypothetical situation and does not represent the financial position or performance that would have been reported, had the operation or event taken place at an earlier date than the actual or contemplated date.

It is your responsibility to prepare the Pro Forma Financial Information in accordance with the provisions of Regulation (EU) n°2017/1129 and ESMA's recommendations on Pro Forma Financial Information.

It is our responsibility to express a conclusion, based on our work, in accordance with Annex 20, section 3 of Commission Delegated Regulation (EU) n°2019/980, as to the proper compilation of the Pro Forma Financial Information on the basis stated.

We performed those procedures that we deemed necessary according to the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagement. These procedures, which did not include an audit or a review of the financial information used as a basis to prepare the Pro Forma Financial Information, mainly consisted in ensuring that the information used to prepare the Pro Forma Financial Information was consistent with the underlying financial information, as described in the notes to the Pro Forma Financial Information, reviewing the evidence supporting the pro forma adjustments and conducting interviews with the management of the Company to obtain the information and explanations that we deemed necessary.

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated;
- that basis is consistent with the accounting policies of the Company.

This report has been issued solely for the purposes of:

the filing of the the amendment to the universal registration document with the French financial markets authority (Autorité des marchés financiers or "AMF") ;

- and, a public offer, of securities of the Company in France and in other EU member states in which the prospectus approved by the AMF is notified;
- and cannot be used for any other purpose.

Paris-La-Défense, September 15, 2021

The statutory auditors

KPMG Audit
Département de KPMG S.A.

Baudouin Griton Eric Jacquet

ERNST & YOUNG et Autres

Jean-Yves Jégourel Quentin Séné