

TOGETHER

LET'S TAKE ON THE CHALLENGE
OF ECOLOGICAL
TRANSFORMATION

Veolia-Suez: the merger that turns the tide



 **VEOLIA**

CONTENTS

- P.03 The ecological emergency won't wait
- P.04 A project for all stakeholders

WHY NOW?

- P.06 To respond to the urgency of the issues
- P.10 To maintain international leadership

WHY TOGETHER?

- P.12 To build a sustainable future
- P.14 To combine complementary strengths
- P.16 To speed up innovation
- P.20 To answer the call everywhere

THE KEYS TO SUCCESS

- P.22 Compatible cultures
- P.24 Commitments to employees
- P.28 A robust financial profile
- P.30 Stronger competition



“The future of our societies depends on our ability to reconcile human activity with a balanced environment, which is undoubtedly the biggest challenge that we have had to face. In order to take on that challenge, we must make a profound change to our societal models. In order to do that, we need major champions on the scale of large metropolises and big industries that are looking for large-scale solutions.”

Antoine Frérot,

Chairman and Chief Executive Officer of Veolia

July 31, 2020

The group Engie announces a strategic review of its assets and puts its stake in the capital of Suez up for sale.

August 30, 2020

Veolia offers to buy 29.9% of Suez from Engie, before launching a bid for the balance of the shares in order to merge the two companies at a later stage.

October 5, 2020

Engie’s Board of Directors accepts Veolia’s offer for its stake in Suez. Veolia acquires 29.9% of the capital of Suez from Engie and confirms its intention to acquire control of that company.

January 7, 2021

Veolia formally delivers a proposed offer to the Board of Directors of Suez including the whole of the project.

February 8, 2021

Veolia’s voluntary public takeover bid for all of the Suez shares that it does not yet own is officially filed with the Financial Markets Authority.

April 11, 2021

Veolia and Suez reach an agreement allowing the merger of the two companies.



THE ECOLOGICAL EMERGENCY WON'T WAIT

The Paris Agreement was enthusiastically signed five years ago. Since then, the planned reduction in greenhouse gas emissions has not been maintained. Pollution is increasing, biodiversity continues to be undermined, and resources are becoming scarcer.

It is essential to have the clarity of vision to recognize that while there was no doubting the willingness to act, an essential factor was missing – players of sufficient size to swing the economy towards sustainable development.

When facing such a vast challenge, a major champion is needed, one that can lead the way for an entire industry. Large industrial companies, States and large metropolises must transform their activities and reduce their impact to respond to the growing needs of their populations. They must be able to count on powerful partners with a capacity for intervention that is comparable to their own.

Suez and Veolia are the two largest international players in ecological transformation. But each of them, on its own, is no match for these giants.

The combined strengths of Suez and Veolia would turn the tide.

Because for giants that are aware of the need to change, but that cannot find counterparts capable of working with them in every continent and on all aspects of their environmental impact, size makes all the difference between a service provider and a partner.

Size makes it possible to provide solutions to environmental problems which are yet to appear, because it makes it possible to invest more, to innovate better and to invent more. We will be able to combine our talents, not merely adding our intelligence together, but multiplying it to find novel and more effective solutions.

Size makes it possible to influence the debate about regulations, particularly regarding the price of carbon. To move away from the confrontation between businesses and associations, what could be better than an operator capable of translating the legitimate requirements of the latter into concrete solutions for the former?

Finally, size makes it possible to protect know-how discovered in France and a now European model based on partnership, from the Chinese or American competitors that are coming out with their own models. By growing, not only can one avoid them, one can overtake them.

This change of size is fortunate for France. Apart from French sovereignty, the economy and French jobs will be the winners. For the last two centuries, France has been an ecological leader. As a key player in COP21, the inventor of the public water service and of public-private partnerships, our country has given form and life to this sector. Should it give up on reinventing it to make it grow and to develop its benefits at the very moment when it is most needed?

Because it will be based on this European model and on this partnership culture, this change of size will allow the specific features of the relationship between the operator and the regions to be preserved.

Thus, the combined skills of the two businesses will mean that additional expertise can be made available at local level.

Considering the challenge and the emergency we face, we must form giants capable of leading the world towards another model, to make ecological transformation the driving force behind the new capitalism.

This is the purpose of the merger between Veolia and Suez.

A PROJECT FOR ALL STAKEHOLDERS

The merger of Suez and Veolia is a human and industrial project with a very big environmental impact. It will also create additional balanced value for all the stakeholders of the two companies, consistent with Veolia's multifaceted performance commitments.

FOR THE PLANET

— To speed up the development of identified solutions to combat major environmental problems: climate change, soil, water or air pollution, the collapse of biodiversity, the increasing scarcity of natural resources...

— To concentrate research and innovation efforts on solutions that are yet to be invented.

Greatly increased resources to recycle plastic or treat the most difficult forms of pollution.

FOR CUSTOMERS

— For local authorities and industry, to be the partner that can enable them to achieve their own ecological transformation objectives more rapidly.

— To offer a complete range of services and technologies for all customers, including those of international dimensions.

— To speed up the provision of innovative solutions thanks to increased R&D resources, a broader customer base and a larger financial capacity.

A multiplier effect on the ability to respond faster and more effectively to the needs of local authorities and industry.

FOR EMPLOYEES

— To guarantee a project without a negative impact on jobs or social benefits, particularly in France, and one that will even create jobs to respond to strongly growing demand.

— To offer new prospects in terms of professional development and mobility, but also a higher profile and attractiveness on the jobs market.

Guaranteed jobs in France and considerable development prospects.





FOR SOCIETY

— To speed up the development of essential activities for the community which will create direct and indirect jobs and increase the attractiveness of the regions.

— To open up training or redeployment prospects, thanks to the planned European College of Ecological Transformation.

— To create substantial “multi-local” value chains and to provide suppliers and start-ups with increased international development opportunities.

Service jobs in all geographical areas, that cannot be offshored.

FOR SHAREHOLDERS

— To create value for the shareholders of the new company from year one, particularly due to substantial operational and purchasing synergies.

— For Suez shareholders, an offer that represents a premium of nearly 100% compared to the closing price of the shares on July 30, 2020, and a price that is higher than the Suez share price at any time since its stock market flotation.

An operation that will provide long-term benefits for Suez shareholders and for the shareholders of the new company.

TO RESPOND TO THE URGENCY OF THE ISSUES

The growing and large-scale awareness of environmental issues forms a backdrop for our businesses and activities that is more promising than ever. Combining the strengths of Veolia and Suez will enable us to structure a more comprehensive and powerful response to the challenges of ecological transformation.

Never before have ecological imperatives and their effects on civilization been so clearly perceived and understood by citizens, the business world and governments.

2020, a year of revelation and acceleration

The Covid-19 health crisis has renewed the feeling of the urgency of taking action to deal with major ecological challenges. More than ever before, the fragility of our environment is uppermost in the minds of the public, which expects concrete commitments and solutions both from public authorities and big business. The French government, like many others, such as the government of South Korea, is now using the ecological transition as a major lever for the recovery and for the transformation of the national economy. The France Relance plan, which is structured around targets for decarbonization and to provide support to the sectors of the future and of green technologies, also echoes the expectations expressed in the context of the Citizens' Convention for Climate.





SO WHAT IS THE GREEN DEAL?

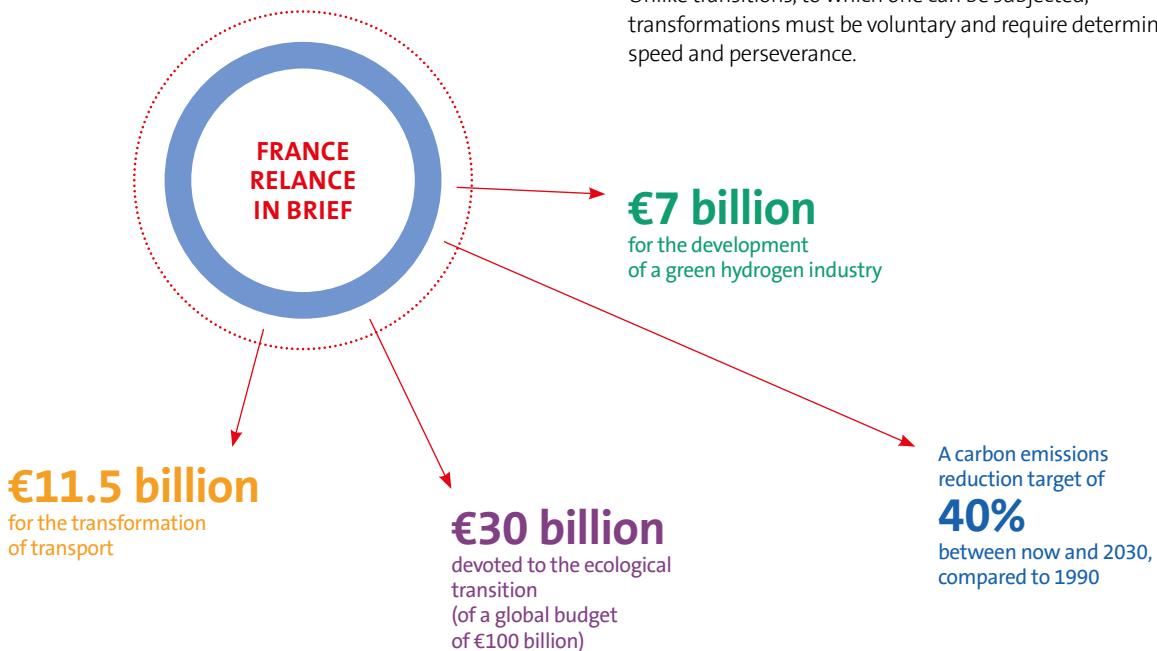
The European Green Deal is the roadmap that aims to make the European Union's economy sustainable, particularly through the reduction of greenhouse gases, promotion of the circular economy and the protection of biodiversity. This deal is accompanied by a "Just Transition Mechanism" representing several hundred billion euros of potential investments to support ecological transition projects. In September 2020, the European Commission,

with the objective of stimulating research and innovation in strategic areas, published the Horizon 2020 Green Deal call, with a budget of €983 million, particularly aimed at the clean and circular economy, the restoration of ecosystems, biodiversity and the prevention of environmental pollution, and particularly of toxic environmental pollution.

On a European scale, the Green Deal also sets out an ambitious framework, with the objective of making Europe the first climate-neutral continent. This provides an opportunity for companies whose activities can contribute to the creation of this more powerful and sovereign "Green Europe" that can export an alternative model to those being consolidated by China and the United States, one which associates regions, citizens, public authorities and industry with these solutions.

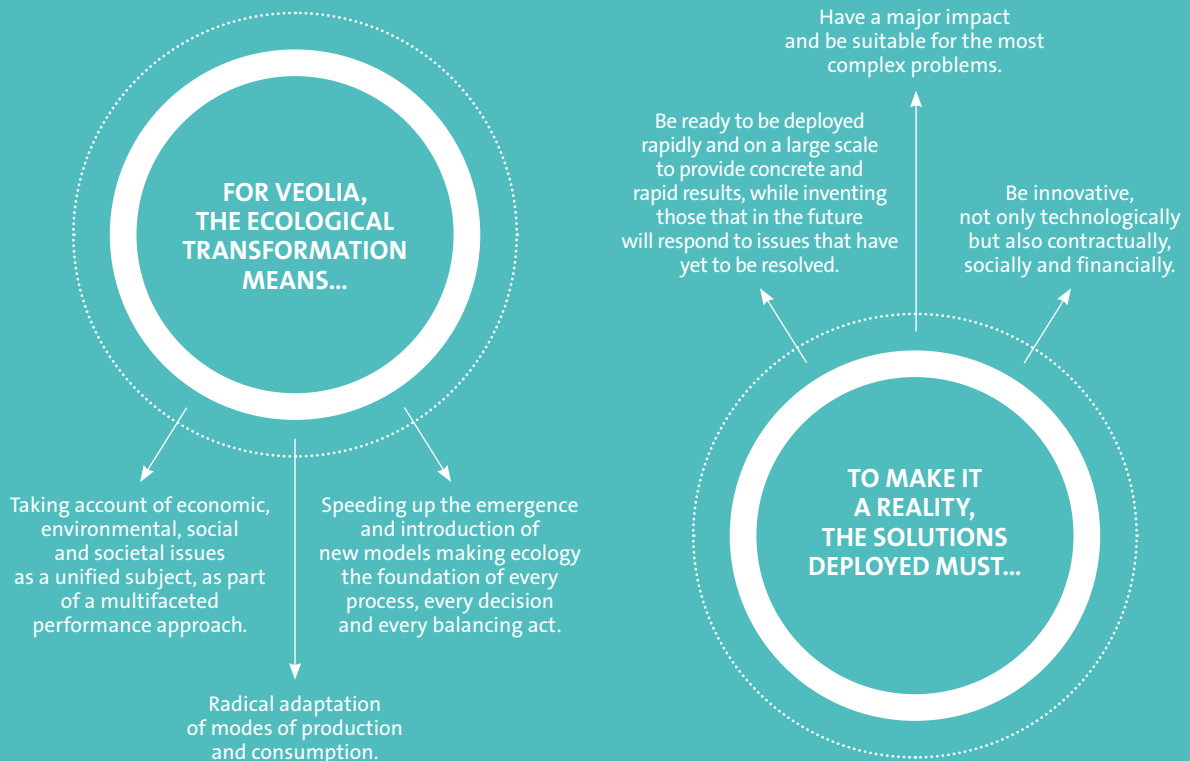
Ecological "transition" or "transformation"?

How can water resources be preserved? How can soil be depolluted or the quality of agricultural land assured? How can the vital recycling of plastics be developed quickly enough? How can new hazardous waste be treated? How can solutions be found to provide new raw materials? The field of action of operators capable of responding to these questions on a large scale is getting a little bit wider and more complex every day. In all these areas, now is no longer the time for "transition", but for a more radical ambition, that of ecological "transformation". Unlike transitions, to which one can be subjected, transformations must be voluntary and require determination, speed and perseverance.





THE ECOLOGICAL TRANSFORMATION IN REAL TERMS



Ecological transformation, that is our purpose

More than ever before, Veolia has both the tools and the conditions for implementing this ecological transformation: thanks to the commitment and know-how of its staff, the policy driven by its strategic program Impact 2023, and its 18 multifaceted priority performance objectives. Veolia is speeding up the development of its activities that have the biggest impact, whether arising from its traditional businesses such as access to water and sanitation, or from more emerging or complex areas such as air quality or the treatment of hazardous waste. Merging with Suez to create a world champion of ecological transformation will make it possible to consolidate this human, technical and technological capital to increase this impact even more.

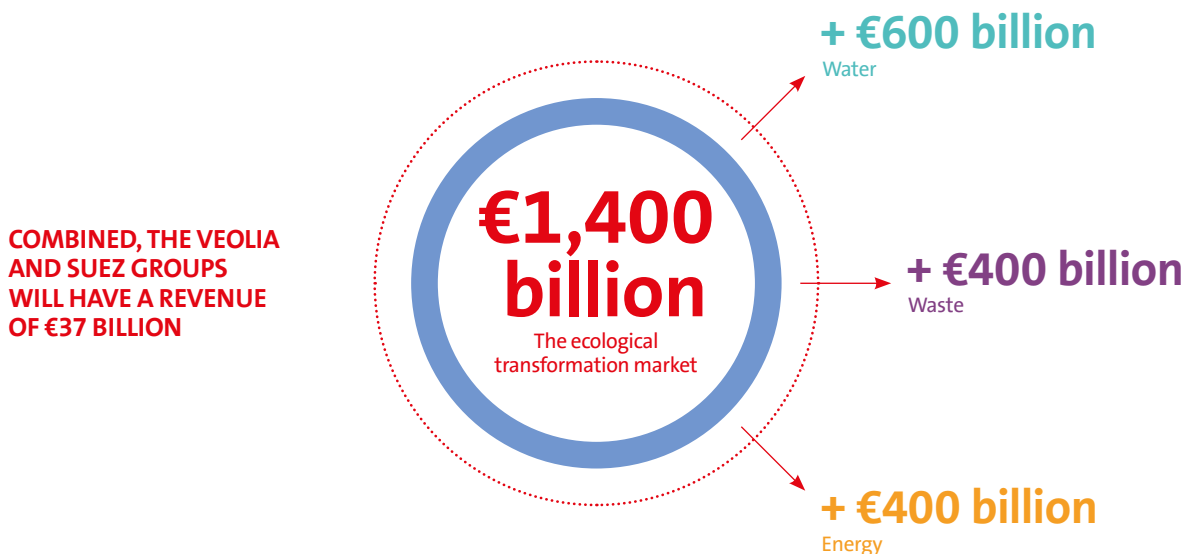


TO MAINTAIN INTERNATIONAL LEADERSHIP

While the worldwide ecological transformation market is still fragmented, the scale of the commercial opportunities and of the environmental challenges is already causing an intensification of global competition, which will further accelerate. The merger between Veolia and Suez would make it possible to create a great world champion with French and European roots, today.

Although at first sight it appears marginal having regard to its volume, the concentration of the market has already started. Moves by investment funds or industrial competitors to make acquisitions are coming to fruition in Europe, North America and Asia, and particularly in China where the largest company in the sector is developing exponentially beyond its borders. Thanks to their vast and dynamic domestic market (with a population of 1.5 billion), the large Chinese companies, with the support of the Chinese State, have a “home base” that enables them to become global leaders extremely quickly – like Huawei, which in barely ten years has become the world’s number 1 mobile telephone and telecoms infrastructure company, the Chinese authorities having perceived that this was an issue of essential sovereignty.

The alliance between Veolia and Suez will put the new group in a stronger position at global level, in the water and waste sectors. By bringing two of its industrial icons together, France will be able to defend national know-how based on one hundred and fifty years of experience, and a now European model, against increasingly powerful competitors that will not waste any time combining their forces. Becoming bigger means being able to position oneself in the vanguard of the ecological transformation.





DID YOU KNOW?

Today, China is the world leader in terms of water treatment capacity: Chinese companies have a total treatment capacity of 30 billion cubic meters per year in this area, compared to the figure of 20 billion for French companies.

These Chinese companies also serve 330 million inhabitants, compared to the figure of 302 million for French companies. Of the 50 biggest water companies in the world, 19 are Chinese (including Beijing Capital, Beijing Enterprises Water Group, China Everbright), and they are not yet effectively and clearly focused on international business.

For the time being... In the waste sector, moves towards concentration have begun.

The second-biggest companies in waste in Germany and in Spain are now Chinese.



TO BUILD A SUSTAINABLE FUTURE

The merger between Veolia and Suez is intended to construct a consistent and ambitious industrial project, designed to help cities and industries in all aspects of their ecological transformation. The objective? To guarantee a sustainable and desirable future for our societies.

Veolia and Suez together will, above all, form an industrial project that will successfully, and more quickly, complete the ecological transformation. This success will be based on our ability to treat all kinds of pollution, whether of the air, of water or of soil; to respond to the scarcity of natural resources with the circular economy; to combat climate change by speeding up the decarbonization of the economy; to improve the population's quality of life by making cities more agreeable and developing new agricultural models to feed the largest possible number of people.

Tomorrow, frugal and circular cities that are pleasant to live in

A "successful" ecological transformation city is a city that offers better air quality and water free of any kind of pollutant. It is a circular city, which aims for a certain energy independence by using waste to produce energy. It is a city whose inhabitants are fed using innovative agricultural models that are more respectful of biodiversity and that use less water, for which city waste can even be a source of natural fertilizer and wastewater a source of irrigation.

Veolia is already working on the exploitation of local green energy to create short energy loops for local authorities, or to make water treatment plants self-sufficient in energy, particularly by the methanization of the sludge from wastewater. We can also balance supply and demand for electricity in real time to optimize the use of these intermittent local green energy sources.

Tomorrow, decarbonized industries with a low impact on resources

For industry, ecological transformation means the gradual decarbonization of their activities. In Dombasle in France, for example, Veolia has partnered with a major industrial company in the chemicals sector to develop a furnace fueled by solid recovered fuel (SRF).

Ecological transformation also means developing production models that are more economical in terms of resources and that use them more efficiently. In areas of water stress, companies in the mining or agri-food sectors can, for example, contribute to the preservation of resources by reusing their process wastewater, with a "zero liquid discharge" target. Finally, the ecological transformation means industries that can be sure of not emitting pollutants into their environment, by ensuring that all their hazardous waste is treated according to the best standards.

All these solutions enable industrial companies to improve their environmental performance without risking having to relocate them due to failure to meet ever more stringent regulations, especially in Europe.

In order to achieve this objective, what is needed is a player capable of supporting companies through their transformation in any countries where they wish to establish themselves or to develop.



VEOLIA-SUEZ: 1+1? NO, 2x2!

The merger of Suez and Veolia is not a matter of simple addition, it is a multiplication of capacities to successfully complete the ecological transformation. Veolia and Suez together, is a combination of skills, projected onto the whole customer portfolio and onto all geographical areas. It is an equation clearly illustrated by the recycling of plastics.

1+1
Skills
Veolia + Suez

1+1
Portfolio and geographical areas
Veolia + Suez



Twice as many kinds of plastic processed:
Suez has considerable experience in LDPE (plastic films) and in the recycling of PVC, while Veolia is more specialized in plastics of the “food grade” type (of a quality that allows them to come in contact with food, such as PET and HDPE – e.g., milk bottles).

Twice the capacity for processing plastic waste, with rationalized collection.

TO COMBINE COMPLEMENTARY STRENGTHS

Veolia and Suez are close in terms of their history, their nationality and their know-how, and already provide their customers with complementary solutions. Their merger will guarantee an industrial company capable of deploying large-scale solutions anywhere in the world for local authorities and companies, dealing with all their problems from the most mundane to the most complex.

Combining customer portfolios and serving them better

Since Veolia and Suez have each developed their own portfolio of major industrial or service industry accounts, a combination of the two commercial networks could result in the emergence of a whole range of solutions and strategic partnerships. Joining forces means the ability to provide a customer of international importance with a benchmark and with knowledge of the challenges facing companies of similar size or in the same sector. In fact, industrial companies often want to pursue their international development by deploying solutions that are demanding from an environmental point of view, but lack reliable local operators to do so. In municipal water or waste management, joining forces waste allows experience gained in many metropolises and on all continents to be brought to bear, particularly for optimized network management using digital technologies.

Combining complementary offers

Unlike Suez, Veolia has a presence in the energy field, and will be able to provide current customers of Suez with its expertise in terms of energy efficiency and local energy – whether to reduce the energy consumption of cities, to help quickly make them self-sufficient, or to convert energy production plants for industry into decarbonized solutions.

Combining and reinforcing know-how and expertise

The know-how of the two groups has developed in areas whose complementary nature is now obvious (see the table opposite for some examples). Thus, in waste management, Suez has considerable expertise in the recovery of landfill gas, a very interesting source of

“green” gas, while Veolia is one step ahead in the optimization of electricity sales to the electricity network, whether such electricity is produced from the incineration of waste or landfill. In the area of solid recovered fuel, which is essential to reduce dependence on fossil fuels, the skills of Veolia and Suez complement each other perfectly. Veolia also has a major presence in the treatment of hazardous waste, including its recovery and not just its destruction, while Suez has developed know-how in soils degraded or polluted by heavy metals or organic compounds.

Combining and developing technologies

The combination of the technologies developed and above all deployed by the two groups is another plus point, which will lead to efficiency gains for the benefit of our customers, particularly in terms of the treatment of new forms of water pollution such as perfluorinated compounds, or the energy autonomy of water treatment plants. It will also result in realizing the full potential of digital, using data to save resources, to limit leaks from water networks and to enable buildings to use less energy. These opportunities include linking Veolia’s 65 Hubgrade intelligent management centers with Suez’s Optimatics algorithms, which together can be deployed for a much larger number of factories constituting an expanded database.

MULTIPLE AREAS OF COMPLEMENTARITY TO CREATE VALUE FOR OUR CUSTOMERS

	VEOLIA'S STRENGTHS Some examples	SUEZ'S STRENGTHS Some examples	VALUE CREATED
MUNICIPAL WATER	Clientele management Recycling of sludge Crisis management	Digital management of networks	An optimized offer for local authorities and the population
WATER TREATMENT	Active carbon technology	Ozonization technology	A more effective combination to treat perfluorinated substances (PFAS)
RECYCLING OF WASTEWATER	Experience in the industrial and domestic field	Experience of sludge in the agricultural field	Increased expertise in all the possibilities of reusing wastewater
INDUSTRIAL WATER	Treatment by evaporation and crystallization	Membrane treatment	Possibilities for industrial companies to operate in areas of water stress
PLASTICS RECYCLING	"Food grade" recycling, mainly PET and HDPE	Recycling of PVC and LDPE Experimenting with hybrid plastics	A response to the growing demand for recycled plastic
TREATMENT OF HAZARDOUS WASTE	Niche recovery and treatment	Treatment of polluted soils and sites	A more suitable offer for all kinds of pollution
METHANE	Recovery and purification	Use for truck fleets	A presence throughout the value chain



“In this merger, there are a huge number of industrial synergies: we will have the best of both worlds, with the best practices of Suez and Veolia, and will be even more relevant to our customers.”

Estelle Brachlianoff,
Chief Operating Officer

TO SPEED UP INNOVATION

The ecological transformation requires effective and efficient solutions. Some, perhaps half, already exist at Veolia or Suez, and must be put to general use. The other half are yet to be invented. Connecting the researchers and experts of the two companies is a powerful way of achieving that.



Moving the ecological transformation forward is a race in which time is short: climate change, the depletion of natural resources and pollution must be brought under control before they become irreversible. Veolia has already embarked on this race using innovations and groundbreaking solutions either developed internally or in collaboration with SMEs, start-ups, suppliers or partners.

Expanded and more effective innovation deployed faster and more widely

The merger of Veolia and Suez will link the R&D resources of the groups which together represent major global expertise in environmental businesses; the ability to coordinate them will bring results faster and more efficiently. Technological innovation is also expensive, and does not always work. The ability to distribute successes to a wider customer base will increase the “return on innovation” in the same way as a “return on investment”, and will therefore allow more resources to be deployed.





A EUROPEAN COLLEGE OF ECOLOGICAL TRANSFORMATION

Based in France, and drawing on the long history of the Veolia Campus in environmental businesses, this European College of Ecological Transformation will offer certified training courses. Not only will it improve unqualified young people's access to employment, but it will also issue qualifications in sectors that will provide the jobs of the future.

Finally, the new group will provide a broader base on which to involve start-ups, SMEs and other partners in an open innovation process, offering them access to a bigger market. But innovation would be nothing without the training of future practitioners and experts who will disseminate this new know-how around the world. For that reason, the operation provides for the creation of a unique network of professional training centers whose task will be to develop the skills necessary for the future businesses of the ecological transformation.

Priorities shared by the two groups

In the context of its strategic plan Impact 2023, Veolia identified the priority sectors in which it would concentrate its research efforts, namely:

- health and the new pollutants;
- new materials loops;
- new energy services;
- the food chain;
- new digital offers.

For its part, Suez identified the same sectors, but sometimes with a different approach.

For example, with regard to air pollution in cities, Veolia is working on the treatment of indoor air, while Suez is working on outdoor air. This is a perfect illustration of the complementary nature of the work done by the two companies.

“We created the French college of water in the 19th century, which has since had an influence worldwide. Now, with this merger, we can create the European College of Ecological Transformation and ensure that it also has an influence worldwide.”

Olivier Brousse,

Veolia's Director of Strategy and Innovation

Fields of innovation that are already productive

By connecting the two groups' intelligence and resources to meet identified environmental challenges, the new group would speed up the industrialization and deployment of solutions that are already emerging.



Recycling of automobile batteries

— With the strong growth in sales of electric vehicles, particularly in Europe, millions of used batteries can be expected to be returned in a few years' time. These will have to be neutralized (batteries are potentially hazardous waste, because they are inflammable, and toxic) and recycled to extract cobalt, nickel and lithium, rare and expensive metals. Thousands of skilled industrial jobs will also be created, as well as a local rare metals industry (all are currently imported). The new group's collection network could obtain batteries over a huge area and transport them to highly sophisticated future plants to be recycled, together with

the first hydrometallurgy experiments that Veolia has developed, which could usefully be combined with Suez's electro dialysis technologies to treat the associated saline residues.

Water supplies for agriculture

— With climate change on the one hand and population growth on the other, agriculture no longer has guaranteed access to water. Veolia and Suez will be able to combine their expertise in the reuse of wastewater (Suez has considerable experience in Spain) and in precision irrigation (Veolia and Suez) to provide farmers with a range of solutions to ensure water supplies for their crops.

Air quality

— Every year, urban pollution causes many early deaths. As has been seen above, the new group will very quickly be able to handle and guarantee air treatment and air quality, initially indoors and perhaps eventually outdoors.





CO₂ capture, transportation, use and storage

— International agencies all agree that reducing greenhouse gas emissions will no longer be sufficient to contain climate change. A significant proportion of current emissions will also have to be captured in order to extract the CO₂ and sequester it in carbon sinks, such as old offshore oilfields, or recycle it in synthetic low carbon fuels. The technology exists but must be optimized and industrialized so as to achieve treatment costs that are sustainable for industry. Here again, the know-how of the two groups, combined with their partnerships with the planet's biggest industrial companies, will make it possible to develop technically effective and economically competitive solutions.

In the United Kingdom, with BP, Suez is looking into the feasibility of a project to capture and store carbon from an energy from waste facility. In India, a joint venture between Veolia and Carbon Clean is working to develop a technology to reduce the cost of CO₂ capture.

TO ANSWER THE CALL EVERYWHERE

Drawing on their respective geographical locations, the new group formed by Veolia and Suez would have a wider international footprint, in particular in regions of strong growth.

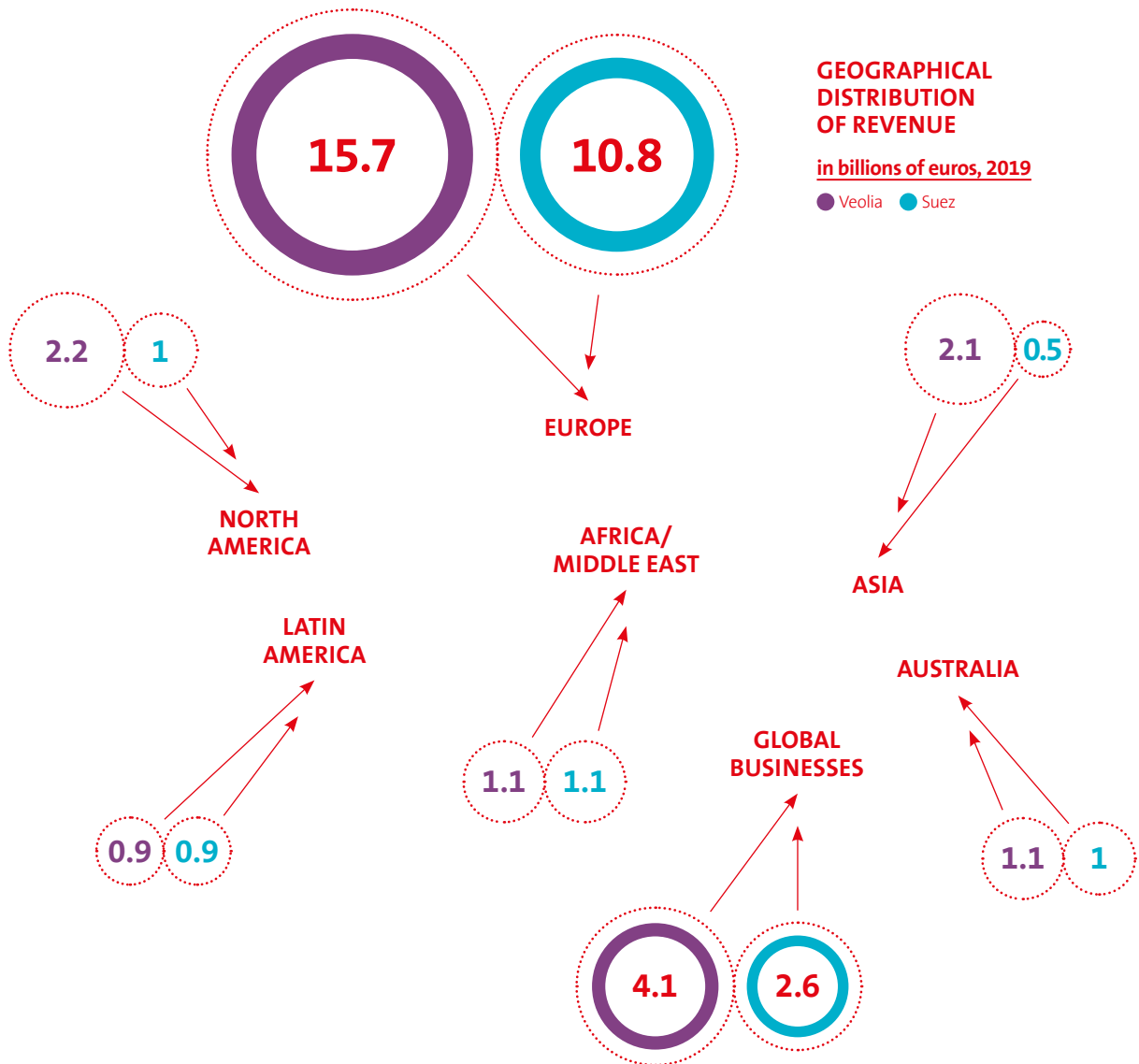


On the European continent, Veolia is particularly well-established in Central and Eastern Europe and in the United Kingdom, while Suez's historical territories are in Southern Europe and Benelux. Outside Europe, where the main growth areas are located because the markets there are less mature in terms of ecological transformation, the group would double in size and could achieve a better balance of its geographical presence. In Latin America, Veolia has a larger presence in Mexico and Colombia, while Suez is bigger in Chile. In Asia, the two groups will be able to join forces on huge markets, particularly in China and South East Asia. Veolia is more established in Japan, Korea, Malaysia and Singapore, while Suez is more developed in Thailand, for example.

Complementary regions... and businesses

When both groups are firmly established in the same country, it is almost always in businesses that complement each other. Thus, in Spain, where Suez has a presence in municipal water, Veolia is particularly established in energy and services to industrial and service sector customers.





This is also the segment in which Veolia is positioned in Belgium, while Suez is better placed in waste. Another example is North America, where Veolia is more active in the area of services to industry, and in hazardous waste, while Suez is better positioned in municipal water. In the Arabian Peninsula, Veolia has a presence in energy and is ahead in water, while Suez has had some significant successes in waste. The same applies to the water technologies segment: Suez Water Technologies is strong in North America and in Latin America, while Veolia Water Technologies tends to be stronger in Europe and in Africa/Middle East.

The merger with Suez will also present an opportunity to broaden the base of “development platforms” in countries where Veolia has little or no presence, and vice versa. These platforms will be of valuable assistance in extending the reach of the new group to countries where currently the two companies have a minimal foothold. Finally, the wider and deeper geographical footprint of the new group will be a great asset when helping major international industrial customers wishing to find partners capable of providing them with integrated support in their own geographical areas.

COMPATIBLE CULTURES

The cultures, values, businesses and know-how of the two groups, together with the ambitions of their new strategic plans, make them more compatible than ever and make a successful integration more likely.

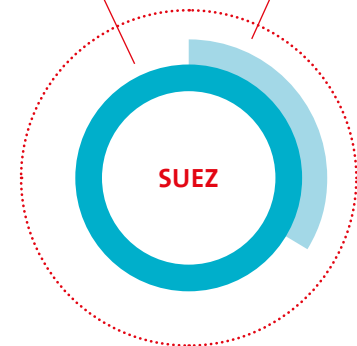
Veolia and Suez both have long industrial histories; their businesses date back to the Second Empire and they have built up groups that are similar in terms of the know-how, their commitment and their values. Since their creation, the two groups have been on parallel trajectories which in very many respects have converged: not only in terms of economic models, entrepreneurial ambition, an industrial and “service” culture, and customer focus, but also in terms of partnership and long-term vision. Apart from their operational aspects, the synergies that will result from their merger will also express themselves in the terms of the mutual enrichment of all the employees.

Frequent possibilities for movement between teams

For a century and a half, the staff of the two companies have often moved from one to the other in a natural and logical way, due to the closeness of the business culture of the two groups: their long-term vision, partnership approach and French and European roots, are similar. And the opportunities for movements have been successfully provided. For example, when the takeover of Osis, which was initiated in August 2020, is finalized, Veolia will take on about 2,500 Suez employees, seamlessly and without the slightest difficulty of integration. Furthermore, the unions at Osis have indicated their satisfaction at joining Veolia. And the various unions at Suez and Veolia will contribute to ensuring that the agreements between the two parties in the context of the merger are properly performed.

Worldwide total
89,352

France
30,114

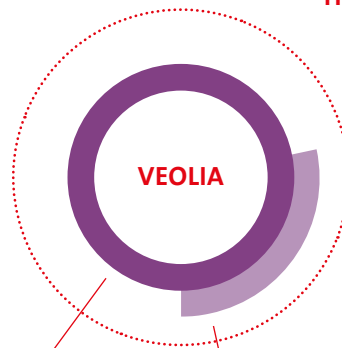


**EMPLOYEES AT
THE END OF 2019**

VEOLIA

France
51,113

Worldwide total
178,780



**VEOLIA'S
STRATEGIC
PLAN:
IMPACT 2023**

AMBITION	INTERNATIONAL	ACTIVITIES	PERFORMANCE
Benchmark company for the ecological transformation	Acceleration of growth outside Europe	Focus on high added value activities and continuation of the rebalancing of industrial/local authority customers	"Best in class" operational efficiency plan (savings of €1 billion in 2023)

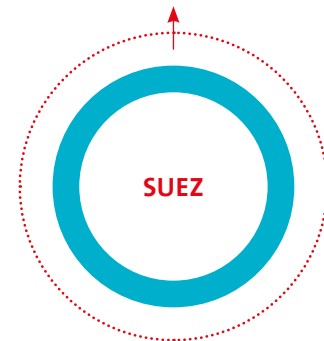
**SUEZ'S
STRATEGIC
PLAN:
SHAPING
SUEZ 2030**

Leading environmental services company in 2023	Growth of international activities (from 38% to 60% of revenue)	Increasing the proportion of industrial customers (from 40% to more than 50% of revenue)	Profitability growth (€1 billion savings plan between now and 2023)
--	---	--	---

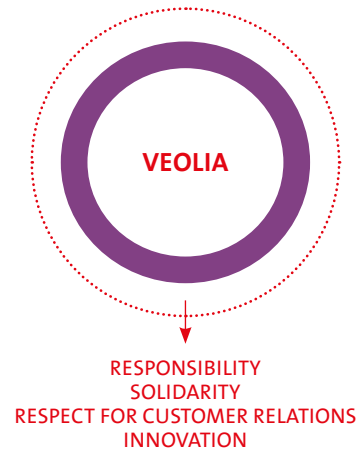
Aligned strategies

The merger would come at an ideal time: the reorganizations carried out by the two groups in the last few years have made them more compatible than ever, particularly due to the integration of business divisions and the primacy of management according to geographical area, which promotes the development of local roots and closeness to the customer, since cross-disciplinary support functions adopt the same functional and operational approach. The content of each of their purposes, developed using similar methods, is consistent with the other, referring to a similar identifying heritage, an identical promise in terms of customer benefits (public health, quality of life, essential services, management of resources, regional roots, etc.). Their strategic plans, Shaping 2030 for Suez and Impact 2023 for Veolia, converge and both are fundamentally focused on international markets with major potential for growth and of innovation.

PASSION FOR THE ENVIRONMENT
TEAM SPIRIT
RESPECT
CUSTOMER PRIORITY



MATCHING COMPANY VALUES



COMMITMENTS

TO EMPLOYEES

Veolia is convinced that the workforce will never be too big for the challenges that have to be faced, and is keen to welcome all Suez teams – employees, management and top management.

All experts and observers, and all studies and indicators agree: jobs associated with the environment and the ecological transition are likely to increase significantly. The businesses of managing water, waste or energy services will have to respond to the ever-increasing and more complex requirements of industries, cities and States, which must reduce their environmental footprint and embark upon their ecological transformation, whether voluntarily or to comply with constraints placed upon them. This trend has already begun, and will form the backdrop for years and decades to come. In these labor-intensive businesses, the challenge for the new group will certainly not be to scale things back but on the contrary, will be to recruit and train new talents to respond to this growing demand.

Combining the talents of Veolia and Suez

The employees of the two companies will all find a place in the new group. For virtually all of them, nothing will change: their post will be associated with a business or a contract that will not be affected by the merger. By definition, our jobs are local jobs, by their very nature associated with a local business: one does not manage the drinking water of a South American city with employees in a French city, and one does not manage the waste of an industry in Northern France with employees in a center based in Australia. For some functions, particularly support functions at central head offices, the merger could result in some areas of overlap, or even duplication. The staff concerned will be offered a position in the new group.

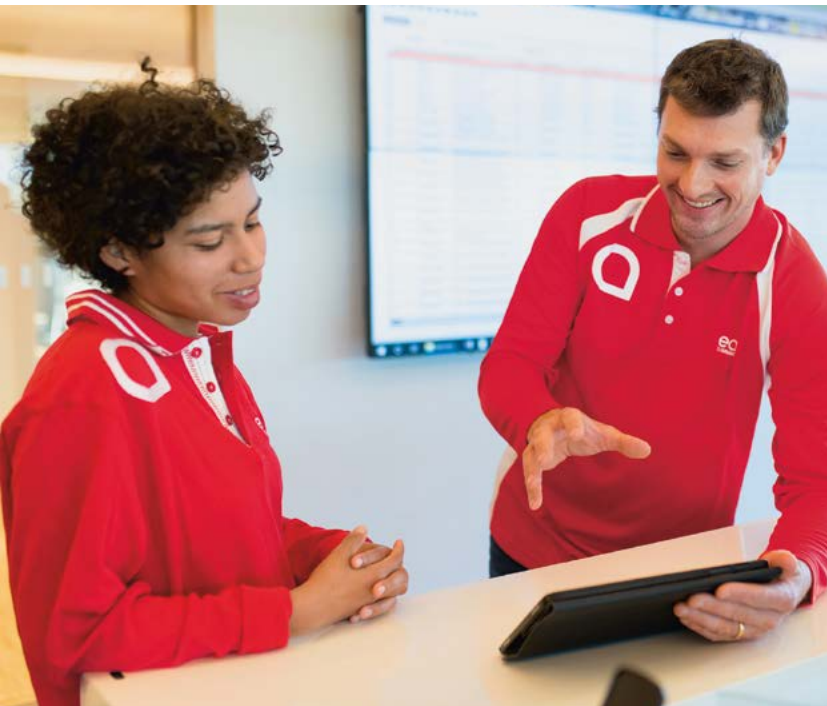
Whenever necessary – and at least for the Top 100, or typically country bosses and heads of functional departments – Veolia will put a system in place to assess skills and make an impartial selection of the best candidates, whether from Veolia or Suez.

“I would like to say to Suez employees that not only do they have nothing to lose, they have everything to gain! There will be no job losses. Within the future group, of course, but the same applies to the purchasers of the activities in France that we will have to sell for competition reasons. Every employee will be taken on, with all their current social benefits.”

Antoine Frérot,

Chairman and Chief Executive Officer of Veolia

In order to guarantee objectivity in the allocation of these positions, an external, independent expert will be responsible for assessing the best candidates. And whatever happens, Veolia undertakes to put suitable career paths together for all managerial staff within the new group, which will offer opportunities due to its increased size. With respect to France, in particular, the agreement of April 11 will allow Suez's Water and Waste activities in France to be kept within a single and coherent unit. Employees of those Suez businesses in France will therefore stay together within the same group and with the same employer.



SHAPING SUEZ 2030 PLAN: A CLEARER FUTURE FOR THE EMPLOYEES

The strategic plan of Suez was based, in particular, on a substantial asset sale program, which necessarily included a significant number of employees. Thus, in the second half of 2020, nearly 15,000 Suez employees left the group, and several thousand more were destined to leave due to the announced acceleration of the asset sales, particularly internationally. The merger between Veolia and Suez will preserve these jobs and keep them within the new Group, or, if applicable, within the new Suez.



THIS WILL BE THE WORKFORCE OF THE NEW GROUP ONCE THE MERGER IS COMPLETE

Safeguarding jobs: a firm and transparent commitment

Veolia has given a firm and solemn commitment that the merger would not have any impact on employment and social benefits for any of the employees, particularly of the businesses in France. Such a commitment is unprecedented in transactions of this kind.

In the case of the activities that will have to be sold to comply with the competition regulations, Veolia will ensure that the same applies: this will be the case for the employees of the new Suez, who will have identical guarantees on jobs and social benefits.

With respect to other assets that would have to be sold in order to comply with the competition rules, the maintenance of jobs and social benefits will be a nonnegotiable condition for purchasers, before other selection criteria such as the quality of the industrial plan or the purchaser's acceptability to customers, and price will only come in last. In order to ensure that this is the case, representatives of Veolia and Suez employees will be on the committee responsible for selecting the purchaser.

VEOLIA + SUEZ, OUR EMPLOYEES PUT IT BEST!

“I think that we speak the same language in terms of skills development, in the forward management of the jobs and skills of the future.”

Olivier Carlat,
Director of Training
and Social Development

“Combining with Suez’s digital teams would allow us to offer more added value. The more data one has to feed into the artificial intelligence models, the better the responses one can provide, with more impact.”

Lucy Luo,
Client Engagement
Manager

“Joining forces to respond to current challenges will be more effective. Being able to interact with different networks will also be a source of invaluable enrichment.”

Célia Devinoy,
Knowledge
Management Director

“Two are always stronger than one. The complementary nature of the technologies, whether from Suez or from Veolia, combined with a thorough knowledge of the customer, is bound to benefit both teams.”

Henri Jogand,
Expert in
the management
and treatment of water
and waste from
the mining and
metallurgical industries



**COMMITMENTS
ROOTED
IN VEOLIA'S
CULTURE
AND PURPOSE**

"(...) We are a company that is both local and global with a high level of technical know-how and labor, and which commits for long periods of time (...). We are a working community where, in addition to an income and respect for their health and safety, everyone can find a sense of purpose in what they do, commitment to rewarding collective action and personal fulfillment. Through training, Veolia ensures that its employees, the vast majority of whom are manual workers and technicians, develop their skills. The company relies on their responsibility and autonomy at all levels

and in all countries, and promotes professional equality between men and women. Veolia also promotes, particularly on staff representative bodies, social dialogue, which encourages employees to adopt our collective project as their own."

– Extract from "Veolia's purpose"

A ROBUST FINANCIAL PROFILE

The operation will preserve the Group's broad financial balance and the creation of value for shareholders.

Veolia's proposed acquisition of all Suez shares in order to merge the two companies has been known since day one, since Veolia wished to make its approach as transparent as possible for all stakeholders, and particularly for Suez and Veolia shareholders.

On October 5, 2020, Veolia acquired 29.9% of the capital of Suez from Engie at a price of €18 per share with coupon attached, namely for a total of €3.4 billion.

On January 7, 2021, Veolia delivered a detailed proposed bid to the Board of Suez, accompanied by its industrial plan and repeating all of Veolia's commitments, particularly with regard to social and competition matters. This proposal stated the terms and conditions of the voluntary takeover bid for the remaining 70.1% of Suez capital, which was made irrevocably to all the shareholders.

On February 8, 2021, this bid was officially filed with the Financial Markets Authority. On April 11, 2021, Suez and Veolia concluded an agreement increasing the acquisition price to €20.50 per share, with coupon attached.

For Suez shareholders, this bid represents a very advantageous premium of nearly 100% compared to the price prior to Engie's announcement of its strategic review on July 30, 2020 (and of 50% compared to the average price in the three months preceding the health crisis).

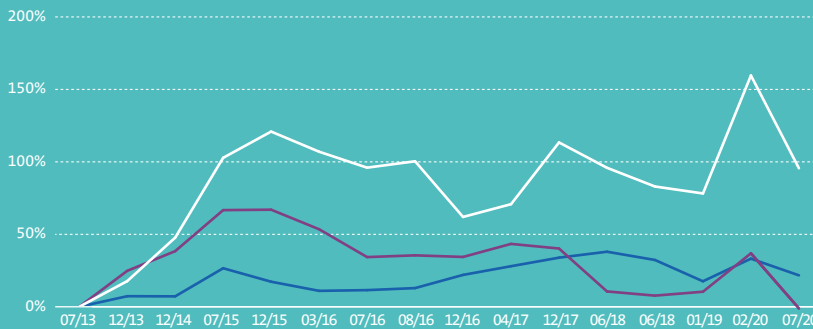
“This operation is particularly interesting for the shareholders of both Suez and Veolia.”

Claude Laruelle,
Chief Financial Officer

	2019 REVENUE	2019 EBITDA ⁽¹⁾ (% margins)
VEOLIA	€27 billion	€4 billion 15%
SUEZ	€18 billion	€3 billion 17%
ESTIMATED IMPACT OF THE TRANSACTION ⁽²⁾	(€7 billion)	–
PRO FORMA FIGURES	€37 billion	€6 billion 17%

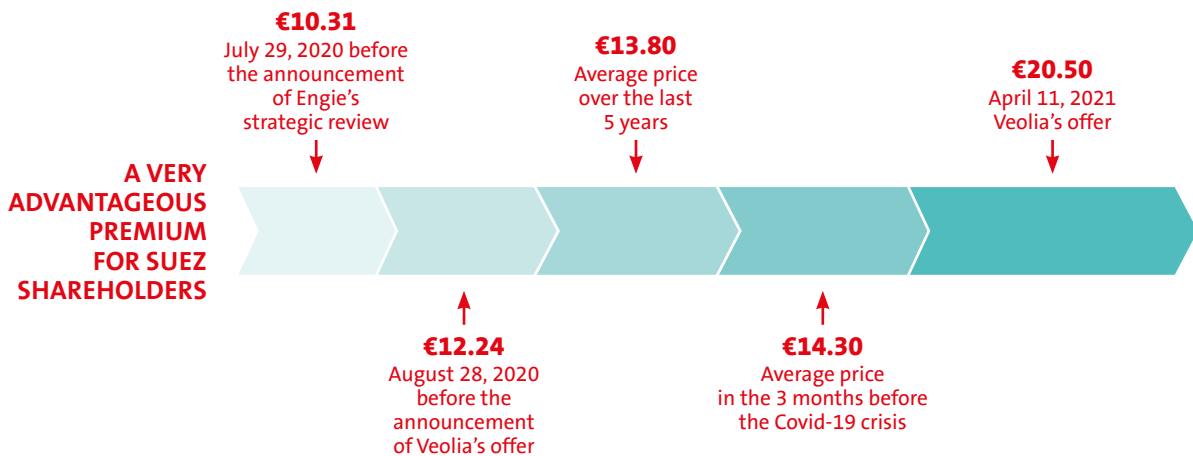
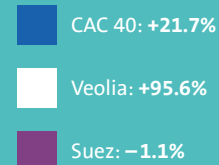
(1) Veolia definition of EBITDA.

(2) Including €500 million of cost synergies and the impact of antitrust remedies.



Stock market performance of Veolia and Suez since the reorganization of Veolia and before the announcement of Veolia's merger plan

(July 30, 2013 – July 30, 2020, excluding dividends)



The offer will be made in cash to all Suez shareholders. An alternative offer in shares, of a limited percentage, might be made, if it would be of interest, particularly to the two companies' common shareholders.

For Veolia shareholders, the operation will create considerable value from year one, and will have an impact of more than 40% on net earnings per share by year three. This value will, in particular, be created by industrial and purchasing synergies estimated at €500 million, including about 20% in year one, more than 60% in year two, and 100% after four years. The only suspensive condition of the takeover bid is that authorizations are obtained from the European competition authorities. Since the concentration issues were anticipated from the outset, the regulatory procedures started in September 2020 and are progressing at a rate that is consistent with the planned timetable.

The acquisition of the remaining 70.1% of Suez's capital will cost about €9 billion. The amount of the disposals required by the competition authorities, and those agreed in the agreement of April 11, 2021, should be close to the cost of acquiring the 70% of Suez remaining after the purchase of Engie's block of shares. The takeover bid will be financed by a bridging loan agreed with a bank syndicate consisting of well-known banks of international dimensions. It will therefore partly be financed by the proceeds of the disposals required by the competition authorities while the balance will be financed by the issue of bond debt and by a capital increase limited to a quarter of the amount of the operation. Overall, Veolia will retain a "solid investment grade" credit rating with a net debt/EBITDA ratio of less than 3. The new group will therefore have a very sound balance sheet and will have full capacity to finance the continuation of its development.

STRONGER COMPETITION

From the moment preparation of the operation began, Veolia has taken the initiative with respect to the associated competition issues, identifying the geographical areas and businesses where antitrust remedies might be required, particularly concerning the main point of difficulty: the French market.

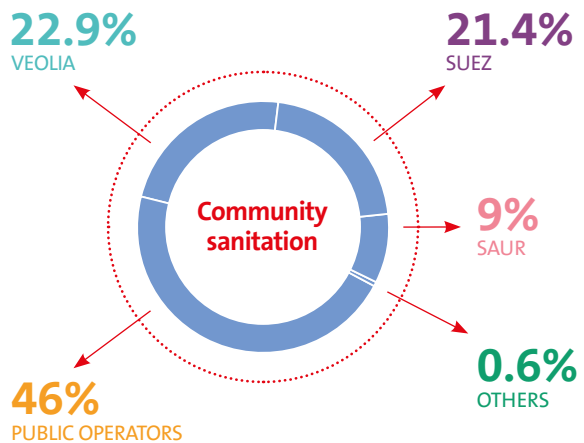
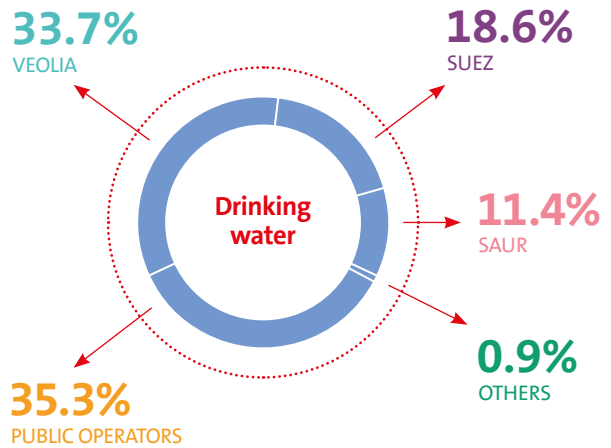
Once the merger is complete, the new group will represent about 5% of the worldwide market, which is very fragmented. Any competition problems outside France have been identified and should be very limited. Overall, disposals to be envisaged internationally should be limited due to the very complementary nature of the establishments concerned, and should affect few assets. In terms of the scale of the project, such disposals will be marginal. The only real challenge with regard to competition rules will be in France, in particular on the water market because there are three major competitors on this market: Veolia, Suez and Saur. From the moment the project was devised, we anticipated this concern, by securing an agreement with the French infrastructure management fund Meridiam to take over Suez Water France. In order to address the concerns of stakeholders, on March 11, 2021, Veolia proposed that all Suez activities in France, water and waste, should be kept within the same group, and the agreement concluded with Suez on April 11, 2021 allows some international activities to be attached to that group. The future shareholders of this new Suez, in which Meridiam has already confirmed its interest, will have to commit to retaining their investments in the long term in order to guarantee that company's development over time. This solution will enable the new Suez to regain its level of excellence with the help of a long-term French shareholder base that will strengthen Suez as an independent competitor.

Competition maintained or even strengthened

Once the operation is complete, the French water market will remain unchanged, with an identical breakdown of the market shares of the various public and private players. In this respect, the red flag being waved by certain people

THE WATER MARKET IN FRANCE

The main players
% of the population served, in 2017





regarding the impact on the price of water services in France does not make any sense. First, because the way the market is structured will not change, since the future Suez, of equal size, will remain a direct competitor of Veolia – and will even be strengthened by increased investments; and secondly, because in France water prices are and will remain fixed by regional local authorities.

Solid prospects for the future Suez

The new Suez will be a complete and robust player in its market, comprising all the businesses necessary for its development: not only operational activities but also engineering and construction, research and development center, sludge recycling and digital offer.

Meridiam wishes to increase investments in these activities compared to the forecasts of the current Suez group.

The new Suez will thus, more than ever, be strengthened and oriented towards development objectives.

Firm job guarantees for Suez employees

Like Veolia, and this is a condition of the agreement, the future shareholders of the new Suez will retain all the employees of the businesses taken over, with all their social benefits and without any staff reductions, and will also need to reintegrate head office functions to manage this business. Meridiam, which intends to invest heavily in this business, is even planning to increase its workforce in the short term, particularly by recruiting 1,000 new apprentices in the first year.



MERIDIAM IN FIGURES:

— Investment periods
of 25 to 50 years

— 3 key sectors:
mobility, energy transition,
social

— 90 projects under
development or in operation
worldwide

Stay informed:

<https://global-champion.veolia.com>

Investor info:

<https://suez-merger.veolia.com>

Photo credits: Médiathèque Veolia: Salah Benacer, Christophe Daguët, Alexis Duclos, Alexandre Dupeyron, Rodolphe Escher, Olivier Guerrin, Robert King/Interlinks Image, Stéphane Lavoué, Christophe Majani d'Inguibert, François Moura, Christel Sasso/CAPA Pictures, Shin Takahashi, Nicolas Vercellino. Getty Images: Image BROKER/Stefan Huwiler, 10,000 Hours, Imgorthard, Pixelfusion3D.

Design and production: HAVAS PARIS

Resourcing the world

Veolia

30, rue Madeleine-Vionnet - 93300 Aubervilliers - France

Tel.: +33 (0)1 85 57 70 00

www.veolia.com