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**ECOLOGICAL TRANSFORMATION
IS OUR PURPOSE**

It is urgent

Never have ecological imperatives been so immediately perceptible and their consequences on our societies so apparent for communities. Climate change, depletion of resources, collapse of biodiversity, multiple forms of pollution: The ecological emergency requires us to go well beyond the “transition” alone.

We must act now

We can no longer procrastinate and gradually adapt our ways of doing things. The time has come for ecological transformation, for clear-cut and structuring decisions. As the reference company for the ecological transformation, we are committed to accelerating and massively deploying existing solutions, while investing in research and innovation to anticipate tomorrow’s needs on a global scale.

With solutions that turn the tide

Only in-depth transformations will enable us to adapt production and consumption patterns in a concrete and massive way. We design and implement concrete solutions to accelerate the ecological transformation and deliver a useful circular economy that protects the planet and the future of humanity.

For and with our stakeholders

We work hand-in-hand with our stakeholders – industry and agriculture, local and national authorities, NGOs, individuals and citizens – in the belief that economic, environmental, social and community needs must be considered as a whole, in the same chain of responsibility.

**OUR AMBITION IS HUGE,
BUT SO IS OUR DETERMINATION**

2021 HIGHLIGHTS

BELGIUM

With its first organic waste biogas plant to produce methane, **Upgrade Bio Energy**, in the port of Antwerp, Veolia is supplying a local industrial company with 100% green electricity from a cogeneration plant fueled by biogas from organic waste. Upgrade Bio Energy is supplied from various sources with solid and liquid organic waste not fit for human or animal consumption.



FRANCE

Renault, Veolia, and Solvay joined forces to fueled recycle the metals in electric vehicle batteries in a closed loop at end-of-life. The aim is to reuse at least 95% of the cobalt, nickel, and lithium to manufacture new batteries. The stakes are high: By 2030, the number of electric vehicles on the road worldwide is expected to rise to 100 million, as against 10 million today. And ensuring access to responsibly sourced raw materials is a strategic challenge for Europe.

FEBRUARY

SOUTH AFRICA

At **ArcelorMittal's Vanderbijlpark steel plant**, one of the world's largest inland steel mills and the main supplier of flat steel products in sub-Saharan Africa, Veolia was awarded a three-year extension to the contract to operate and manage treatment services. The main focus is on environmental protection, through expertise in optimizing the management of effluent discharge and reusing water on site.

MARCH



As a partner of **Thales**, the world's leading manufacturer of SIM cards, Veolia is embarking on the eco-design and manufacture of these small concentrates of technology using resin sourced from recycling used refrigerators. By using this recycled material, Thales will avoid the use of 5,000 metric tons of oil-based resins and the emission of 15,000 metric tons of CO₂ per year.

APRIL

PERU

On April 13, Veolia Peru signed an agreement with **Petroperú**, Peru's national oil company, to operate and maintain the sulfuric acid production facility at its new refinery in Talara, a port city in the north-west of the country. This contract aims to process 560 metric tons/day of 98%-grade sulfuric acid produced by acid gas processing activities at the refinery and represents close to €96 million.



VEOLIA FOUNDATION

DEMOCRATIC REPUBLIC OF THE CONGO

In March, the French Development Agency renewed its partnership with the Veolia Foundation in the fight it has been waging for ten years against cholera in the towns of Kalemie and Uvira. This region of Lake Tanganyika is the main source of contamination in the Congo, and the commitment of local and international organizations here is total. In Uvira, the Veolia Foundation is rehabilitating, securing, and extending the drinking water infrastructure, together with the local operator. This multisectoral approach attracted the attention of the London School of Hygiene & Tropical Medicine (LSHTM), which is responsible for monitoring and measuring the impact of improved access to water on health.



JUNE

SOUTH AFRICA

The **Engen group** chose Veolia to handle the complete management – collection, transportation, and disposal – of hazardous waste from its refinery in KwaZulu-Natal, Durban. The country's oldest and second largest refinery, it will be converted into an import terminal and storage facility for petroleum products by 2023.

FRANCE

The founding members of the **Alliance pour le recyclage des capsules en aluminium, ARCA** – Nespresso France, Nestlé France, and Jacobs Douwe Egberts France – joined forces with Veolia to relocate this activity to the Valopôle site in Boves in the Hauts-de-France region. By adapting of one of its machines to sort and separate the aluminum from the coffee grounds, Veolia is able to decondition and recycle the capsules collected in France. Once compacted, the metal is sent to a refiner, while the grounds (90% of the capsule's weight) are fed into the composting process with vegetable waste to produce organic compost.

JUNE

ITALY

Siram Veolia awarded a twenty-year contract with the Municipality of Varese. The assignment under concession, through a PPP contract which includes the energy requalification and the management of 110 buildings, 74% of these are schools, 11% offices, while 15% relate to sports facilities, libraries and warehouses. The contract also includes innovative services such as the energy monitoring with Hubgrade and the installation of probes to monitor the indoor air quality. The project will allow the following savings:

- electricity: 30.57%;
- thermal energy: 11.69%;
- CO₂ emissions avoided: 508 tons/year.



FRANCE

TotalEnergies and Veolia joined forces to speed up the development of CO₂-based microalgae production. The two partners combined their expertise to implement a four-year research project at the La Mède biorefinery (Provence-Alpes-Côte d'Azur region), operated by TotalEnergies, with the ultimate aim of producing biofuels. Their test platform compares different innovative microalgae cultivation systems to identify the most efficient. A few months later, on February 2, 2022, the two partners signed an agreement to recover biomethane from Veolia's waste and wastewater treatment facilities operating in more than 15 countries.

JULY

UNITED STATES

As part of its Rhyolite Ridge project – a lithium-boron deposit in Nevada – **the mining group loneer** contracted Veolia for the technical design and supply of systems to purify, recover and dry inorganic chemicals using HPD® evaporation and crystallization technologies. Veolia also carried out laboratory tests and simulated key unit operations, including the production of high-purity lithium hydroxide monohydrate. The results confirmed the viability of the project, which is expected to produce 20,200 metric tons of lithium carbonate and over 173,000 metric tons of boric acid a year for thirty years.

AUGUST

WORLD

The **International Union for Conservation of Nature (IUCN)** congress attracted 1,300 members from 160 countries, 15,000 experts and 20,000 visitors in Marseille. The aim of this flagship event, which is held every four years, is to raise awareness of the dual need to fight climate change and biodiversity loss. At the opening of the Congress, during the CEO Summit attended by the heads of major companies, Antoine Frérot explained how Veolia invents and implements solutions to conserve nature, biodiversity, and natural resources. One example is the bioconversion of waste to produce proteins for animal feed.

SEPTEMBER

BRAZIL

Veolia is inaugurating three new power plants in Brazil, installed at its waste recovery centers in the States of São Paulo and Santa Catarina. They will produce a total of 12.4 MW of renewable electricity from the biogas produced from the decomposition of organic waste, equivalent to the electricity and heating needs of 42,000 people in Brazil.

UZBEKISTAN

Taking advantage of the country's economic opening to enter Central Asia's main market, Veolia is going to modernize **the heating supply system in the capital, Tashkent**. Its roadmap includes equipping all homes with individual meters and separating the hot water and heating circuits. The contract, which is the subject of a thirty-year public-private partnership, is expected to result in a cumulative turnover of €13.4 billion.



OCTOBER

WORLD

For the fifth year in a row, **Veolia** was included in the Dow Jones Sustainability Indices (DJSI), which identify those companies with the most outstanding sustainable development performance. With a score of 82/100, the company remains in second place among the 34 companies in the Multi and Water Utilities sector.



On November 9, Antoine Frérot spoke at **COP26**, at a round table of the Industry Action Event of the Marrakesh Partnership for Global Climate Action, organized by the World Business Council for Sustainable Development (WBCSD) on the theme “Boosting industry ambition and action to achieve a net zero goal by 2050 and strengthen climate resilience.” He presented solutions involving plastics and battery recycling, and methane capture.



NOVEMBER

AUSTRALIA

On the back of twenty years of successful operations of the Gerringong-Gerroa sewerage scheme, **Veolia's NSW Water team** has recently secured a new fourteen-year operations and maintenance (O&M) contract. The Gerringong-Gerroa sewerage scheme consists of an advanced wastewater treatment plant, 50 kilometers of pipelines and 12 pumping stations. Treated effluent is reused for irrigation at a local farm while biosolids produced at the treatment plant are beneficially reused via soil injection or composting. The wastewater treatment plant comprises tertiary filtration, biologically activated carbon filters, microfiltration and ultra-violet disinfection.



FRANCE

Veolia created the Waste2Glass joint venture with EDF, to develop its **GeoMelt®** vitrification technology, a process that transforms problematic nuclear waste into a robust, stable material. The idea is to extend the application of the technology beyond high-level radioactive waste, which until now was the only application, due to the technical nature and cost of vitrification. The technology was also honored at the World Nuclear Exhibition 2021, held in Paris in December, the world's largest trade show for civil nuclear power. Veolia received an award in the Large Group – Products and Services category.

A LOOK BACK AT AN EMBLEMATIC TAKEOVER BID
Starting with the sale by the Engie group of its stake in Suez on July 31, 2020, and the acquisition of 29.9% of Suez by Veolia in October 2020.

DECEMBER

WORLD

Veolia and L'Oréal joined forces to reduce the carbon footprint of cosmetic packaging. Veolia will supply L'Oréal worldwide with high-quality recycled plastic that will avoid between 50% and 70% of CO₂ emissions compared to standard bottles. The plastic is coming from waste from consumer packaging (bottles, flasks, etc.) specifically chosen to ensure the purity of the material. The new recycled plastic complies with the requirements and certifications of the food sector, and guarantees maximum health safety for consumers. To meet international certification requirements, Veolia produces very high-quality granules using innovative technology that eliminates organic compounds.

Veolia and Suez announce that they have reached an agreement to merge.
April 12, 2021

The two groups sign a merger agreement and an MoU with a consortium of investors: Meridiam, GIP and Caisse des Dépôts/CNP Assurances.
May 14, 2021

SAUDI ARABIA

Veolia increased the number of its strategic partnerships and contracts in Saudi Arabia:

- ◆ Management of drinking water supply and wastewater services for the capital **Riyadh** and its 22 outlying municipalities (9 million people) on behalf of the National Water Company (a seven-year contract worth €82.6 million).
- ◆ Support for the operational, energy and commercial performance of the water sector with the Ministry of Investment and the Water Transmission and Technologies Company.
- ◆ Memorandum of understanding with Aramco for the creation of a joint company to treat industrial waste.



JAPAN

A first in Japan, made possible by the amendment of the 2018 water law, which opened up the sector to private operators: Veolia was contracted to manage, operate, and modernize the drinking water facilities in **Miyagi** prefecture, at the head of a consortium of nine local partners, including the Japanese leader, Metawater. The twenty-year concession – which is also the first to include the production of drinking water – has an estimated cumulative revenue of €719 million.

Veolia receives the green light from the European antitrust authorities to complete the proposed merger. The AMF reacts to the European green light by setting a closing date for the takeover bid of January 7, 2022.

December 14, 2021

The AMF (French market regulatory authority) issues a notice of compliance.
July 20, 2021



Approximately 300 people from Suez's headquarters in Paris-la Défense move to Veolia's headquarters in Aubervilliers.
January 19, 2022

VEOLIA INSTITUTE AFRICA

On December 9, 2021, the conference “From Rabat to Cape Town, Africa as a sustainable continent of the 22nd century” was held at the headquarters of the daily newspaper *Le Monde* in Paris. It was the culmination of a series of three debates held in Rabat, Abidjan, and Paris as part of the “Tomorrow's African City” operation, a partnership between *Le Monde* Afrique and Cities, with the Veolia Institute. The aim of this collaboration was to discuss with stakeholders how our economic models must evolve to ensure water, waste and energy essential services in Africa going forward. Many experts from partner organizations also took part in this closing conference: AFD, Global Fund for Cities, Club du Sahel, the African Circular Economy Network, the Network of Local Elected Women of Africa, université Paris-Dauphine, and Urbaplan, together with architects, urban planners, geographers, and more. This cycle is a continuation of the work of the Veolia Institute, which includes issue no. 22 of its journal *Facts Reports*, published in 2021: Water, waste, energy: Prospects for essential services in Africa.





ACCELERATING

THE ECOLOGICAL TRANSFORMATION



ECOLOGICAL AND REGULATORY CONTEXT

A BUOYANT ECONOMIC CLIMATE

The environmental emergency has never been more serious. Having even been taken into account in the recovery plans of several States, it remains a source of growth. This is a historic opportunity to create a global champion of ecological transformation.

+20 cm INCREASE IN THE SEA LEVEL SINCE 1901; +1 M BY 2100 IN THE WORST-CASE SCENARIO

50% OF THE WORLD'S CORAL REEFS HAVE DISAPPEARED SINCE 1950

Doubling IN ANNUAL EXTRACTION OF RAW MATERIALS BY 2050

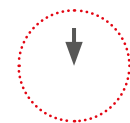
33% OF THE PLANET'S SOIL IS DEGRADED

45% OF YOUNG PEOPLE SAY THAT CLIMATE ANXIETY NEGATIVELY AFFECTS THEIR DAILY LIVES

(Source: *The Lancet*⁽¹⁾.)

THE COMBINATION OF CRISES IS ACCELERATING THE ECOLOGICAL EMERGENCY

Climate change
Collapse of biodiversity
Depletion of natural resources
Increase in environmental risks
Development of eco-anxiety



THE NINE PLANETARY BOUNDARIES TO BE RESPECTED⁽²⁾

Of the nine thresholds that cannot be exceeded without endangering humanity – climate change, biosphere integrity, land use change, freshwater use, biogeochemical fluxes, ocean acidification, aerosol air pollution, stratospheric ozone depletion and release of new chemicals:

- Four have now been crossed: climate, biosphere integrity, biodiversity, and nutrients.
- Two are in the process of being crossed: ocean acidification and freshwater.

The last of the planetary boundaries – the ozone layer – is a cause for hope. Its destruction gave rise to concerted political action starting in the 1980s. As a result, it is gradually healing.

(1) Source: *The Lancet*, Young People's Voices on Climate Anxiety, Government Betrayal and Moral Injury: A Global Phenomenon, 2021.
(2) Source: Johan Rockström, Stockholm Resilience Centre: Planetary boundaries.

FRANCE RELANCE RECOVERY PLAN

Launched in September 2021 to stimulate a green, social, and regional recovery, this plan offers unprecedented opportunities: To accelerate the transition to carbon neutrality, to optimize the performance of buildings and infrastructure, and to accelerate digitization to reinvent living and working environments.

EUROPEAN GREEN DEAL

This roadmap aims to make the EU economy sustainable. With a target of a 55% reduction in GHG emissions by 2030, the EU aims to become an example of successful transition. With a budget of €983 billion, it is aimed in particular at the clean and circular economy, the restoration of ecosystems, biodiversity and the fight against environmental pollution, especially toxic pollution.

UNITED STATES/ \$1.2 TRILLION INFRASTRUCTURE PLAN

The giga-investment plan for infrastructure provides for the renovation or construction of bridges, roads, electric car charging stations, water pipes, etc. In terms of the scale of the renovations announced, the amount of investment announced and the duration of its implementation – a generation – this plan is comparable to that overseen by President Roosevelt in the 1930s.

GROWING BODY OF LEGISLATION

FRANCE
France Relance recovery plan
+ Climate and Resilience draft bill

EUROPE
NextGeneration EU plan + Green Deal
+ Fit for 55 package

UNITED STATES
Build Back Better plan

CHINA
Carbon Action plan

COP26 AND THE GLASGOW PACT

While COP26 strengthens the international climate ambition and finalizes the 2015 Paris Agreement, the commitments made by the 196 parties are mostly for the period beyond 2030 and will not, as they stand, limit warming to 1.5 °C. The Glasgow Pact, which concludes COP26, reaffirms that the current decade must be one of renewed global climate action.

CHINA / 2030 CARBON ACTION PLAN

The Chinese central government has published an action plan that aims to reach peak carbon dioxide emissions before 2030. By then, the share of non-fossil fuel energy consumption will be about 25%, and carbon dioxide emissions per unit of GDP will decrease by more than 65% from the 2005 baseline.



JOINT INTERVIEW



ANTOINE FRÉROT

Chairman and
Chief Executive Officer



ESTELLE BRACHLIANOFF

Chief Operating Officer

A NEW CHAPTER IN THE GROUP'S HISTORY

**What are your takeaways
from 2021, a particularly
eventful year?**

Antoine Frérot You could say that 2021 was an abnormal year – and of course it was – but, for Veolia, it was above all a historic and exceptional year. How can we define a normal year when the abnormal reoccurs every year? In a way, we overcame the exceptional context imposed on us by the coronavirus pandemic with an exceptional project: Our merger with Suez, an operation of a size and scope that Veolia had never experienced before. One of the things I will remember about this year is the great public discussion on the ecological transformation that we conducted in the middle of the legal and financial battle to buy Suez. This discussion meant we were finally able to demonstrate the major advantages of this industrial project, to discuss it seriously with our stakeholders: employees, elected officials, industrial clients, representatives of civil society... and to convince them.

Estelle Brachlianoff It was also an opportunity to prove that, behind this merger project, there was a team that

believed in it and was ready to give their all to make it a reality. Then there was a complete sameness about 2020 and 2021: The pandemic has shown how solid and united we are as a group in the face of adversity. Seeing that teams throughout the Group were holding the bar so firmly freed up energy to fight the next battle – the Suez takeover – when the opportunity arose. We knew we could do it, without fearing any internal turmoil.

For my part, what I will remember about 2021 are my first discussions with the Suez teams who were going to join us: I had the feeling that we quickly understood each other and, I hope, also won each other over a little. We found that we spoke the same language, that we had the same vision of the business and that we could achieve a lot together.

**It is far too early to make an initial
assessment, but perhaps you can
share with us your feelings
about how the merger is going.**

E.B. It's going very well. It has to be said that we prepared it carefully, and that everyone did their bit to make it work from day one. ♦♦♦

“We overcame the exceptional context imposed on us by the coronavirus pandemic with an exceptional project: Our merger with Suez.”

ANTOINE FRÉROT

Even though Veolia had already made many acquisitions in the past, this one, because of its scale, was a first, and there was no room for any mistakes. We made sure we had all the right cards in our hand to ensure success: We set up a quasi-military organization, quite different from the way we usually do things, which leaves more room for initiative. This preparation has paid off: The organizational charts are in place, the teams work together, information circulates, the processes are connected. In less than six months, we will have succeeded in making this merger a reality. It would be difficult to go any faster.

A.F. I am still impressed by the dynamic that was created once the merger agreement was signed. Of course, every employee played their part, and I thank them for that, but it was you, Estelle, who, with the help of a small team, put this operation into action. This was far from simple, since 40,000 people joined Veolia. We are now looking forward to reaping the benefits of this merger, as the development potential of the new entity we are forming is so promising.

This success is also due to the excellent shape Veolia is in, more than twelve years after you took the helm.

A.F. Yes, our Group is doing well. There are several reasons for this: The relevance of its strategy and the quality of its implementation, the strong involvement of its teams, and their expertise and capacity for innovation. But there is another reason: Veolia has given itself a purpose. As a result, it knows why, for whom and how it wants to be useful to its stakeholders; it knows where its ambitions will take it and can concentrate its forces in such a way as to achieve its goals. In the end, this is also what is important for delivering good results in the long term. From this point of view, 2021 was an excellent year: Our revenue was €28.5 billion, up 9.6% on the previous year, and 6.5% on 2019, which was already a record year. The same trend can be seen in our EBITDA, which grew by 16% to €4.2 billion. Over the years, we have focused our business model on the most buoyant sectors; we have made our organization



more agile and responsive; and we have incorporated more added value into our products and services. The results are there, as again in 2021 we achieved many commercial successes. For example, the €13 billion contract to operate and maintain the heating network for the city of Tashkent in Uzbekistan; the concession to supply water to 2 million people in Miyagi, Japan, with a cumulative revenue of nearly €800 million; the management of the second largest oil refinery in South Africa (Engen); the ten-year contract to operate the sulfuric acid recycling facility at the Talara refinery in Peru; and the fifteen-year energy efficiency contract with the University of Parma, Italy. These achievements show that our Group is running at full speed and has maintained its commercial momentum, while actively preparing for the merger with Suez.

E.B. That Veolia has a purpose is first and foremost thanks to you, Antoine. No one knows better than you the determination it took to push this issue forward, first with the Board of Directors, the Executive Committee, and the Critical Friends committee, and then throughout the company. With our purpose, you have launched a profound intellectual, strategic, and managerial revolution. Our purpose is very important, especially for the young people who join us. When they find out about it, they say to themselves: “This company has a soul; it’s worth committing to it.”

As Antoine Frérot is preparing to hand you the reins, is your commitment also spurred on by these results, Estelle?

A.F. Let me just add that these results are also down to Estelle, who has been assisting me for almost three and a half years as Chief Operating Officer.



“If we want Veolia to continue to lead the way in its field, we must be ever more aware of the times and anticipate the expectations of our stakeholders.”

ESTELLE BRACHLIANOFF

E.B. You must admit that you’ve set the bar very high. As I take over from you, I look back at the work that has been accomplished over the past twelve years, so that I can draw inspiration from it to write the new page in Veolia’s history that is about to begin: That of the creation of the world champion of ecological transformation. It is a stronger, prouder, more inventive, and more profitable Veolia that Antoine and all his staff have gradually built with great confidence and intuition. I have watched it grow, and all of us with it. This tells you how attached I am to it and how committed I will be to making it grow further still. ♦♦♦

But, beyond that, I am convinced that the greatest asset that you are leaving us is to have consolidated an enthusiastic and united group behind Veolia. Not only internally, but also outside the company. One of my missions will be to maintain this collective and to keep it alive, in the face of the challenges to be met and according to the aspirations of our partners. If we want Veolia to continue to lead the way in its field, we must be ever more aware of the times and anticipate the expectations of our stakeholders. This is one of the projects we will be launching to develop our next strategic program.

**As you said at the start,
it's not clear how we should
define "normal" now.
From that point of view,
2022 seems to be on the same path...
How do you see this year for Veolia?**

E. B. In view of the crises that have followed one another since 2020, we can no longer consider that the relative stability we lived in over the previous decades was normal. In 2022, geopolitics has come back into our daily lives in a dramatic way: Firstly, for our employees and their families who were directly affected by the atrocious conflict in Ukraine, but for all of us – obviously in a much less tragic way – who are suffering the indirect consequences, in particular with the rise in energy prices. This crisis confirms that the strategic choices we've made over the years for our customers and for ourselves were the right ones, that is, reduce our dependence on fossil fuels and global supply chains, because this is both good for the planet and a source of autonomy and therefore freedom.

A. F. Veolia is all the more able to support the essential transformation

of production methods and lifestyles that this paradigm shift implies because that is our business!

E. B. This is one of the reasons why I have no doubt that 2022 will be another very good year for Veolia. We have announced an organic EBITDA growth target of between 4% and 6%, despite the conflict in Ukraine. And we are already starting to reap the benefits of the synergies generated by our merger with Suez. At the same time, we are still planning for the medium and long term, to improve how we meet the demands of our customers and partners. €150 million has been earmarked to accelerate the rollout of solutions that enable us to consume less energy and produce more: Within two years, working with our customers, we will have reduced our consumption by 5% and increased our production by 5%. That is how we are gradually reducing our dependence on fossil fuels. Waste and wastewater are full of energy, and, with oil prices soaring and the need to reduce CO₂ emissions, it would make no economical or ecological sense not to harness it. This approach is not confined to energy. We are seeking to invent or improve processes that can take the resources immediately available in waste and effluent and extract or produce locally from them all the materials needed for modern economies to function smoothly. For example, recycling plastic and reusing wastewater; recovering rare earths and precious metals from electric batteries, computers and mobile phones; recovering organic waste and sewage sludge as agricultural fertilizers; producing flour from organic waste to feed animals, and so on. Not to mention the other topics on which our research and development teams are working hard.



**That seems like a roadmap
for the future.**

A. F. Yes, and in fact, starting this year, we will be drawing up Veolia's next strategic program, which will begin in 2024. As with the current one, Impact 2023, the Board of Directors will monitor the strategic directions adopted and their operational implementation. It will also closely monitor the implementation of the merger and the management of our purpose. As our Group's compass, our purpose acts as a guide and ensures the Group remains faithful to its vocation and meets the expectations that its stakeholders rightly place in it.

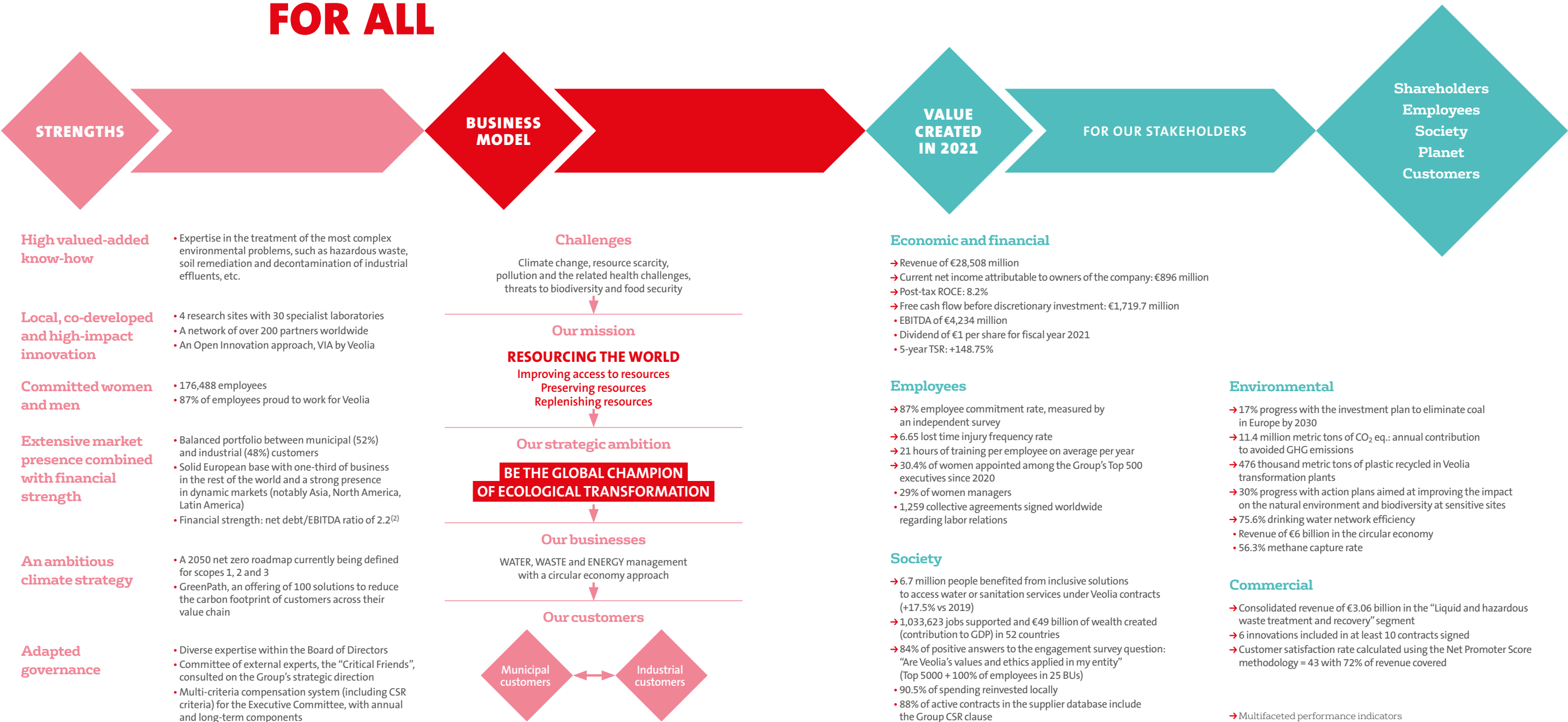
E. B. In other words, we will continue to forge ahead together. ❖

**“I look back at the work
that has been accomplished
over the past twelve years,
so that I can draw inspiration
from it to write the new page
in Veolia's history that is
about to begin.”**

ESTELLE BRACHLIANOFF

BUSINESS MODEL⁽¹⁾

CREATING VALUE FOR ALL



(1) At December 31, 2021.
(2) Excluding the impact of the acquisition of the Suez block.

Veolia participates to a varied extent in the implementation of all 17 SDGs. In particular, the Group plays a major role in 13 SDGs, where the challenges directly cut across its Purpose.



STRENGTHENING OUR
**MARKET
POSITION**

With nearly 220,000 employees worldwide, close to our clients' needs, the world champion of ecological transformation is changing its scale to be better placed to help regions and companies reach their targets.

A BROADER INTERNATIONAL FOOTPRINT

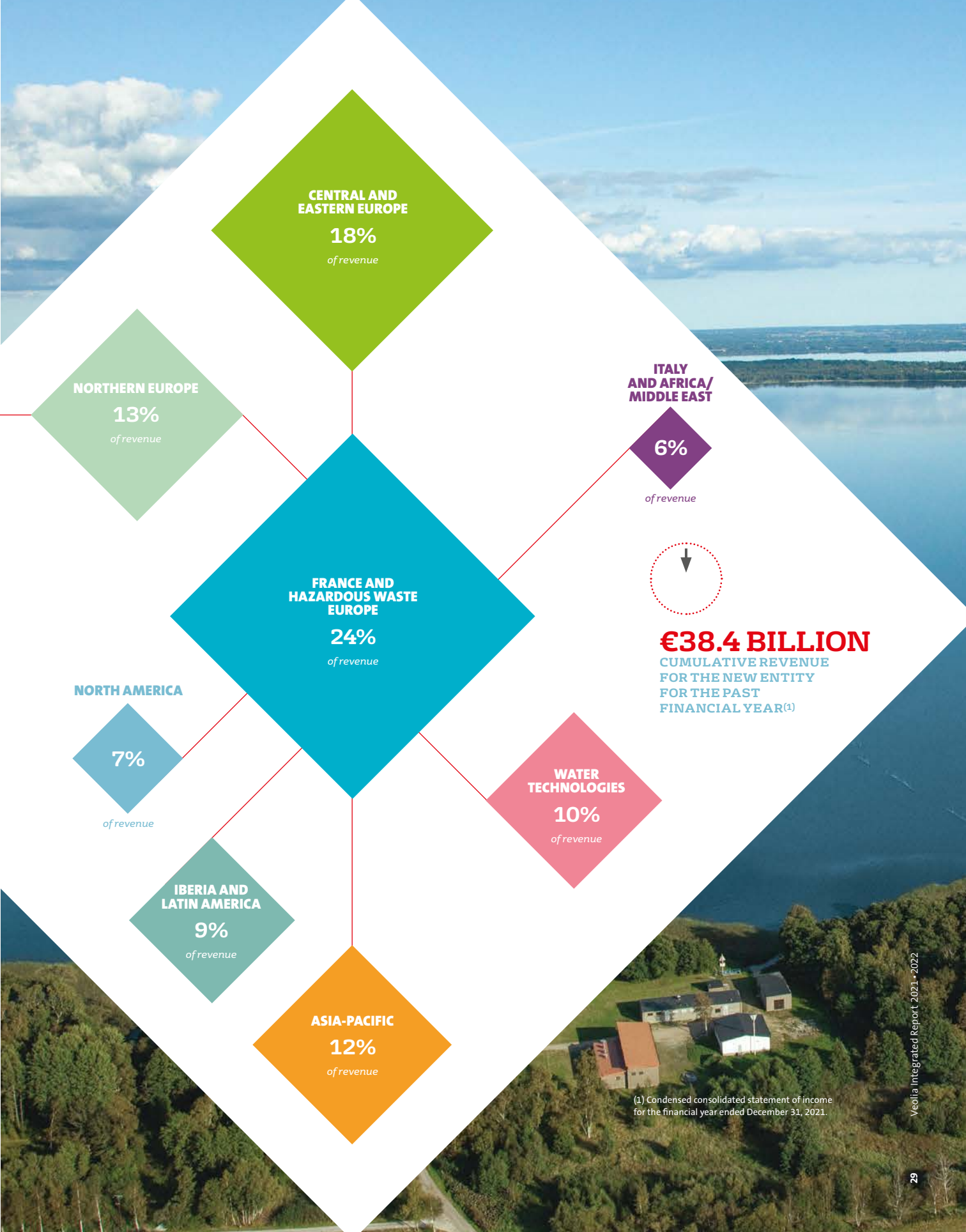


220,000
EMPLOYEES IN THE NEW
ENTITY IN 2022

Veolia is expanding its scope, particularly in markets outside Europe. They are areas with high growth potential as they have made less progress in their ecological transformation. For the company, this means a stronger geographical presence and a better balance. In Latin America, Veolia is more active in Mexico and Colombia, while Suez was more present in Chile. In Asia, their strengths can be combined in huge markets such as China and South-East Asia. Veolia is better established in Japan, Korea, Malaysia, and Singapore, while Suez was bigger in Thailand, for example. On the European continent, Veolia is particularly well established in Central and Eastern Europe and the United Kingdom, while Suez's historical territories are in Southern Europe and the Benelux countries.

**A COMPLEMENTARY MIX
OF SOLUTIONS AND TECHNOLOGIES**

The two groups have developed their expertise along separate paths that are now entirely complementary, however: optimization of the water cycle, treatment and valorization of plastic or hazardous waste, energy efficiency of buildings and industrial processes, local energy loops, and green energy production. ♦♦♦

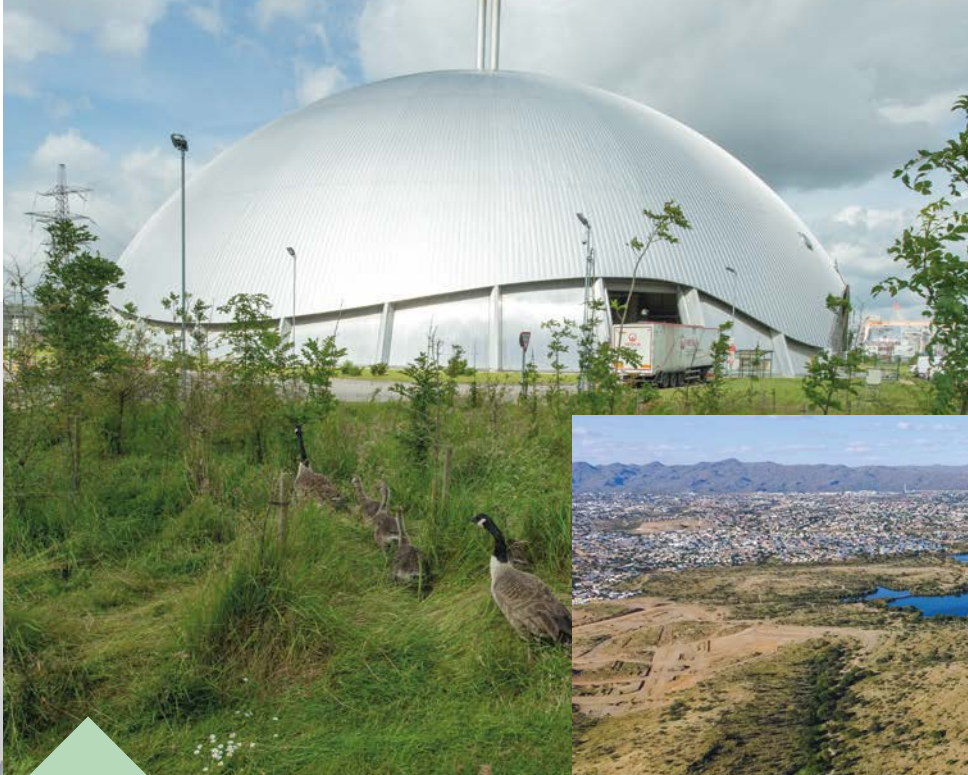


(1) Condensed consolidated statement of income for the financial year ended December 31, 2021.

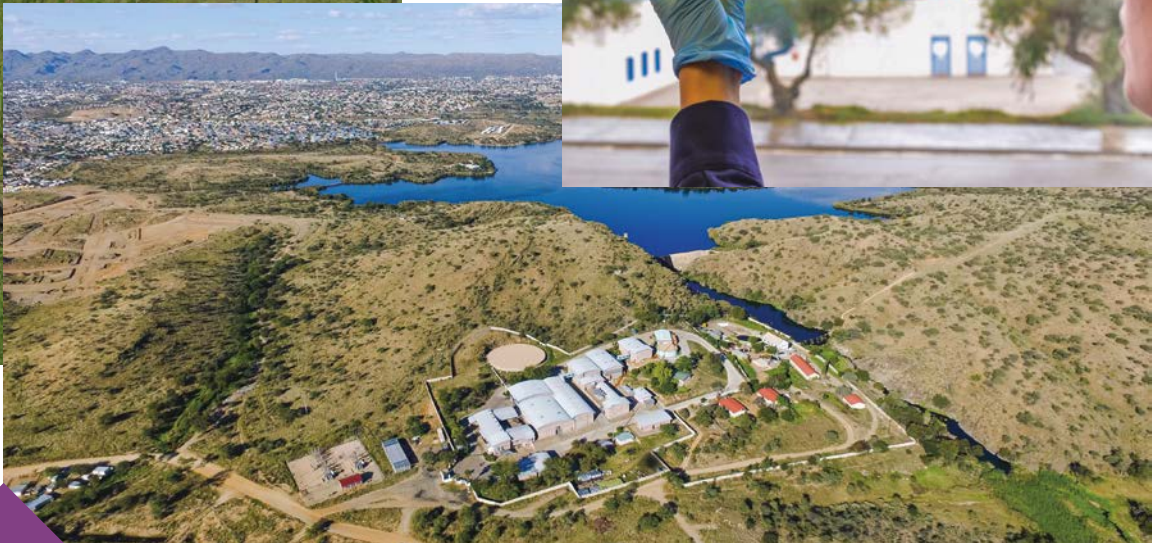
North America



Northern Europe



France and Hazardous Waste Europe



Italy and Africa/Middle East

Iberia and Latin America



In waste management, Veolia has a head start in optimizing the sale of electricity to the electricity grid, whether produced from incineration heat or landfill gas, while Suez has strong expertise in the recovery of landfill gas, an interesting source of “green” gas.

In the field of solid recovered fuels, which are essential for reducing dependence on fossil fuels, Veolia and Suez’s skills complement each other perfectly.

Additionally, Veolia is very active in the treatment of hazardous waste, particularly in the area of recovery (and not only in their disposal), while Suez specialized in degraded soils or soils polluted by heavy metals

or organic compounds. This complementary expertise is matched by the two groups’ geographical presence. In Spain, for example, where Suez was prominent in municipal water, Veolia is mainly active in energy and services to industrial and tertiary clients. In Belgium, Veolia is positioned in this same segment, whereas Suez was more active in waste management.

Another example is North America, where Veolia is more active in industrial services and hazardous waste, while Suez was more active in municipal water. In the Arabian Peninsula, Veolia is well established in energy and more prominent in water, while Suez scored significant points in waste.

The same is true in the water technologies segment: Suez Water Technologies is strong in North and Latin America, while Veolia Water Technologies is stronger in Europe and Africa/Middle East.

These complementary positions are a plus for Veolia, for which combining the client portfolios enables economies of scale, efficiency, synergies, and the sharing and duplication of experience. ♦♦♦



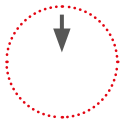
Central and Eastern Europe



Water Technologies



Asia-Pacific



CREATING EVEN MORE VALUE FOR OUR CLIENTS

GREATER CAPACITY FOR INNOVATION

Veolia now has a broader scope for accelerating technological, financial, commercial, and social innovation. This starts with research into the solutions of tomorrow: carbon capture and use, recycling electric vehicle batteries, indoor air quality, bioconversion of waste, etc. Another accelerator is the combination of technologies developed and, above all, implemented by the two groups, particularly in the treatment of new water pollutants, such as perfluorinated compounds, or energy autonomy in wastewater treatment plants. Lastly, Veolia intends to exploit the full potential of digital technology, counting on data to save resources, limit leaks in water networks and reduce the energy consumed by buildings. Thus, the combination of its 65 Hubgrade intelligent control centers and the Suez Optimatics algorithms will provide an expanded database.

PROFITABLE SYNERGIES

The combination of the two portfolios of major industrial and tertiary accounts will give rise to new strategic partnerships. In municipal water and waste management, it will be possible to bring proven experience to numerous cities worldwide, particularly in the optimized management of networks through digital technology. Veolia, which is present in the energy sector, unlike Suez, will be able to bring its expertise in energy efficiency and local energy to Suez's current clients – whether that is in reducing energy consumption in cities, helping to make them rapidly self-sufficient, or decarbonizing energy production units at industrial premises.

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 fields	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

ECO-INNOVATION TO TURN THE TIDE

Through ecological innovation – with and for all its stakeholders – Veolia is preparing to meet the challenges of the ecological transformation: climate change, depletion of resources, extinction of biodiversity, threats to food security, and so on.

For Veolia, half the ecological solutions already exist, the other half have yet to be invented. This is why the company is stepping up its innovation drive to have an ever more positive impact on the climate and the environment with solutions that respond to three time scales:

Innovating to repair, in the short term, the consequences of the ecological debt: cleaning up pollution, recycling waste, restoring biodiversity, etc.

Innovating to adapt, in the medium term, to extreme climatic conditions and also to

anticipate future disruptions to the balance that could result from adaptation solutions, such as the rise of electric vehicles.

Innovating to transform our economic and social models and guarantee their zero net impact in the long term: eco-design, bioconversion, CO₂ capture and storage, etc.

To manage resource scarcity sustainably, Veolia is paving the way for new material loops in four priority areas.

◆ **To transform** each waste product into a resource, the company is developing new processes for eco-design, recovering manufacturing by-products, improving product recyclability (such as lithium batteries), reusing wastewater, etc.

◆ **To fight** climate change and guarantee continued access to energy with low greenhouse gas emissions in the long term, Veolia is devising new energy services that are low-carbon, efficient and resilient.



INSECT-BASED BIOCONVERSION

Bioconversion recycles 100% of organic waste from the agricultural industry – with zero waste produced – and transforms it into animal feed and soil nutrition. Fly larvae feed and grow on organic by-products. They are then washed, dehydrated, crushed, and transformed into oil and protein concentrate, used particularly in animal feed. Since 2016, Veolia has been developing this solution with two start-ups: Entofood, in Malaysia, and Mutatec, in France.

◆ **To protect** human health from new pollutants in water and air (bio-contaminants, etc.), we are inventing solutions to ensure clean water and good indoor air (see page 46).

◆ **To meet** demographic challenges, Veolia is looking for new food chain models (such as bioconversion) and ways to adapt to the consequences of climate change. In addition, Veolia is developing expertise sharing in order to co-construct the Group's future innovations. For example, **Open Playground by Veolia**, launched in May 2021, brings together start-ups committed to the planet and capable of designing an industrial-scale pilot on an international scale. The aim is to respond to business challenges posed by BUs around the world, with high potential for new services for clients.

Recycling used electric batteries

With the boom in electric cars, millions of batteries – and the highly toxic chemicals they contain – will reach their end-of-life in a few years. In its plants in Moselle (France), Veolia manages all the treatment stages through a process of

extraction, selective separation, and refining of the strategic metals (copper, nickel, and cobalt, with lithium currently being developed) that make up the battery cells. Previously recovered in a form suitable only for metallurgical applications, these metals will soon be reused to manufacture new batteries.



ENVIRONMENTAL PERFORMANCE

RESPONDING TO THE MAJOR CHALLENGES

As the global champion of ecological transformation, Veolia is ideally positioned to meet the major environmental challenges: fighting climate change, protecting environments and biodiversity, sustainable resource management, and pollution control.

CLIMATE: HELPING OUR CLIENTS ADAPT

For Veolia, becoming a benchmark in the ecological transformation means going beyond reducing the negative impact of its businesses, particularly in terms of carbon (see interview). As a key player in climate change mitigation (renewable energy production, biogas capture and recovery, recycling, and circular economy solutions), the company also helps cities and industries adapt to the consequences of climate change (identifying the risks of water stress, and recycling water to limit pressure on resources, etc.). To measure its performance, two indicators related to greenhouse gas emissions (GHG) have been selected: their reduction – through the progress of its investment plan to 2030 to gradually eliminate coal in Europe – and emissions avoided.

BIODIVERSITY: MEASURED FOOTPRINT

Veolia has chosen to monitor the progress of its plans to improve its footprint on the environment and biodiversity of sensitive sites. A dedicated tool – the “environment and biodiversity” footprint – was developed jointly with ecologists and life cycle assessment experts, including the French committee of the International Union for Conservation of Nature. Like the carbon



footprint, the tool measures qualitatively and quantitatively the biodiversity issues of a site. This valuable data will be used to draw up an action plan adapted to these issues and to guide monitoring. In 2021, the tool was used in Colombia, the second richest country in the world in terms of biodiversity, near protected areas and species of interest⁽¹⁾. Several Veolia hazardous and nonhazardous waste storage sites are located there and could impact biological corridors. ♦♦



3 QUESTIONS TO...

FRÉDÉRIC VAN HEEMS

Senior Executive Vice President,
North America, Climate Sponsor on the ExCom



“The ecological transformation imperative is intimately linked to the need to reduce the impact of climate change.”

How is the aim of ecological transformation reflected in the challenge of climate change?

Frédéric Van Heems The climate is at the heart of our activities in all the Group’s geographic zones and functions. We have to be exemplary in order to be credible to our stakeholders. This is particularly true of Veolia’s carbon trend, a strong commitment announced at COP26. The ecological transformation imperative is intimately linked to the need to reduce the impact of climate change, by reducing greenhouse gas emissions or by consuming natural resources more intelligently. At the

North American Day One, we defined the term “Ecological Transformation” as “Green and Inclusive Transformation”: Beyond the environment, it incorporates the importance of working with all our stakeholders.

In terms of the Group’s business profile, where are the main levers for reduction?

F.V.H. Veolia has a multitude of levers in the areas of climate adaptation and mitigation. In addition to its high-value-added technologies and expertise – treatment of hazardous waste or micropollutants, indoor air quality, plastics recycling, biowaste recovery, etc. – the company must continue to innovate in the material loops, for example, water reuse, recycling of electric batteries, bioconversion of organic waste into biological fertilizer, etc.

What role will carbon sequestration play in the Group’s activities?

F.V.H. Carbon sequestration is a challenge for humanity and an essential solution to neutralize the residual emissions that we cannot reduce. The Group is positioning itself on this subject through Veolia Carbon Clean, created with the world leader in low-cost carbon capture technology, Carbon Clean Solutions Ltd. Its patented carbon dioxide separation technology is now widely deployed. In January, we won a contract with Tata Steel to operate and maintain their carbon-capture plant in India. This is an opportunity to build a model that will eventually enable Veolia to be carbon neutral within its scope and help our industrial partners accelerate their transition to a low-carbon economy.

(1) Species recognized as endangered, vulnerable, rare, or endemic.



These footprints made it possible to assess their positive and negative impacts on ecological habitats, and to enhance awareness-raising initiatives and local partnerships already in place.

THE NEW CIRCULAR ECONOMY FOR PLASTICS

Veolia has set itself the target of increasing its revenue from the circular economy and has chosen the volumes of recycled plastic in its processing plants as an indicator of its performance. For example, with L'Oréal, whose "L'Oréal for the Future" program aims for 100% recycled or biosourced packaging by 2030, the Group has been working on a project to recycle high-density polyethylene (HDPE) suitable for food contact in 2021. And, to meet the demanding standards of the US Food and Drug Administration, Veolia has developed a pellet production technology with a system for eliminating organic compounds, making it possible to obtain a quality equivalent to virgin plastic. This closed loop avoids 50% to 70% of CO₂ emissions compared to a standard bottle.

WASTEWATER REUSE TO CONSERVE WATER RESOURCES

In the Vendée (France), a region that regularly experiences water stress and where 90% of drinking water comes from surface water, the public utility Vendée Eau has anticipated any risk of a resource shortage. As part of the Jourdain project, the first of its kind in Europe, in 2021 it chose Veolia's wastewater reuse solution to produce very high-quality water. The idea is to reproduce the water cycle in a planned and supervised manner. In concrete terms, rather than ending up in the Atlantic, some of the water is recovered from the wastewater treatment plant and refined. It is then transported over 25 kilometers and discharged into a vegetated area to return to its natural state. From there, it rejoins the river and flows slowly through the Jaunay reservoir. The water ends its circuit in the local drinking water production plant, which makes it available for consumption by households. In addition to providing 1 to 2 million m³ of additional drinking water per year, the Jourdain project breaks a taboo and ushers in a change in mentality.

MULTIFACETED PERFORMANCE DASHBOARD

OBJECTIVES AND ASSOCIATED INDICATORS	2019 BASELINE	2020 RESULTS	2021 RESULTS	2023 TARGET
Human resources performance				
◆ Employee commitment Rate of engagement of employees measured through an independent survey	84%	87%	87%	≥80%
◆ Safety at work Lost time injury frequency rate	8.12	6.6	6.65	5
◆ Employee training and employability Average number of training hours per employee per year	18 h	17 h	21 h	23 h
◆ Diversity Proportion of women appointed within Veolia's Top 500 senior executives from 2020 to 2023	Not applicable	28.3%	30.4%	50%
Commercial performance				
◆ Customer and consumer satisfaction Customer satisfaction rate calculated using the Net Promoter Score methodology	Not applicable	NPS = 41 with 57% of revenue covered	NPS = 43 with 72% of revenue covered	NPS > 30 with 75% of revenue covered
◆ Development of innovative solutions Number of innovations included in at least 10 contracts signed by the Group	Not applicable	2	6	12
◆ Hazardous waste treatment and recovery Consolidated revenue generated by the hazardous and liquid waste treatment and recovery activities	€2.56 billion	€2.53 billion	€3.06 billion	>€4 billion
Economic and financial performance				
◆ Revenue growth Annual growth in published revenue	€27.2 billion	€26.0 billion	€28.5 billion	Annual target
◆ Profitability Current net income – Group share	€760 million	€415 million	€896 million	€1 billion
◆ Return on capital employed ROCE after tax (with IFRS 16)	8.4%	6.4%	8.2%	Annual target
◆ Investment capacity Free cash flow (before discretionary investments)	€1,230 million	€942 million	€1,720 million	Annual target
Social performance				
◆ Job and wealth creation in the territories Socioeconomic footprint of Veolia's activities in the countries where the Group operates, with regard to jobs supported and wealth created	Not applicable	1,105,388 jobs supported €51 billion of added value created in 51 countries	1,033,623 jobs supported €49 billion of added value created in 52 countries	Annual assessment of impact, overall and by geography in at least 45 countries
◆ Ethics and compliance Rate of positive answers to this question of the engagement survey "Veolia's values and ethics are put into practice within my entity"	92% of Top 5000	83% on all respondents	84% on all respondents	≥80% on all respondents
◆ Access to essential services (water and sanitation) Number of inhabitants benefiting from inclusive measures for access to water or sanitation within contracts	5.71 million inhabitants	6.12 million inhabitants (+7%)	6.71 million inhabitants (+17.5%)	+12% at constant scope
Environmental performance				
◆ Combating climate change • Reducing GHG emissions: progress of the investment plan to phase-out coal in Europe by 2030 • Avoided emissions: annual contribution to avoided GHG emissions (assessed with regard to a reference scenario)	Not applicable 12.1 million metric tons of CO ₂ eq.	8.1% of investment to be achieved 12.5 million metric tons of CO ₂ eq.	17% of investment to be achieved 11.4 million metric tons of CO ₂ eq.	30% of investment ⁽¹⁾ to be achieved 15 million metric tons of CO ₂ eq.
◆ Circular economy: plastic recycling Volume of recycled plastic in Veolia transformation plants	350 thousand metric tons	391 thousand metric tons	476 thousand metric tons ⁽²⁾	610 thousand metric tons
◆ Protection of environments and biodiversity Progress rate of action plans aimed at improving the environment and biodiversity footprint in sensitive sites ⁽³⁾	Not applicable	1.7%	30%	75%
◆ Sustainable management of water resources Efficiency of drinking water networks ⁽⁴⁾ (volume of drinking water consumed/volume of drinking water produced)	72.5%	73.4%	75.6%	>75%

(1) Total cumulative investment since 2019 in new forms of energy aimed at eliminating coal in Europe by 2030 has been estimated at €1.274 billion. (2) Since 2021, this indicator includes plastic volumes recycled in Veolia transformation plants processing WEEE and volumes recycled in plants acquired or sold by Veolia during the year. (3) Pro forma (2019-2021). (4) For networks serving over 50,000 inhabitants. At constant scope.