



**VEOLIA ENVIRONNEMENT**

(a *société anonyme* incorporated in France)

**€500,000,000 Undated Non-Call 6.25 Year Deeply Subordinated Fixed Rate Resettable Notes**  
**Issue Price: 100 per cent.**

The €500,000,000 Undated Non-Call 6.25 Year Deeply Subordinated Fixed Rate Resettable Notes (the **Notes**) of Veolia Environnement (the **Issuer** or **Veolia**) will be issued on 15 November 2021 (the **Issue Date**).

The Notes are deeply subordinated notes of the Issuer. The obligations of the Issuer under the Notes in respect of principal, interest and other amounts (including for the avoidance of doubt, any Arrears of Interest) constitute direct, unconditional, unsecured and deeply subordinated obligations (*engagements subordonnés de dernier rang*) of the Issuer ranking *pari passu* among themselves and with all other present and future Parity Obligations of the Issuer, shall be subordinated to present and future *prêts participatifs* granted to, or *titres participatifs* issued by, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer. The Notes shall rank in priority to any Junior Securities of the Issuer, as further described in the Terms and Conditions of the Notes.

The net proceeds of the issuance of the Notes will be used as described in the section "Use of Proceeds" of this Prospectus.

The Notes shall bear interest on their principal amount:

- (i) from, and including, the Issue Date to, but excluding, 15 February 2028 (the **First Reset Date**), at an interest rate of 2.000 per cent. *per annum* (the **First Interest Rate**), payable annually in arrear on 15 February of each year, commencing on 15 February 2022 and ending on the First Reset Date, provided that there will be a short first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date, amounting to EUR 504.11 per EUR 100,000 Note;
- (ii) from, and including, the First Reset Date to, but excluding, 15 February 2033 (the **First Step-up Date**), at an interest rate *per annum* which will be equal to the sum of (a) the Reference Rate of the relevant Reset Period and (b) the Initial Margin (the **Second Interest Rate**), payable annually in arrear on 15 February of each year, commencing on 15 February 2029 and ending on the First Step-up Date;
- (iii) from, and including, the First Step-up Date to, but excluding, 15 February 2048 (the **Second Step-up Date**), at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the First Step-up Margin (the **Third Interest Rate**), payable annually in arrear on 15 February of each year, commencing on 15 February 2034 and ending on the Second Step-up Date; and
- (iv) from, and including, the Second Step-up Date, at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the Second Step-up Margin (the **Following Interest Rate**), payable annually in arrear on 15 February of each year, commencing on 15 February 2049;

where the Initial Margin shall be 2.081 per cent. *per annum*, the First Step-up Margin shall be 0.25 per cent. *per annum* and the Second Step-up Margin shall be 1.00 per cent. *per annum*, as further described in the section "Terms and Conditions of the Notes" of this Prospectus (the **Terms and Conditions of the Notes**).

**Payment of interest on the Notes may be deferred at the option of the Issuer under certain circumstances, as set out in the Terms and Conditions of the Notes.**

The Notes are undated securities with no specified maturity date. The Issuer will have the right to redeem all (but not some only) of the Notes (i) at any time from and including three (3) months prior to the First Reset Date (*i.e.* 15 November 2027) (the **First Optional Redemption Date**) to and including the First Reset Date and upon any subsequent Interest Payment Date at their principal amount plus accrued interest, and (ii) at any time (other than during the period from and including the First Optional Redemption Date to and including the First Reset Date or upon any subsequent Interest Payment Date) at the Make-whole Redemption Amount, all as defined and further described in the Terms and Conditions of the Notes. The Issuer may also, at its option, redeem all (but not some only) of the Notes, upon the occurrence of a Gross-Up Event, a Tax Deduction Event, a Withholding Tax Event, an Accounting Event, an Equity Credit Rating Event or a Substantial Repurchase Event, as further described in Terms and Conditions of the Notes.

This document constitutes a prospectus (the **Prospectus**) for the purposes of Article 6 of Regulation (EU) 2017/1129, as amended (the **Prospectus Regulation**). This Prospectus has been approved by the *Autorité des marchés financiers* (**AMF**) in France in its capacity as competent authority pursuant to the Prospectus Regulation. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to Euronext Paris for the Notes to be admitted to trading on Euronext Paris as from the Issue Date. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended, appearing on the list of regulated markets issued by the European Securities and Markets Authority (**ESMA**).

The Notes will, as from their Issue Date, be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in the Terms and Conditions of the Notes) including Euroclear Bank SA/NV (**Euroclear**) and the depositary bank for Clearstream Banking, S.A. (**Clearstream**).

The Notes will be in dematerialised bearer form (*au porteur*) in the denomination of €100,000. The Notes will at all times be represented in book-entry form (*inscription en compte*) in the books of the Account Holders in compliance with Articles L.211-3 *et seq.* and R.211-1 *et seq.* of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes have been rated BB+ by S&P Global Ratings Europe Limited (**S&P**) and Baa3 by Moody's France S.A.S. (**Moody's**). As at the date of this Prospectus, the Issuer's long-term senior debt and short-term senior debt have been respectively rated (i) BBB and A-2 with stable outlook by S&P and (ii) Baa1 and P-2 with stable outlook by Moody's. S&P and Moody's are established in the European Union and are registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 as amended (the **CRA Regulation**). As such, S&P and Moody's are included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Moody's and S&P are not established in the United Kingdom and are not registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) (the **UK CRA Regulation**). The ratings of the Notes issued by Moody's and S&P have been endorsed by Moody's Investors Service Limited and S&P Global Ratings UK Limited, respectively, in accordance with UK CRA Regulation and have not been withdrawn. As such, the ratings issued by Moody's and S&P may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Copies of this Prospectus and the documents incorporated by reference will be available on the website of the Issuer ([www.finance.veolia.com](http://www.finance.veolia.com)) and on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)), save for the Third Quarter 2021 Financial Information which will only be available on the website of the Issuer.

**Prospective investors should review all the information contained or incorporated by reference in this Prospectus and, in particular, the information described in the section "Risk Factors" of this Prospectus.**

#### **Global Coordinators**

**MUFG**

**NATIXIS**

#### **Joint Bookrunners**

**MUFG**

**NATIXIS**

**CIC MARKET SOLUTIONS**

**ING**

**LA BANQUE POSTALE**

**SMBC NIKKO**

*This Prospectus has been prepared for the purpose of giving information with regard to the Issuer, the Issuer and its consolidated subsidiaries taken as a whole (the **Group**) and the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Group, the rights attaching to the Notes and the reason for the issuance of the Notes and its impact on the Issuer.*

*This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference.*

*This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Bookrunners (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**). Subject to certain exceptions, the Notes may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".*

*This Prospectus has been prepared on the basis that any offer of the Notes in the United Kingdom (the **UK**) will be made pursuant to an exemption under Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) (the **UK Prospectus Regulation**) from a requirement to publish a prospectus for offers of Notes. This Prospectus is not a prospectus for the purpose of the UK Prospectus Regulation.*

*No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Bookrunners. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained or incorporated by reference in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

**AN INVESTMENT IN THE NOTES MIGHT NOT BE SUITABLE FOR ALL INVESTORS** - *The Notes are complex financial instruments that may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:*

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;*
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;*
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;*
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and*

- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase, sale or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Notes. Further, a Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes. Potential investors are advised to ask for tax adviser's advice on their individual taxation with respect to the acquisition, holding, disposal and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of each potential investor. Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes.

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

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

**MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes, taking into account the five categories referred to in item 18 of the Guidelines published by the European Securities and Markets Authority (**ESMA**) on 5 February 2018 has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by

*either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.*

*To the extent permitted by law, each of the Joint Bookrunners accepts no responsibility whatsoever for the content of this Prospectus (including the documents which are incorporated herein by reference) or for any other statement in connection with the Issuer or the Group.*

*The Joint Bookrunners have not separately verified the information or representations contained or incorporated by reference in this Prospectus in connection with the Issuer or the Group. None of the Joint Bookrunners makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information or representation contained or incorporated by reference in this Prospectus in connection with the Issuer or the Group. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Joint Bookrunners that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information or representation contained in this Prospectus and its purchase of Notes should be based upon such investigation and assessment as it deems necessary. None of the Joint Bookrunners undertook or undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Bookrunners.*

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## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes and are material for the purpose of assessing the market risks associated with Notes. All of these factors are contingencies which may or may not occur.*

*Factors which the Issuer believes are specific to the Issuer and/or the Notes and material for an informed investment decision with respect to investing in the Notes are also described below.*

*The Issuer believes that the factors described below represent the principal inherent risks in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*In each sub-category below the Issuer sets out first the most material risk, in its assessment, taking into account the expected magnitude of its negative impact and the probability of its occurrence.*

*Words and expressions defined under sections "Terms and Conditions of the Notes" shall have the same meanings in this section. References to "Conditions" in this section refer to the Terms and Conditions of the Notes .*

### 1. RISK FACTORS RELATING TO THE ISSUER

Risks factors relating to the Group and its activity are described on pages 70 and 79 to 106 of the 2020 Universal Registration Document (as defined in section "*Documents Incorporated by Reference*") and on pages 21 to 26 of the Amendment to the 2020 Universal Registration Document (as defined in section "*Documents Incorporated by Reference*") which are incorporated by reference into this Prospectus. These risk factors are listed below.

For the avoidance of doubt, the capitalized terms in the following paragraphs listing the risk factors relating to the Issuer shall have the same meaning conferred to such terms in the Amendment to the 2020 Universal Registration Document.

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

- Risks relating to market changes
- Economic risks
- Competition risks
- Seasonality risks
- Political risks
- Risks relating to natural disasters
- Risks relating to the business climate
- Risks relating to climate change

#### 1.2 Operational risks

- Risks relating to employee health and safety
- Risks relating to the selection and integration of acquisitions
  - o Proposed Veolia-Suez combination ;
  - o Risks related to the integration of Suez' activities and the expected synergies or other benefits of the Transaction ;
  - o Risks related to Suez's performance and unforeseen liabilities ;
  - o Risks that Veolia may incur substantial transaction costs in connection with the Transaction and its completion ;
  - o Risks of disputes relating to the Transaction and its completion ;
  - o Risks related to the triggering of change of control clauses and related provisions at Suez level ;
  - o Risks related to the transition period until the completion of the Transaction ;
  - o Tax risks related to the Transaction (including the Scope Divestment) and to the implementation of the prior or subsequent reorganization transactions ;
  - o Risks related to the failure to complete the Transaction ;

- Risks related to the failure to complete (or the late completion) of the Transaction in reason of the failure to obtain necessary clearances ;
- Risks related to the failure to complete (or the late completion) of the Scope Divestment and risks related to the fact that the scope of the new Suez may differ from the scope initially agreed between Veolia, Suez and the Consortium ;
- Risks related to the financing of the Transaction ;
- Risks related to the future operating results and financial position presented in the pro forma financial information)
- Risks related to tangible and intangible property, and information systems
- Third-party liability and particularly health and environmental risks
- Risks relating to changes in business lines
- Risks of skills availability
- Personal security risks
- Transformation risks related to multifaceted performance

### 1.3 Financial risks

- Counterparty risks relating to operating activities
- Risks inherent to fluctuations in the price of energy and commodities
- Risks relating to tax developments
- Liquidity risks
- Currency risks

### 1.4 Regulatory, ethical and legal risks

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

Below, the Group risk matrix presented in page 80 of the 2020 Universal Registration Document

**Group risk matrix**

IMPACT	High	<ul style="list-style-type: none"> <li>• <b>Corruption and business integrity risks (CSR)</b></li> <li>• Risks related to tangible and intangible property, and information systems</li> <li>• <b>Human rights risks (CSR)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Risks relating to market changes</li> <li>• Competition risks</li> <li>• <b>Risks relating to employee health and safety (CSR)</b></li> </ul>	
	Moderate	<ul style="list-style-type: none"> <li>• Political risks</li> <li>• Risks of skills availability (CSR)</li> <li>• Personal security risks</li> </ul>	<ul style="list-style-type: none"> <li>• Risks relating to the selection and integration of acquisitions</li> <li>• Risks related to fluctuations in the price of energy and commodities</li> <li>• Seasonality risks</li> <li>• Third-party liability risks and particularly health and environmental risks (CSR)</li> <li>• Risks relating to changes in business lines</li> </ul>	<ul style="list-style-type: none"> <li>• Economic risks</li> <li>• Risks relating to regulatory changes, particularly in the area of health or the environment</li> <li>• Counterparty risks relating to operating activities</li> <li>• Risks relating to climate change (CSR)</li> </ul>
	Low	<ul style="list-style-type: none"> <li>• Transformation risks linked to multifaceted performance (CSR)</li> <li>• Currency risk</li> </ul>	<ul style="list-style-type: none"> <li>• Risks relating to the business climate</li> <li>• Risks relating to natural disasters (CSR)</li> <li>• Risks relating to tax developments</li> <li>• Liquidity risks</li> </ul>	<ul style="list-style-type: none"> <li>• Risks relating to long-term contracts</li> </ul>
		Low	Moderate	High
PROBABILITY OF OCCURRENCE				



## 2. RISKS RELATED TO THE NOTES

### 2.1. Risks for the Noteholders as creditors of the Issuer

*The following paragraphs describe some of the risks that the Issuer believes are material to the Notes in order to assess the market risk associated thereto. They do not describe all the risks of an investment in the Notes.*

#### **French insolvency law**

The Issuer is a *société anonyme* with its corporate seat in France. In the event that the Issuer becomes insolvent, insolvency proceedings will be generally governed by the insolvency laws of France to the extent that, where applicable, the "centre of main interests" (as construed under Regulation (EU) 2015/848, as amended) of the Issuer is located in France.

The Directive (EU) 2019/1023 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 has been transposed into French law by the *Ordonnance* 2021-1193 dated 15 September 2021. Such *Ordonnance*, applicable as from 1 October 2021, amends French insolvency laws notably with regard to the process of adoption of restructuring plans under insolvency proceedings. According to this *Ordonnance*, "affected parties" (including notably creditors, and therefore the Noteholders) shall be treated in separate classes for the purpose of adopting a restructuring plan. Classes shall be formed in such a way that each class comprises claims or interests with rights that reflect a sufficient commonality of interest based on verifiable criteria. Noteholders will no longer deliberate on the proposed restructuring plan in a separate assembly, meaning that they will no longer benefit from a specific veto power on this plan. Instead, as any other affected parties, the Noteholders will be grouped into one or several classes (with potentially other types of creditors) and their dissenting vote may possibly be overridden by a cross-class cram down.

The decision of each class is taken by a two-third (2/3<sup>rd</sup>) majority of the voting rights of the participating members, no quorum being required.

If the restructuring plan is not approved by all classes of affected parties, it can still be ratified by the court at the request of the Issuer or the receiver with the Issuer's consent and be imposed on dissenting classes through a cross-class cram down, under certain conditions.

For the avoidance of doubt, the provisions relating to the representation of Noteholders described in Condition 10 will not be applicable to the extent they are not in compliance with compulsory insolvency law provisions that apply in these circumstances.

The commencement of insolvency proceedings against the Issuer would have a material adverse effect on the market value of Notes issued by the Issuer. As a consequence, any decision taken by a class of affected parties, could negatively and significantly impact the Noteholders and cause them to lose all or part of their investment, should they not be able to recover all or part of the amounts due to them from the Issuer.

#### **Modification of the Terms and Conditions of the Notes**

Noteholders will be grouped automatically for the defence of their interests in a Masse, as defined in Condition 10 (*Representation of the Noteholders*) which contains provisions regarding Collective Decisions of Noteholders to consider matters affecting their interests generally, which may be adopted either through a general meeting (the **General Meeting**) or by consent following a written consultation (the **Written Resolution**). These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend, were not represented at the relevant meeting or did not consent or respond to the Written Resolution, and Noteholders who voted in a manner contrary to the majority. The Masse, through Collective Decisions, may deliberate on proposals relating to the modification of the conditions of the Notes subject to the limitation provided by French law and the Terms and Conditions of the Notes. If a decision is adopted by a majority of Noteholders and such modifications were to impair or limit the rights of the Noteholders, this may have a negative impact on the market value of the Notes.

By exception to the above provisions, Condition 10.9 of the Terms and Conditions of the Notes provides that (i) the provisions of Article L.228-65 I. 1° and 4° of the French *Code de commerce* (respectively providing for a prior approval of the General Meeting of the Noteholders of any change in corporate purpose or form of the Issuer or of an issue of bonds benefiting from a security (*sûreté réelle*)) and the related provisions of the French *Code*

*de commerce* shall not apply to the Notes and (ii) the provisions of Article L.228-65 I. 3° of the French *Code de commerce* (providing for a prior approval of the Noteholders in relation to any proposal to merge or demerge the Issuer in the cases referred to in Articles L. 236-13 and L. 236-18 of the French *Code de commerce*) shall not apply to the Notes to the extent that such proposal relates to a merger or demerger with another entity of the Group (as defined in the Conditions). As a result of these exclusions, the prior approval of the Noteholders will not have to be obtained on any such matters which may affect their interests generally.

## ***2.2 Risks related to the trading markets of the Notes***

### ***Market value of the Notes***

The Notes have been rated BB+ by S&P and Baa3 by Moody's. The Issuer's long-term senior debt and short-term senior debt have been respectively rated (i) BBB and A-2 with stable outlook by S&P and (ii) Baa1 and P-2 with stable outlook by Moody's. The market value of the Notes may be affected by the creditworthiness of the Issuer and a number of additional factors.

Each of S&P and Moody's or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and/or ratings assigned to an issuer on a standalone basis and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

The value of the Notes depends on a number of interrelated factors, including, but not limited to, the level of the Reference Rate, its volatility, market interest and yield rates, economic, financial and political events in France or elsewhere, and factors affecting capital markets in general and Euronext Paris (on which the Notes are intended to be traded). The price at which a Noteholder will be able to sell the Notes prior to redemption by the Issuer may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical market prices of the Reference Rate should not be taken as an indication of the Reference Rate's future performance during the life of the Notes.

### ***No active secondary/trading market for the Notes***

Application will be made to Euronext Paris for the Notes to be admitted to trading on Euronext Paris. However, the Notes may not have an established trading market when issued and admitted to trading. There can be no assurance of a secondary market for the Notes or the continued liquidity of such market if one develops. When the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although this Prospectus has been approved by the *Autorité des marchés financiers* in France and application will be made for the Notes to be admitted to trading on Euronext Paris, there is no assurance that such admission to trading will occur or that an active trading market will develop.

The absence of liquidity may have a significant material adverse effect on the value of the Notes. In addition, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and in extreme circumstances such investors could suffer loss of their entire investment.

### ***Exchange rate and currency risk***

The Issuer will pay principal and interest on the Notes in euro. If the euro is not the currency of the purchaser's home jurisdiction and/or the purchaser wishes to receive funds in currency other than the euro (the **Investor's Currency**) an investment in the Notes may involve exchange rate risks. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. The degree to which such exchange rates between the euro and the Investor's Currency may vary is uncertain and presents a highly significant risk to the value and return of the

Notes as measured in the Investor's Currency. This may result in a significant loss on any capital invested from the perspective of an investor whose domestic currency is not the euro.

### **2.3. Risks related to the particular structure of the Notes**

#### ***The Notes are deeply (i.e., lowest ranking) subordinated obligations of the Issuer***

Pursuant to Condition 3.1 (*Deeply Subordinated Notes*), the principal and interest and other amounts (including for the avoidance of doubt, any Arrears of Interest) on the Notes constitute direct, unconditional, unsecured and deeply subordinated obligations (*engagements subordonnés de dernier rang*) of the Issuer ranking *pari passu* among themselves and with all other present and future Parity Obligations of the Issuer, shall be subordinated to present and future *prêts participatifs* granted to, or *titres participatifs* issued by, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer. The Notes shall rank in priority to any Junior Securities. As of 30 June 2021, the Group current and non-current financial liabilities, which were unsecured and ranked senior to the Notes, represented €18,262 million. At 30 June 2021, the Issuer's perpetual subordinated bonds carried in equity amounted to €2,000 million, ranking *pari passu* with the Notes.

In accordance with Condition 3.2 (*Payment on the Notes in the event of the liquidation of the Issuer*), in the event of any judgment rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery (*redressement judiciaire*) procedure, or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (in all cases listed above, other than pursuant to a consolidation, amalgamation, merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes), the rights of Noteholders to payment under the Notes will be subordinated to the full payment of the unsubordinated creditors of the Issuer (including holders of Unsubordinated Obligations), of the ordinary subordinated creditors of the Issuer (including holders of Ordinary Subordinated Obligations), of lenders in relation to *prêts participatifs*, if any, granted to the Issuer and *titres participatifs*, if any, issued or to be issued by the Issuer, if and to the extent that there is still cash available for those payments.

Thus, the Noteholders face a higher recovery risk than holders of unsubordinated and ordinary subordinated obligations of the Issuer. In the event of incomplete payment of unsubordinated creditors and subordinated creditors ranking ahead of the claims of the Noteholders, the obligations of the Issuer in connection with the Notes shall terminate. The claims of the Noteholders under the Notes are intended to be senior only to claims of holders of Junior Securities. There are currently no other instruments of the Issuer that rank junior to the Notes other than the ordinary shares of the Issuer. Thus, the Noteholders face a significantly higher performance risk than holders of unsubordinated and ordinary subordinated obligations of the Issuer which could result in a loss of all or a part of a Noteholder's investment in the event of a bankruptcy.

#### ***The Notes are undated securities***

In accordance with Condition 6.1 (*Final Redemption*), the Notes are undated securities, with no specified maturity date. The Issuer is under no obligation to redeem or repurchase the Notes at any time and the Noteholders have no right to require redemption of the Notes except, in accordance with Condition 9 (*Enforcement Events, no Events of Default and no Cross Default*), if a judgment is issued for the judicial liquidation (*liquidation judiciaire*) of the Issuer or, following a recovery procedure (*redressement judiciaire*), the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all the cases above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency whereby the surviving entity assumes all obligations of the Issuer under the Notes).

As the Notes do not have a fixed maturity, the Noteholders must bear the significant financial risks of an investment in the Notes for an indefinite period and may not recover their investment in a foreseeable future.

#### ***Deferral of interest payment***

In accordance with Condition 5.5 (*Optional Interest Deferral*), on any applicable Interest Payment Date, the Issuer may elect to defer payment of all or part of the interest accrued on the Notes to that date, and any such failure to pay shall not constitute a default by the Issuer for any purpose. Any interest in respect of the Notes not paid on an applicable Interest Payment Date will, so long as the same remains outstanding, be deferred and shall

constitute Arrears of Interest and bear interest, and may be payable in whole or in part as provided in Condition 5.5 (*Optional Interest Deferral*) of the Terms and Conditions of the Notes.

Arrears of Interest (together with any Additional Interest Amount) in respect of all Notes for the time being outstanding shall become due and payable in whole, but not in part, on whichever is the earliest of:

- (i) the tenth (10<sup>th</sup>) Business Day following the occurrence of a Mandatory Payment Event; or
- (ii) the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer all or part of the interest accrued in respect of the relevant Interest Period;
- (iii) the date on which the Notes are redeemed; or
- (iv) the date upon which a judgment is made for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer subsequent to the opening of a judicial recovery (*redressement judiciaire*) or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes).

Any deferral of interest payments or the perception that the Issuer will exercise its optional deferral right would have a significant adverse effect on the market price of the Notes. In addition, as a result of the interest deferral provisions of the Notes, the market value of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions and may be more sensitive generally to adverse changes in the Issuer's financial condition, therefore, investors may lose all or part of their investment. As a result, the value of the Notes or liquidity on the secondary market may be materially and negatively affected.

The Notes may trade, and/or the prices for the Notes may appear, in trading systems with accrued interest. Purchasers of Notes in the secondary market may pay a price which reflects such accrued interest on purchase of the Notes. If one or several interest payments are deferred, a purchaser of Notes in the secondary market may not be entitled to the accrued interest (or part thereof) reflected in the purchase price of the Notes, which would cause the Noteholders to lose all or part of the value of their investment in the Notes.

***No limitation on issuing or guaranteeing debt ranking senior or pari passu with the Notes***

Condition 4 (*No Negative Pledge*) provides that there will be no negative pledge in respect of the Notes. As a result, there is no restriction on the amount of debt which the Issuer may issue or guarantee or any negative pledge provisions. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the obligations under and in connection with the Notes. An increase of the outstanding amount of such securities or other liabilities may if such outstanding amount were to exceed the assets of the Issuer materially reduce the amount (if any) recoverable by Noteholders on a winding-up of the Issuer and Noteholders could suffer loss of their entire investment if the Issuer were liquidated (whether voluntarily or not). If the amount of interest due under such securities or other liabilities increases, it significantly increases the likelihood of a deferral of interest payments under the Notes and as a result Noteholders could suffer a significant reduction in the return of the Notes.

***Risk relating to the change in the rate of interest***

Interest on the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. A Noteholder is exposed to the risk that the market value of the Notes could fall as a result of changes in the market interest rate. While the nominal interest rate of the Notes specified herein is a fixed rate of 2.000 per cent. *per annum*, up to (but excluding) the First Reset Date (as specified in Condition 5 (*Interest*)), the current interest rate on the capital markets ("market interest rate") typically varies on a daily basis. As the market interest rate changes, the market value of the Notes would typically change in the opposite direction. If the market interest rate increases, the market value of the Notes would typically fall, until the yield of the Notes is approximately equal to the market interest rate. If the market interest rate falls, the market value of the Notes would typically increase, until the yield of the Notes is approximately equal to the market interest rate. The degree

to which the market interest rate may vary is uncertain and presents a significant risk to the market value of the Notes if an investor were to dispose of the Notes.

In accordance with Condition 5 (*Interest*), the Interest Rate in respect of the Notes will be reset as from their respective First Reset Date and on each Reset Date thereafter. Such Interest Rate will be determined two (2) Business Days before the First Reset Date and before each Reset Date thereafter and as such is not pre-defined at the date of issue of the Notes. Each reset Interest Rate may be different from the initial Interest Rate and may negatively impact the return under the Notes and result in a reduced market value of the Notes if an investor were to dispose of the Notes.

Following the First Reset Date, the interest rate of the Notes will be reset as from the First Reset Date and then every five (5) years on each subsequent Reset Date and shall be calculated on the basis of the mid swap rates for EUR swap transactions with a maturity of five years. These mid swap rates are not pre-defined for the lifespan of the Notes. Lower mid swap rates for EUR swap transactions mean a lower interest under the Notes

In addition, due to the varying interest income on the Notes, potential investors are not able to determine a definite yield of the Notes at the time they purchase the Notes and accordingly their return on investment cannot be compared with that of investments having longer fixed interest periods.

***There are no events of default or cross default under the Notes***

Condition 9 (*Enforcement Events, no Events of Default and no Cross Default*) provides that there are no events of default in respect of the Notes or cross default under the Notes. Compared to unsubordinated debt securities, the Terms and Conditions of the Notes do not provide for events of default or cross default allowing acceleration of the Notes if certain events occur. As a result, (i) if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, or defaults on any of its other outstanding indebtedness, investors will not have the right of acceleration of principal, and (ii) upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, therefore, investors may lose all or part of their investment. As a result, the value of the Notes or liquidity on the secondary market may be negatively affected.

***Early Redemption Risk***

The Issuer may redeem all (but not some only) of the Notes:

- (i) at any time from and including the First Optional Redemption Date to and including the First Reset Date and upon any subsequent Interest Payment Date at their principal amount plus accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon) in accordance with Condition 6.2 (*Optional Redemption*));
- (ii) at any time (other than (i) during the period from and including the First Optional Redemption Date to and including the First Reset Date or (ii) upon any subsequent Interest Payment Date) at their Make-whole Redemption Amount in accordance with Condition 6.3 (*Make-whole Redemption by the Issuer*); and
- (iii) at any time following the occurrence of a Gross-Up Event, a Withholding Tax Event, a Tax Deduction Event (in accordance with Condition 6.4 (*Redemption for Taxation Reasons*)), an Accounting Event (in accordance with Condition 6.5 (*Redemption following an Accounting Event*)), an Equity Credit Rating Event (in accordance with Condition 6.6 (*Redemption following an Equity Credit Rating Event*)), or a Substantial Repurchase Event (in accordance with Condition 6.7 (*Redemption following a Substantial Repurchase Event*)), in each case at the Early Redemption Price.

In the event of an early redemption of the Notes at the option of the Issuer following the occurrence of an event referred to in paragraph (ii) above, the Make-whole Redemption Amount will be calculated taking into account the sum of the present values as at the Make-whole Redemption Date of the remaining scheduled payments of principal and interest on such Note discounted from (A) the First Optional Redemption Date, if the relevant Make-whole Redemption Date occurs prior to the First Optional Redemption Date, or (B) the next succeeding Interest Payment Date, if the relevant Make-whole Redemption Date occurs after the First Reset Date to such

Make-whole Redemption Date, in each case on the basis of the relevant Day Count Fraction at a rate equal to the Make-whole Redemption Rate.

In the event of an early redemption of the Notes at the option of the Issuer following the occurrence of an event referred to in paragraph (iii) above, the Early Redemption Price will be calculated as follows:

- (i) 101% of the principal amount of the Notes in the case where the redemption of the Notes occurs before the First Optional Redemption Date as a result of an Accounting Event, an Equity Credit Rating Event or a Tax Deduction Event; and
- (ii) 100% of the principal amount of the Notes (a) in the case of an Accounting Event, an Equity Credit Rating Event or a Tax Deduction Event where such redemption occurs on or after the First Optional Redemption Date or (b) in the case of a Substantial Repurchase Event, a Gross-Up Event or a Withholding Tax Event;

in each case (i) and (ii) above, together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date of the Notes.

The redemption of the Notes by the Issuer or the perception that the Issuer will exercise its optional redemption right might negatively affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. Should the Notes at such time be trading above or well above the price set for redemption, the negative impact on the Noteholders' anticipated returns would be significant. This also may be true prior to the First Optional Redemption Date. The Issuer may also be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. Noteholders may not be able to reinvest the redemption proceeds at an effective interest rate as high as the return that would have been received on the Notes had they not been redeemed.

An exercise of any of the foregoing early redemption options by the Issuer may also result in the materialisation of the risk factor entitled "*No active secondary/trading market for the Notes*" for the period starting as of the announcement date to and including the optional redemption date.

#### ***Changes in equity credit criteria may lead to the early redemption of the Notes***

If an amendment, clarification or change in the equity credit criteria of S&P and Moody's or any other rating agency of equivalent international standing solicited by the Issuer to grant a corporate credit rating to the Issuer or to the Notes, results in a lower equity credit for the Notes than the then respective equity credit assigned to the Notes on the Issue Date, or (i) if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time, or (ii) if the Notes have been partially or fully refinanced since the Issue Date and are no longer eligible for "equity credit" from such Rating Agency in part or in full as a result, any or all of the Notes would no longer have been eligible as a result of such amendment to, clarification of or, change in the assessment criteria or in the interpretation thereof had they not been re-financed, the Issuer may, at its option, redeem all of the Notes (but not some only), as set forth under Condition 6.6 (*Redemption following an Equity Credit Rating Event*). The redemption of the Notes by the Issuer or the perception that the Issuer will exercise its optional redemption right might negatively affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. Should the Notes at such time be trading above or well above the price set for redemption, the negative impact on the Noteholders' anticipated returns would be significant.

#### ***The current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change, which may result in the occurrence of an Accounting Event***

In June 2018, the IASB (International Accounting Standards Board) published the discussion paper DP/2018/1 on "Financial Instruments with Characteristics of Equity" (the **DP/2018/1 Paper**). The discussion paper was open for comment until 7 January 2019. The IASB Board decided to move the project to its standard-setting programme at the December 2020 Board meeting. The next milestone is to produce an exposure draft. Any final rules implemented as a result of the DP/2018/1 Paper may determine the timing and the manner of implementation of such rules and may in turn impact the earliest timing when the Accounting Event may occur (which could be earlier than the last day of application of the current IFRS rules). While the final timing and outcome are uncertain, if the proposals set out in the DP/2018/1 Paper are implemented, the current IFRS accounting classification of financial instruments such as the Notes as equity instruments may change and this may result in

the occurrence of an Accounting Event. In such an event, the Issuer will have the option to redeem all (but not some only) of the Notes (pursuant to Condition 6.5 (*Redemption following an Accounting Event*) of the Terms and Conditions of the Notes). See the risk factor entitled "*Early Redemption Risk*" above. The implementation of any of the proposals set out in the DP/2018/1 Paper or any other similar such proposals that may be made in the future, including the extent and timing of any such implementation, if at all, is uncertain. Accordingly, the future classification of the Notes may vary from an accounting perspective and such change may result in the occurrence of an Accounting Event, thereby providing the Issuer with the option to redeem the Notes pursuant to the Terms and Conditions of the Notes. The redemption of the Notes by the Issuer or the perception that the Issuer will exercise its optional redemption right might negatively affect the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

***Reform and regulation of "benchmarks" may adversely affect the value of the Notes***

Interest on the Notes before the First Reset Date is calculated at a fixed rate. On the First Reset Date and every five years thereafter on each subsequent Reset Date, interest on the Notes will be reset and shall be calculated on the basis of the Euro 5-Year Swap Rate plus the applicable margin. The Euro 5-Year Swap Rate and the 6 month EURIBOR rate (on which the floating leg of the Euro 5-Year Swap Rate is based) constitute benchmarks for the purposes of Regulation (EU) 2016/1011, as amended (the **Benchmarks Regulation** ).

The Benchmark Regulation applies to "contributors", "administrators" and "users" of "benchmarks" in the EU, and will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" (or, if non EU based, to be subject to equivalent requirements) and (ii) prevent certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised/registered (or, if non EU based, deemed equivalent or recognised or endorsed).

Notwithstanding the provisions of Condition 5.6 (*Benchmark Discontinuation*) which seek to offset any adverse effects for the Noteholders, the Benchmarks Regulation could have an adverse effect on their market value and return if the methodology or other terms of EURIBOR as a "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the Euro 5-Year Swap Rate.

In the event of the occurrence of a Benchmark Event, modifications could be made to the Terms and Conditions of the Notes to implement the changes required by determining an alternative benchmark and, if applicable, adjustment spread, without the consent of the Noteholders in accordance with Condition 5.6 (*Benchmark Discontinuation*). Accordingly, the application of an adjustment spread may result in the Notes performing differently (which may include payment of a lower interest rate) than they would do if the Euro 5-Year Swap Rate were to continue to apply in its current form.

More broadly, any of the international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". Any of the foregoing changes and their potential consequences, as a result of international, national or other reforms, or investigations, could have an adverse effect on the market value of, and return on, the Notes.

Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 has amended the existing provisions of the Benchmarks Regulation by extending the transitional provisions applicable to critical benchmarks and third-country benchmarks until the end of 2021.

The Benchmarks Regulation was further amended by Regulation (EU) 2021/168 of the European Parliament and of the Council of 10 February 2021 which introduces a harmonised approach to deal with the cessation or wind-down of certain benchmarks (such as EURIBOR) by conferring the power to designate a statutory replacement for certain benchmarks on the European Commission or the relevant national authority, such replacement being limited to contracts and financial instruments which contain no fallback provision or no suitable fallback provisions before the date of cessation of the benchmark concerned. This replacement could have a negative

impact on the value or liquidity of, and return on, the Notes. However, there are still some uncertainties as to the application of these regulatory provisions as implementing acts must still be adopted. In addition, the transitional provisions applicable to third-country benchmarks are extended until the end of 2023. The European Commission is empowered to further extend this period until the end of 2025, if necessary.

The Terms and Conditions of the Notes provide that the Euro 5-Year Swap Rate shall be determined by reference to the Screen Page (or its successor or replacement). In circumstances where the Euro 5-Year Swap Rate (as defined in Condition 1 (*Definitions*)) is discontinued, neither the Screen Page, nor any successor or replacement may be available. Where the Screen Page is not available, and no successor or replacement for the Screen Page is available, the Terms and Conditions of the Notes provide for the Euro 5-Year Swap Rate to be determined by the Calculation Agent by reference to quotations from banks communicated to the Calculation Agent. If such quotations are not available, the Euro 5-Year Swap Rate applicable to the next succeeding Reset Period shall be equal to the last Euro 5-Year Swap Rate available on the Screen Page as determined by the Calculation Agent.

### ***Risks relating to a Benchmark Event***

Pursuant to Condition 5.6 (*Benchmark Discontinuation*), in the event of a "Benchmark Event", the Issuer will (at its own cost) appoint an Independent Adviser (as defined in Condition 5.6 (*Benchmark Discontinuation*)). The Independent Adviser shall endeavour to determine a successor or replacement rate and, acting in a commercially reasonable manner, to make necessary changes (if any) to the Terms and Conditions of the Notes (including, without limitation, to the business day convention, the definition of business day, the reset interest determination date, the day count fraction and any method for obtaining the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate comparable to the Reference Rate).

Such Replacement Reference Rate will (in the absence of manifest error) be final and binding, and no consent of the Noteholders shall be required in connection with effecting any replacement rate, any other related adjustments and/or amendments to the Terms and Conditions of the Notes (or any other document) which are made in order to effect such Replacement Reference Rate.

The Replacement Reference Rate may have no or very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, given the uncertainty concerning the availability of a replacement rate and the involvement of an agent, the fallback provisions may not operate as intended at the relevant time and the replacement rate may perform differently from the Euro 5-Year Swap Rate. Any adjustment factor applied to the Notes may not adequately compensate such impact. This could in turn have a negative effect on the rate of interest on and trading value of the Notes.

Notwithstanding the fallback provisions relating to Benchmark Events discussed above, no Replacement Reference Rate will be adopted, nor will the applicable adjustment spread be applied, nor will any other related adjustments and/or amendments to the Terms and Conditions of the Notes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a reduction of the amount of "equity credit" (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) assigned to the Notes by any Rating Agency when compared to the "equity credit" assigned to the Notes immediately prior to the occurrence of the Benchmark Event from such Rating Agency, (ii) result in shortening of the period of time "equity credit" is assigned / attributed to the Notes by any Rating Agency or (iii) otherwise prejudice the eligibility of the Notes for "equity credit" from any Rating Agency.

If the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser is unable to or otherwise does not advise the Issuer a Replacement Reference Rate for any Reset Interest Determination Date, no replacement rate or any other successor, replacement or alternative benchmark or screen rate will be adopted and the Reference Rate for the relevant Interest Period will be equal to the last Reference Rate available on the Screen Page as determined by the Calculation Agent. This could result in the effective application of a fixed rate to the Notes. As a consequence, the Noteholders may receive less than they would have received in the absence of a Benchmark Event.



## GENERAL DESCRIPTION OF THE NOTES

*This overview is a general description of the Notes and is qualified in its entirety by the remainder of this Prospectus. It does not, and is not intended to, constitute a summary of this Prospectus within the meaning of Article 7 of the Prospectus Regulation or any implementing regulation thereof. For a more complete description of the Notes, including definitions of capitalized terms used but not defined in this Section, please see the section "Terms and Conditions of the Notes".*

<b>Issuer:</b>	Veolia Environnement
<b>Notes:</b>	€500,000,000 Undated Non-Call 6.25 Year Deeply Subordinated Fixed Rate Resettable Notes (the <b>Notes</b> ).
<b>Global Coordinators:</b>	MUFG Securities (Europe) N.V. and Natixis
<b>Joint Bookrunners</b>	MUFG Securities (Europe) N.V, Natixis, Crédit Industriel et Commercial S.A., ING Bank N.V., Belgian Branch, La Banque Postale and SMBC Nikko Capital Markets Europe GmbH
<b>Fiscal Agent, Calculation Agent and Principal Paying Agent:</b>	Société Générale
<b>Make-whole Calculation Agent:</b>	Aether Financial Services S.A.S.
<b>Issue Date:</b>	15 November 2021
<b>Denomination:</b>	The Notes will be issued in the denomination of EUR 100,000 per Note.
<b>Form of the Notes:</b>	<p>The Notes will be issued in dematerialised bearer form (<i>au porteur</i>) and will at all times be evidenced in book-entry form (<i>inscription en compte</i>) in the books of the Account Holders (as defined below). No physical documents of title (including <i>certificats représentatifs</i>) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders.</p> <p><b>Account Holder</b> shall mean any financial intermediary institution entitled to hold accounts directly or indirectly on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV and Clearstream Banking SA.</p>
<b>Status/Ranking of the Notes:</b>	<p>The Notes are deeply subordinated Notes of the Issuer issued pursuant to the provisions of Article L. 228-97 of the French <i>Code de commerce</i>. The Notes constitute <i>obligations</i> under French law. The obligations of the Issuer under the Notes in respect of principal, interest and other amounts (including for the avoidance of doubt, any Arrears of Interest) constitute direct, unconditional, unsecured and deeply subordinated obligations (<i>engagements subordonnés de dernier rang</i>) (<b>Deeply Subordinated Obligations</b>) of the Issuer ranking <i>pari passu</i> among themselves and with all other present and future Parity Obligations of the Issuer, shall be subordinated to present and future <i>prêts participatifs</i> granted to, or <i>titres participatifs</i> issued by, the Issuer, to Ordinary</p>

Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer. The Notes shall rank in priority to any Junior Securities.

Where:

**Junior Securities** means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*));

**Ordinary Subordinated Obligations** means obligations, whether in the form of notes or otherwise, the principal, interest and other amounts due thereof which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank or are expressed to rank *pari passu* among themselves and with all other present or future ordinary subordinated obligations, behind Unsubordinated Obligations but in priority to *prêts participatifs*, if any, granted to the Issuer, to *titres participatifs*, if any, issued by the Issuer and to Deeply Subordinated Obligations of the Issuer, including the Notes;

**Parity Obligations** means (a) any securities or other similar instruments issued by, or obligations of, the Issuer which rank, or are expressed to rank, *pari passu* with the Issuer's obligations under the Notes (including, on the Issue Date, the notes with the following ISIN Codes: FR00140007K5 and FR00140007L3) and (b) any securities or other similar instruments issued by, or obligations of, a Subsidiary of the Issuer which have the benefit of a guarantee (or similar instrument) from the Issuer, which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes; and

**Unsubordinated Obligations** means obligations, whether in the form of notes or otherwise, the principal, interest and other amounts due thereof which constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* without preference or priority among themselves and (save for certain obligations required to be preferred by French law) with all other present or future unsecured and unsubordinated obligations of the Issuer

**Negative Pledge:**

There will be no negative pledge in respect of the Notes.

**Interest on the Notes:**

The Notes shall bear interest on their principal amount as follows:

- (i) from, and including, the Issue Date to, but excluding, 15 February 2028 (the **First Reset Date**), at an interest rate of 2.000 per cent. *per annum* (the **First Interest Rate**), payable annually in arrear on 15 February of each year, commencing on 15 February 2022 and ending on the First Reset Date, provided that there will be a short first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date, amounting to EUR 504.11 per EUR 100,000 Note;
- (ii) from, and including, the First Reset Date to, but excluding, 15 February 2033 (the **First Step-up Date**), at an interest rate *per annum* which will be equal to the sum of (a) the Reference Rate of the relevant Reset Period and (b) the Initial Margin (the **Second Interest Rate**), payable annually in arrear on 15 February of each year, commencing on 15 February 2029 and ending on the First Step-up Date;
- (iii) from, and including, the First Step-up Date to, but excluding, 15 February 2048 (the **Second Step-up Date**), at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the First Step-up Margin (the **Third Interest Rate**), payable annually in arrear on 15 February of each year, commencing on 15 February 2034 and ending on the Second Step-up Date; and
- (iv) from, and including, the Second Step-up Date, at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the Second Step-up Margin (the **Following Interest Rate**), payable annually in arrear on 15 February of each year, commencing on 15 February 2049;

where the **Initial Margin** shall be 2.081 per cent. *per annum*, the **First Step-up Margin** shall be 0.25 per cent. *per annum* and the **Second Step-up Margin** shall be 1.00 per cent. *per annum*, provided that each of the Second Interest Rate, the Third Interest Rate and the Following Interest Rate shall never be less than zero.

**Benchmark  
Discontinuation:**

If a Benchmark Event occurs then the Issuer will appoint an Independent Adviser to determine a Replacement Reference Rate and any applicable Adjustment Spread.

**Interest Deferral:**

Interest payments shall only be due and payable if the Issuer so elects, in accordance with the following provisions:

*Optional Interest Payments*

Interest which accrues during an Interest Period on the Notes ending on but excluding an Interest Payment Date will be due on that Interest Payment Date unless the Issuer elects, at its sole discretion, to defer such payment, in whole or in part, on the Notes, and the Issuer shall not have any obligation to make

such payment and any failure to so pay shall not constitute a default by the Issuer under the Notes or for any other purpose.

Any interest in respect of the Notes which has been deferred on an Interest Payment Date shall constitute **Arrears of Interest** and shall be payable as described below.

*Payment of Arrears of Interest*

Arrears of Interest (together with any Additional Interest Amount (as defined below)) in respect of the Notes may at the option of the Issuer be paid, in whole or in part, at any time, provided that all Arrears of Interest (together with the corresponding Additional Interest Amounts) in respect of all Notes for the time being outstanding shall become due and payable in whole, but not in part, on whichever is the earliest of:

- (i) the tenth (10<sup>th</sup>) Business Day following the occurrence of a Mandatory Payment Event;
- (ii) the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer all or part of the interest accrued in respect of the relevant Interest Period;
- (iii) the date on which the Notes are redeemed; or
- (iv) the date upon which a judgment is made for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer subsequent to the opening of a judicial recovery (*redressement judiciaire*) or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes).

Each amount of Arrears of Interest shall bear interest, in accordance with, and subject to, Article 1343-2 of the French *Code civil*, as if it constituted the principal of the Notes at a rate which corresponds to the rate of interest from time to time applicable to the Notes (the **Arrears Interest Rate**) and the amount of such interest (the **Additional Interest Amount**) with respect to Arrears of Interest shall be due and payable pursuant to this paragraph and shall be calculated by the Calculation Agent applying the Arrears Interest Rate to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the Conditions.

Where:

**Mandatory Payment Event** means that:

- (i) a dividend (either interim or final), or any other distribution or payment (whether or not in cash) was validly resolved on, declared, paid or made in respect of any Junior Securities or Parity Obligations, except (a) where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of

such Junior Securities or Parity Obligations and (b) in the case of Parity Obligations any partial payment of Arrears of Interest at the option of the Issuer; or

- (ii) the Issuer or any Subsidiary of the Issuer has repurchased, purchased, redeemed or otherwise acquired any Junior Securities, except where (a) such repurchase, purchase, redemption or acquisition was undertaken pursuant to any share buyback programme in force and duly approved by its shareholders' general meeting in connection with the satisfaction by the Issuer or any Subsidiary of the Issuer of its respective obligations under any employee shareholding programme (including any share purchase option plan, free share allocation plan, shares sold to employees through the Issuer savings funds or through a share capital increase) reserved for directors, officers and/or employees of the Issuer's group, or any associated hedging transaction, (b) such repurchase, purchase, redemption or acquisition was undertaken pursuant to the hedging of convertible securities or hedging of other equity-linked securities, (c) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Junior Securities or (d) such repurchase, purchase, redemption or acquisition is made in connection with the satisfaction by the Issuer of its obligations under any existing or future liquidity agreement (*contrat de liquidité*) managed by an investment services provider to repurchase its share capital from such investment services provider; or
- (iii) the Issuer or any Subsidiary of the Issuer has repurchased, purchased, redeemed or otherwise acquired any Parity Obligations or any Notes, except where (a) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Parity Obligations or (b) such repurchase, purchase, redemption or acquisition is effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value.

**Subsidiary** means in relation to a company (the **Parent Company**) at any time, any other company in which the Parent Company holds more than fifty (50) per cent. of the share capital (as provided in article L. 233-1 of the French *Code de commerce*) or any other company which is controlled directly or indirectly by the Parent Company within the meaning of article L. 233-3 of the French *Code de commerce*.

*Optional Partial Payment of Arrears of Interest and Additional Interest Amounts*

If amounts in respect of Arrears of Interest and Additional Interest Amounts are paid in part:

- (i) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (ii) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and

- (iii) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any of the Notes in respect of any period, shall be *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued on the Notes in respect of that period to the date of payment.

**Taxation:** All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

**Additional Amounts:** If French law should require that payments of principal or interest made by the Issuer in respect of any Note be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature levied by the Republic of France, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions.

**Final Redemption:** The Notes are undated securities with no specified maturity date.

**Optional Redemption:** The Issuer will have the right to redeem all (but not some only) of the Notes at any time from and including three (3) months prior to the First Reset Date (*i.e.* 15 November 2027) (the **First Optional Redemption Date**) to and including First Reset Date or upon any Interest Payment Date thereafter. Such early redemption of the Notes will be made at their principal amount together with any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon).

**Make-whole Redemption by the Issuer:** The Issuer will have the right to redeem all (but not some only) of the Notes then outstanding at any time (other than (i) during the period from and including the First Optional Redemption Date, to and including the First Reset Date or (ii) upon any subsequent Interest Payment Date) at the Make-whole Redemption Amount, together with accrued interest (if any) on the date specified in such notice upon giving the appropriate notice.

**Early Redemption following an Accounting Event, an Equity Credit Rating Event, a Gross-Up Event, a Substantial Repurchase Event, a Tax Deduction Event or a Withholding Tax Event:**

The Issuer will also have the right to redeem all (but not some only) of the Notes at any time at the Early Redemption Price upon the occurrence of an Accounting Event, an Equity Credit Rating Event, a Substantial Repurchase Event, a Tax Deduction Event, a Gross-Up Event or a Withholding Tax Event affecting the Notes.

Where:

**Early Redemption Date** means the effective date of redemption of the Notes.

**Early Redemption Price** means:

- (i) 101% of the principal amount of the Notes in the case where the redemption of the Notes occurs before the First Optional Redemption Date as a result of an Accounting Event, an Equity Credit Rating Event or a Tax Deduction Event; and
- (ii) 100% of the principal amount of the Notes (a) in the case of an Accounting Event, an Equity Credit Rating Event or a Tax Deduction Event where such redemption occurs on or after the First Optional Redemption Date or (b) in the case of a Substantial Repurchase Event, a Gross-Up Event or a Withholding Tax Event;

in each case (i) and (ii) above, together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date of the Notes.

**Redemption for Taxation Reasons**

If a Gross-Up Event shall occur after the Issue Date, the Issuer may, at its option, at any time, subject to having given not more than forty (40) nor less than ten (10) calendar days' prior notice to the Noteholders (which notice shall be irrevocable), redeem all (but not some only) of the Notes at the Early Redemption Price, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding or deduction for French taxes.

If a Withholding Tax Event shall occur after the Issue Date, then the Issuer shall forthwith give notice of such event to the Fiscal Agent and the Issuer may, at its option, at any time, subject to having given not less than seven (7) calendar days' prior notice to the Noteholders, redeem all (but not some only) of the Notes at the Early Redemption Price on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding or deduction for French taxes, or, if such date is past, as soon as practicable thereafter.

If a Tax Deduction Event shall occur after the Issue Date, the Issuer may, at its option, at any time (subject to having given not more than forty (40) nor less than ten (10) calendar days' prior notice to the Noteholders (which notice shall be irrevocable)), redeem all (but not some only) of the Notes at the Early Redemption Price, provided that the effective date of redemption of which notice hereunder may be given shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.

Where:

**Gross-Up Event** means that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts.

**Tax Deduction Event** means that an opinion of a recognised law firm of international standing has been delivered to the Issuer, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced.

**Withholding Tax Event** means that the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts.

**Redemption following an Accounting Event:**

If an Accounting Event shall occur on or after the Issue Date, the Issuer may at its option redeem all (but not some only) of the Notes at the Early Redemption Price subject to the Issuer having given the Noteholders not less than ten (10), or more than forty (40), calendar days' prior notice (which notice shall be irrevocable).

Where:

**Accounting Event** means that a recognised accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in accounting principles or methodology (or in each case the application thereof) which has been officially adopted after the Issue Date (such date, the **Accounting Event Adoption Date**), the Notes may not or may no longer be recorded as "equity" in full in any of the consolidated financial statements of the Issuer pursuant to the IFRS or any other accounting standards that may replace IFRS. The Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date. The period during which the Issuer may notify the redemption of the Notes as a result of the occurrence of an Accounting Event shall start on, and include, the Accounting Event Adoption Date. For the avoidance of doubt, such period shall include any transitional period between the Accounting Event Adoption Date and the date on which it comes into effect.

**IFRS** means the International Financial Reporting Standards and any other accounting standards that may replace IFRS for the purposes of preparing the annual, semi-annual or quarterly consolidated financial statements of the Issuer.

**Redemption following an Equity Credit Rating Event:**

If an Equity Credit Rating Event shall occur on or after the Issue Date, the Issuer may at its option redeem all (but not some only) of the Notes at any time, subject to the Issuer having given the Noteholders not less than ten (10), or more than forty (40), calendar days' prior notice (which notice shall be



irrevocable), at the Early Redemption Price, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last calendar day before the date on which all or any of the Notes are assigned a level of equity credit that is lower than the level or equivalent level of equity credit assigned to the Notes by the relevant Rating Agency on the Issue Date, or if such equity credit was not assigned on the Issue Date, at the date when the equity credit was assigned for the first time.

Where:

**Equity Credit Rating Event** means that the Issuer certifies in a notice to the Noteholders that, due to any amendment, clarification or change in the hybrid capital methodology or a change in the interpretation thereof by any Rating Agency which has assigned solicited ratings to the Issuer, in each case occurring or becoming effective after the Issue Date, (a) all or any of the Notes will no longer be eligible (or if the Notes have been partially or fully refinanced since the Issue Date and are no longer eligible for "equity credit" from such Rating Agency in part or in full as a result, all or any of the Notes that would no longer have been eligible as a result of such amendment, clarification, change in hybrid capital methodology or change in the interpretation had they not been re-financed) for the same or a higher amount of "equity credit" (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) attributed to the Notes at the Issue Date (or, if "equity credit" is not assigned to the Notes by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time) or (b) the period of time during which such Rating Agency assigned to the Notes a particular level of "equity credit" is shortened as compared to the period of time for which such Rating Agency did attribute to the Notes that level of "equity credit" on the Issue Date (or if such "equity credit" is not assigned on the Issue Date as the date on which the "equity credit" is assigned for the first time).

**Rating Agency** means any of the following: S&P Global Ratings Europe Limited (**S&P**) or Moody's France S.A.S. (**Moody's**), and any other rating agency of equivalent international standing solicited from time to time by the Issuer to grant a rating to the Issuer and/or the Notes and in each case, any of their respective successors to the rating business thereof. Each of S&P and Moody's is established in the European Union, is registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended (the **CRA Regulation**) and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ([www.esma.europa.eu/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)) in accordance with the CRA Regulation. Moody's and S&P are not established in the United Kingdom and are not registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**) (the **UK CRA Regulation**). The ratings of the Notes issued by Moody's and S&P have been endorsed by Moody's Investors Service Limited and S&P Global Ratings UK Limited, respectively, in accordance with UK CRA Regulation and have not been withdrawn. As such, the ratings issued by Moody's and S&P may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

<b>Redemption following a Substantial Repurchase Event:</b>	<p>If a Substantial Repurchase Event shall occur after the Issue Date, the Issuer may at its option, at any time, redeem all (but not some only) of the outstanding Notes at the Early Redemption Price, subject to the Issuer having given the Noteholders not less than ten (10), or more than forty (40), calendar days' prior notice (which notice shall be irrevocable).</p> <p>Where:</p> <p><b>Substantial Repurchase Event</b> means that, prior to the giving of the relevant notice of redemption, at least seventy five per cent. (75%) of the aggregate principal amount of the Notes issued on the Issue Date (and on the issue date of any further notes issued and assimilated thereto) has been purchased by or on behalf of the Issuer or a Subsidiary of the Issuer and has been cancelled.</p>
<b>Purchase:</b>	<p>The Issuer may at any time purchase Notes in the open market or otherwise (including by way of tender or exchange offers) at any price subject to applicable laws and regulations. All Notes so purchased by, or for the account of the Issuer, may, at its sole discretion be held and resold or be cancelled, in accordance with applicable laws and regulations.</p>
<b>Enforcement Events, no Events of Default and no Cross Default:</b>	<p>There are no events of default in respect of the Notes. There is no cross default under the Notes.</p> <p>However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any and any Arrears of Interest (including any Additional Interest Amounts thereon) to the date of payment, in the event that a judgment is rendered by any competent court for the judicial liquidation (<i>liquidation judiciaire</i>) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (<i>cession totale de l'entreprise</i>) subsequent to the opening of a judicial recovery procedure (<i>redressement judiciaire</i>), or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason. No payments will be made to holders of any Junior Securities of the Issuer before all amounts due, but unpaid, to all Noteholders have been paid by the Issuer.</p>
<b>Representation of Noteholders:</b>	<p>Noteholders will be grouped automatically for the defense of their common interests in a masse governed by the provisions of the French <i>Code de commerce</i> as amended and supplemented by the Terms and Conditions of the Notes (the <b>Masse</b>). The Masse will be a separate legal entity and will act in part through a representative and in part through collective decisions of the Noteholders.</p>
<b>Admission to trading</b>	<p>Application has been made for the Notes to be admitted to trading on Euronext Paris. Such admission to trading is expected to occur as of the Issue Date or as soon as practicable thereafter.</p>
<b>Selling Restrictions:</b>	<p>There are restrictions on the offer and sale of the Notes and the distribution of offering material in connection thereto, including in the United States of America, the European Economic Area and the United Kingdom. See section "Subscription and Sale" below</p>
<b>Governing law:</b>	<p>The Notes are governed by French law.</p>

**Use of Proceeds:**

The proceeds of the Notes will be used by the Issuer for general corporate purposes.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the information contained in the following sections which are incorporated in, and shall be deemed to form part of, this Prospectus:

- (a) the sections referred to in the tables below of the French language *consolidated financial statements for the nine months period ended 30 September 2021* of the Issuer (the **Third Quarter 2021 Financial Information**) ([https://www.veolia.com/sites/g/files/dvc4206/files/document/2021/11/Finance\\_Commentaire%20sur%20les%20r%C3%A9sultats\\_Comptes%20consolid%C3%A9s%20au%2030%20septembre%202021.pdf](https://www.veolia.com/sites/g/files/dvc4206/files/document/2021/11/Finance_Commentaire%20sur%20les%20r%C3%A9sultats_Comptes%20consolid%C3%A9s%20au%2030%20septembre%202021.pdf));
- (b) the sections referred to in the tables below of the French language *amendement au Document d'enregistrement universel* of the Issuer (the **Amendment to the 2020 Universal Registration Document**) which was filed with the AMF on 15 September 2021 under registration number D.21-0145-A01 which includes the interim consolidated financial statements of the Issuer for the half year ended 30 June 2021 ([https://www.veolia.com/sites/g/files/dvc4206/files/document/2021/09/Finance\\_Veolia\\_Amendement%20au%20document%20d%27enregistrement%20universel%202020.PDF](https://www.veolia.com/sites/g/files/dvc4206/files/document/2021/09/Finance_Veolia_Amendement%20au%20document%20d%27enregistrement%20universel%202020.PDF));
- (c) the sections referred to in the tables below of the French language *Document d'enregistrement universel* of the Issuer for the financial year 2020 (the **2020 Universal Registration Document**) which was filed with the AMF on 17 March 2021 under registration number D.21-0145 ([https://www.veolia.com/sites/g/files/dvc4206/files/document/2021/03/Finance\\_URD\\_2020\\_Veolia\\_complet.pdf](https://www.veolia.com/sites/g/files/dvc4206/files/document/2021/03/Finance_URD_2020_Veolia_complet.pdf)); and
- (d) the sections referred to in the tables below of the French language *Document d'enregistrement universel* of the Issuer for the financial year 2019 (the **2019 Universal Registration Document**) which was filed with the AMF on 17 March 2020 under registration number D.20-0136 ([https://www.veolia.com/sites/g/files/dvc2491/files/document/2020/03/Finance\\_VEOLIA\\_ENVIRONNEMENT\\_URD\\_REF-2019\\_VDEF.pdf](https://www.veolia.com/sites/g/files/dvc2491/files/document/2020/03/Finance_VEOLIA_ENVIRONNEMENT_URD_REF-2019_VDEF.pdf)).

Any statement contained in the documents incorporated by reference shall be deemed to be modified or superseded for the purpose of this Prospectus, to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Any document incorporated by reference in this Prospectus may be obtained, without charge and upon request at the registered office of the Issuer during normal business hours so long as any of the Notes is outstanding, as described in the "General Information" of the Prospectus below. Such document will be published on the websites of (a) the AMF ([www.amf-france.org](http://www.amf-france.org)), save for the Third Quarter 2021 Financial Information which will only be available on the website of the Issuer and (b) the Issuer ([www.finance.veolia.com](http://www.finance.veolia.com)).

Free English translations of the Third Quarter 2021 Financial Information, the Amendment to the 2020 Universal Registration Document, the 2020 Universal Registration Document and the 2019 Registration Document are also available for viewing on the website of the Issuer ([www.finance.veolia.com](http://www.finance.veolia.com)). These documents are free translations of the corresponding French language documents and are furnished for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions.

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

The information incorporated by reference in this Prospectus shall be read in connection with the cross-reference lists below. Any information contained in the documents incorporated by reference that is not cross-referenced in the following tables is for information purposes only shall not be incorporated in, and form part of, this Prospectus. The non-incorporated parts of the documents incorporated by reference herein are either not relevant for investors or covered elsewhere in this Prospectus.

<i>Annex VII of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended – Registration document for wholesale non-equity securities</i>		
	<b>Information incorporated by reference</b>	<b>Page no. in the relevant document</b>
<b>3.</b>	<b>RISK FACTORS</b>	
<b>3.1</b>	<p>A description of the material risks that are specific to the issuer and that may affect the issuer's ability to fulfil its obligations under the securities, in a limited number of categories, in a section headed '<i>Risk Factors</i>'.</p> <p>In each category the most material risks, in the assessment of the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence, shall be set out first. The risk factors shall be corroborated by the content of the registration document.</p>	<p>pp. 70 and 79 to 106 in 2020 Universal Registration Document</p> <p>pp. 21 to 26 in Amendment to the 2020 Universal Registration Document</p>
<b>4.</b>	<b>INFORMATION ABOUT THE ISSUER</b>	
<b>4.1</b>	<b><u>History and development of the Issuer</u></b>	
<b>4.1.1</b>	The legal and commercial name of the Issuer	p. 506 in 2020 Universal Registration Document
<b>4.1.2</b>	The place of registration of the Issuer, its registration number and legal entity identifier ("LEI").	p. 506 in 2020 Universal Registration Document
<b>4.1.3</b>	The date of incorporation and length of life of the Issuer, except where the period is indefinite.	p. 506 in 2020 Universal Registration Document
<b>4.1.4</b>	The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	p. 506 in 2020 Universal Registration Document
<b>4.1.5</b>	Any recent events particular to the Issuer and which are to a material extent relevant to the evaluation of the Issuer's solvency.	<p>p. 323 in 2020 Universal Registration Document</p> <p>pp. 5 to 20 in Amendment to the 2020 Universal Registration Document</p>
<b>5.</b>	<b>BUSINESS OVERVIEW</b>	
<b>5.1</b>	<b><u>Principal activities</u></b>	
<b>5.1.1</b>	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed.	pp. 23 to 27 in 2020 Universal Registration Document
<b>5.1.2</b>	The basis for any statements made by the issuer regarding its competitive position.	<p>pp. 9 to 10 and 13 to 14 in Amendment to the 2020 Universal Registration Document</p> <p>pp. 36 to 37 in 2020 Universal Registration Document</p>
<b>6.</b>	<b>ORGANISATIONAL STRUCTURE</b>	
<b>6.1</b>	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	pp. 42 to 43 in 2020 Universal Registration Document

6.2	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	p. 514 in 2020 Universal Registration Document
8.	<b>PROFIT FORECASTS OR ESTIMATES</b>	
8.1	Where an issuer includes on a voluntary basis a profit forecast or a profit estimate, that profit forecast or estimate shall be clear and unambiguous and contain a statement setting out the principal assumptions upon which the issuer has based its forecast or estimate. The forecast or estimate shall comply with the following principles: (a) there must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; (b) the assumptions must be reasonable, readily understandable by investors, specific and precise and not relate to the general accuracy of the estimates underlying the forecast. (c) in the case of a forecast, the assumptions shall draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast.	p. 28 in Third Quarter 2021 Financial Information p. 78 in Amendment to the 2020 Universal Registration Document p. 323 in 2020 Universal Registration Document
8.2	The prospectus shall include a statement that the profit forecast or estimate has been compiled and prepared on a basis which is both: (a) comparable with the historical financial information; (b) consistent with the issuer's accounting policies.	p. 78 in Amendment to the 2020 Universal Registration Document p. 323 in 2020 Universal Registration Document
9.	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>	
9.1	Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies;	pp. 13 and 14 in Third Quarter 2021 Financial Information pp. 108 to 120 in 2020 Universal Registration Document pp. 16 and 27 to 28 in Amendment to the 2020 Universal Registration Document
9.2	Administrative, management, and supervisory bodies conflicts of interests Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 9.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.	p. 121 in 2020 Universal Registration Document
10.	<b>MAJOR SHAREHOLDERS</b>	
10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	p. 37 in Amendment to the 2020 Universal Registration Document pp. 501 to 503 in 2020 Universal Registration Document
10.2	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	pp. 37 to 38 in Amendment to the 2020 Universal Registration Document
11.	<b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>	

11.1	<b><u>Historical financial information</u></b>	
11.1.1	Historical financial information covering the latest two financial years (at least 24 months) or such shorter period as the issuer has been in operation and the audit report in respect of each year	
	<b><i>Consolidated financial statements third quarter of 2021:</i></b>	
		pp. 16 to 26 in Third Quarter 2021 Financial Information
	<b><i>Consolidated financial statements first half of 2021:</i></b>	
		pp. 81 to 125 in Amendment to the 2020 Universal Registration Document
	<b><i>Consolidated financial statements 2020:</i></b>	
		pp. 328 to 437 in 2020 Universal Registration Document  audit report: pp. 438 to 441 in 2020 Universal Registration Document
	<b><i>Non-consolidated financial statements 2020:</i></b>	
		pp. 442 to 483 in 2020 Universal Registration Document  audit report: pp. 484 to 486 in 2020 Universal Registration Document
	<b><i>Consolidated financial statements 2019:</i></b>	
		pp. 108 to 216 in 2019 Universal Registration Document  audit report: pp. 217 to 220 in 2019 Universal Registration Document
	<b><i>Non-consolidated financial statements 2019:</i></b>	
		pp. 221 to 257 in 2019 Universal Registration Document  audit report: pp. 258 to 260 in 2019 Universal Registration Document
11.1.3	Accounting standards The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002	
	<b><i>Consolidated financial statements third quarter of 2021:</i></b>	
		p. 30 in Third Quarter 2021 Financial Information
	<b><i>Consolidated financial statement first half of 2021:</i></b>	
		pp. 91 to 92 in Amendment to the 2020 Universal Registration Document
	<b><i>Consolidated financial statements 2020:</i></b>	
		pp. 337 to 339 in 2020 Universal Registration Document
	<b><i>Consolidated financial statements 2019:</i></b>	

		pp. 117 to 119 in 2019 Universal Registration Document
11.1.4	Where the audited financial information is prepared according to national accounting standards, the financial information must include at least the following:	
	<b>Non-consolidated financial statements 2020:</b>	
	(a) the balance sheet;	pp. 442 to 445 in 2020 Universal Registration Document
	(b) the income statement;	pp. 446 to 447 in 2020 Universal Registration Document
	(c) the accounting policies and explanatory notes.	pp. 451 to 483 in 2020 Universal Registration Document
	<b>Non-consolidated financial statements 2019:</b>	
11.1.5	Consolidated financial statements If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document	
	<b>Consolidated financial statements third quarter of 2021:</b>	
	(a) the balance sheet;	pp. 16 to 26 in Third Quarter 2021 Financial Information
	(b) the income statement;	
	(c) the accounting policies and explanatory notes.	
	<b>Consolidated financial statement first half of 2021:</b>	
11.1.5	(a) the balance sheet;	pp. 81 to 82 in Amendment to the 2020 Universal Registration Document
	(b) the income statement;	
	(c) the accounting policies and explanatory notes.	p. 83 in Amendment to the 2020 Universal Registration Document and p. 90 to 125 in Amendment to the 2020 Universal Registration Document
	<b>Consolidated financial statements 2020:</b>	
	(a) the balance sheet;	pp. 328 to 329 in 2020 Universal Registration Document
	(b) the income statement;	p. 330 in 2020 Universal Registration Document
11.1.5	(c) the accounting policies and explanatory notes.	pp. 337 to 437 in 2020 Universal Registration Document
	<b>Consolidated financial statements 2019:</b>	
	(a) the balance sheet;	pp. 108 to 109 in 2019 Universal Registration Document
	(b) the income statement;	p. 110 in 2019 Universal Registration Document



	(c) the accounting policies and explanatory notes.	pp. 116 to 216 in 2019 Universal Registration Document
11.1.6	Age of financial information The balance sheet date of the last year of audited financial information may not be older than 18 months from the date of the registration document	
	<i>Consolidated financial statement first half of 2021:</i>	
		pp. 81 to 82 in Amendment to the 2020 Universal Registration Document
	<i>Consolidated financial statements 2020:</i>	
		pp. 328 to 329 in 2020 Universal Registration Document
	<i>Non-consolidated financial statements 2020:</i>	
		pp. 442 to 445 in 2020 Universal Registration Document
11.2	<b><u>Auditing of historical annual financial information</u></b>	
11.2.1	The historical financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2006/43/CE and Regulation 537/2014/EU.	
	<i>Consolidated financial statement first half of 2021:</i>	
		p. 126 in Amendment to the 2020 Universal Registration Document
	<i>Consolidated financial statements 2020:</i>	
		pp. 438 to 441 in 2020 Universal Registration Document
	<i>Non-consolidated financial statements 2020:</i>	
		pp. 484 to 486 in 2020 Universal Registration Document
	<i>Consolidated financial statements 2019:</i>	
		pp. 117 to 119 in 2019 Universal Registration Document
		pp. 217 to 220 in 2019 Universal Registration Document
	<i>Non-consolidated financial statements 2019:</i>	
		pp. 258 to 260 in 2019 Universal Registration Document
11.2.2	Indication of other information in the registration document which has been audited by the auditors.	N/A
11.3	<b><u>Legal and arbitration proceedings</u></b>	
11.3.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past	pp. 120 to 124 in Amendment to the 2020 Universal Registration Document

	significant effects on the Issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	pp. 426 to 429 and 511 to 513 in 2020 Universal Registration Document  pp. 40 to 42 in Amendment to the 2020 Universal Registration Document
<b>12.</b>	<b>MATERIAL CONTRACTS</b>	
<b>12.1</b>	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligations to security holders in respect of the securities being issued.	pp. 8 to 11 in Third Quarter 2021 Financial Information  pp. 6 to 9 in Amendment to the 2020 Universal Registration Document  p. 514 in 2020 Universal Registration Document

<i>Annex XX of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, as amended – Pro Forma Information</i>		
	<b>Information incorporated by reference</b>	<b>Page no. in the relevant document</b>
<b>1.</b>	<b>CONTENTS OF PRO FORMA FINANCIAL INFORMATION</b>	
<b>1.1</b>	The pro forma financial information shall consist of:  (a) an introduction setting out:  (i) the purpose for which the pro forma financial information has been prepared, including a description of the transaction or significant commitment and the businesses or entities involved;  (ii) the period or date covered by the pro forma financial information;  (iii) the fact that the pro forma financial information has been prepared for illustrative purposes only;  (iv) an explanation that:  (i) the pro forma financial information illustrates the impact of the transaction as if the transaction had been undertaken at an earlier date;  (ii) the hypothetical financial position or results included in the pro forma financial information may differ from the entity's actual financial position or results;	pp. 134 to 139 in Amendment to the 2020 Universal Registration Document
	(b) a profit and loss account, a balance sheet or both, depending on the circumstances presented in a columnar format composed of:  (i) historical unadjusted information;  (ii) accounting policy adjustments, where necessary;  (iii) pro forma adjustments;  (iv) the results of the pro forma financial information in the final column;	pp. 140 to 142 in Amendment to the 2020 Universal Registration Document
	(c) accompanying notes explaining:	pp. 139 and 143 to 163 in Amendment to the 2020

	<p>(i) the sources from which the unadjusted financial information has been extracted and whether or not an audit or review report on the source has been published;</p> <p>(ii) the basis upon which the pro forma financial information is prepared;</p> <p>(iii) source and explanation for each adjustment;</p> <p>(iv) whether each adjustment in respect of a pro forma profit and loss statement is expected to have a continuing impact on the issuer or not;</p>	Universal Registration Document
	(d) where applicable, the financial information and interim financial information of the (or to be) acquired businesses or entities used in the preparation of the pro forma financial information must be included in the prospectus.	pp. 143 to 146 in Amendment to the 2020 Universal Registration Document
<b>2.</b>	<b>PRINCIPLES IN PREPARING AND PRESENTING PRO FORMA FINANCIAL INFORMATION</b>	
<b>2.1</b>	<p>The pro forma financial information shall be identified as such in order to distinguish it from historical financial information.</p> <p>The pro forma financial information must be prepared in a manner consistent with the accounting policies adopted by the issuer in its last or next financial statements.</p>	pp. 146 to 147 in Amendment to the 2020 Universal Registration Document
<b>2.2</b>	<p>Pro forma information may only be published in respect of:</p> <p>(a) the last completed financial period; and/or</p> <p>(b) the most recent interim period for which relevant unadjusted information has been published or are included in the registration document/prospectus</p>	p. 139 in Amendment to the 2020 Universal Registration Document
<b>2.3</b>	<p>Pro forma adjustments must comply with the following:</p> <p>(a) be clearly shown and explained;</p> <p>(b) present all significant effects directly attributable to the transaction;</p> <p>(c) be factually supportable.</p>	pp. 143 to 163 in Amendment to the 2020 Universal Registration Document
<b>2.4</b>	Pro forma alternative performance measures	<p>p. 4 in Amendment to the 2020 Universal Registration Document</p> <p>pp. 163 to 175 in Amendment to the 2020 Universal Registration Document</p>
<b>3.</b>	<b>REQUIREMENTS FOR AN ACCOUNTANT/AUDIT REPORT</b>	
	<p>The prospectus shall include a report prepared by the independent accountants or auditors stating that in their opinion:</p> <p>(a) the pro forma financial information has been properly compiled on the basis stated;</p> <p>(b) that the basis referred to in (a) is consistent with the accounting policies of the issuer.</p>	pp. 173 to 174 in Amendment to the 2020 Universal Registration Document

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that shall be applicable (save for the Replacement Language provisions appearing at the end of these Conditions that are for information purposes only) to the Notes.*

The issue of the €500,000,000 Undated Non-Call 6.25 Year Deeply Subordinated Fixed Rate Resettable Notes (the **Notes** which expression shall, unless the context requires otherwise, include any further notes issued pursuant to Condition 12 (*Further Issues*)) of Veolia Environnement (the **Issuer**) on 15 November 2021 (the **Issue Date**) has been authorised by a resolution of the Board of Directors (*Conseil d'administration*) of the Issuer held on 9 March 2021 and a decision of the Chairman and Chief Executive Officer (*Président-Directeur Général*) of the Issuer dated 10 November 2021.

The Issuer has entered into a fiscal agency agreement dated 10 November 2021 with Société Générale as fiscal agent, principal paying agent and calculation agent for the purposes of the Conditions (with the exception of Condition 6.3) (the **Agency Agreement**) and has entered into a make-whole calculation agency agreement dated 10 November 2021 with Aether Financial Services as make-whole calculation agent (the **Make-whole Calculation Agency Agreement**) for the purpose of Condition 6.3 only. The fiscal agent, the principal paying agent, the calculation agent and the paying agent for the time being are respectively referred to in these Conditions as the **Fiscal Agent**, the **Principal Paying Agent**, the **Calculation Agent** and the **Paying Agent** (which expression shall include the Principal Paying Agent) and the **Make-whole Calculation Agent**, each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement and the Make-whole Calculation Agency Agreement respectively, and are collectively referred to as the **Agents**. Copies of the Agency Agreement are available for inspection at the specified offices of the Fiscal Agent and the registered office of the Issuer. Copies of the Make-whole Calculation Agency Agreement are available for inspection at the specified offices of the Make-whole Calculation Agent and the registered office of the Issuer. The Noteholders (as defined below) are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

References to "Conditions" are, unless the context otherwise requires, to the numbered paragraphs below.

In these Conditions, references to "day" or "days" are to calendar days unless the context otherwise specifies.

### 1. DEFINITIONS

**Accounting Event** means that a recognised accountancy firm, acting upon instructions of the Issuer, has delivered a letter or report to the Issuer, stating that as a result of a change in accounting principles or methodology (or in each case the application thereof) which has been officially adopted after the Issue Date (such date, the **Accounting Event Adoption Date**), the Notes may not or may no longer be recorded as "equity" in full in any of the consolidated financial statements of the Issuer pursuant to the IFRS or any other accounting standards that may replace IFRS. The Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date. The period during which the Issuer may notify the redemption of the Notes as a result of the occurrence of an Accounting Event shall start on, and include, the Accounting Event Adoption Date. For the avoidance of doubt, such period shall include any transitional period between the Accounting Event Adoption Date and the date on which it comes into effect.

**Actual/Actual (ICMA)** means:

- (i) if interest is required to be calculated for a period that is equal to or shorter than the Interest Period to which it applies, the number of calendar days in the relevant period divided by the number of calendar days in the Interest Period in which the relevant period falls;
- (ii) if interest is required to be calculated for a period of more than one year, the sum of (a) the number of calendar days of the relevant period falling in the Interest Period in which it begins divided by the total number of calendar days in such Interest Period and (b) the number of calendar days of the relevant period falling in the next Interest Period divided by the total number of calendar days in such next Interest Period (including the first such day but excluding the last).

**Adjustment Spread** means either a spread (which may be positive or negative), or the formula or the methodology for calculating a spread, in either case, which the Independent Adviser, acting in good

faith and in a commercially reasonable manner, determines in accordance with customary market usage in the international debt capital market for such Replacement Reference Rate and which is required to be applied to the Replacement Reference Rate, to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Euro 5-Year Swap Rate with the Replacement Reference Rate and is the spread, formula or methodology which:

- (i) in the case of a successor rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Euro 5-Year Swap Rate with the successor rate by any Relevant Nominating Body; or
- (ii) if no such recommendation has been made, or in the case of a substitute rate, the Independent Adviser determines, is customarily applied to the relevant substitute or successor rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Euro 5-Year Swap Rate; or
- (iii) if no such recommendation or option has been made (or made available), or if the Independent Adviser determines that there is no such spread, formula or methodology in customary market usage,, the Independent Adviser acting in good faith determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Euro 5-Year Swap Rate, where such rate has been replaced by the substitute or successor rate (as the case may be).

**Benchmark Event** means:

- (i) the Euro 5-Year Swap Rate ceasing to exist or be published;
- (ii) the later of (a) the making of a public statement by the administrator of the Euro 5-Year Swap Rate that it will, on or before a specified date, cease publishing the Euro 5-Year Swap Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Euro 5-Year Swap Rate) and (b) the date falling six (6) months prior to the specified date referred to in (a) above;
- (iii) the making of a public statement by the supervisor of the administrator of the Euro 5-Year Swap Rate that the Euro 5-Year Swap Rate has been permanently or indefinitely discontinued; and/or
- (iv) the later of (a) the making of a public statement by the supervisor of the administrator of the Euro 5-Year Swap Rate that the Euro 5-Year Swap Rate will, on or before a specified date, be permanently or indefinitely discontinued and (b) the date falling six (6) months prior to the specified date referred to in (a) above;
- (v) the making of a public statement by the supervisor of the administrator of the Euro 5-Year Swap Rate that means the Euro 5-Year Swap Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six (6) months; and/or
- (vi) the making of a public statement by the supervisor of the administrator of the Euro 5-Year Swap Rate that the Euro 5-Year Swap Rate, in the opinion of the supervisor, is no longer representative of an underlying market or that its method of calculation has significantly changed; and/or
- (vii) it has or will prior to the next Reset Interest Determination Date, become unlawful for the Issuer, the party responsible for determining the Interest Rate (being the Calculation Agent), or any Paying Agent to calculate any payments due to be made to any Noteholder using the Euro 5-Year Swap Rate (including, without limitation, under the Benchmarks Regulation, if applicable); and/or
- (viii) that a decision to withdraw the authorisation or registration pursuant to Article 35 of the Benchmark Regulation of any benchmark administrator previously authorised to publish such Euro 5-Year Swap Rate has been adopted.

**Benchmark Regulation** means Regulation (EU) 2016/1011 of 8 June 2016, as amended or supplemented.

**Business Day** means any calendar day (other than a Saturday or a Sunday) which is a TARGET 2 Settlement Day.

**Day Count Fraction** means Actual/Actual (ICMA).

**Early Redemption Date** means the effective date of redemption of the Notes made in accordance with Condition 6 (*Redemption and Purchase*).

**Early Redemption Price** means:

- (i) 101% of the principal amount of the Notes in the case where the redemption of the Notes occurs before the First Optional Redemption Date as a result of an Accounting Event, an Equity Credit Rating Event or a Tax Deduction Event; and
- (ii) 100% of the principal amount of the Notes (a) in the case of an Accounting Event, an Equity Credit Rating Event or a Tax Deduction Event where such redemption occurs on or after the First Optional Redemption Date or (b) in the case of a Substantial Repurchase Event, a Gross-Up Event or a Withholding Tax Event;

in each case (i) and (ii) above, together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date of the Notes.

**Equity Credit Rating Event** means that the Issuer certifies in a notice to the Noteholders that, due to any amendment, clarification or change in the hybrid capital methodology or a change in the interpretation thereof by any Rating Agency which has assigned solicited ratings to the Issuer, in each case occurring or becoming effective after the Issue Date, (a) all or any of the Notes will no longer be eligible (or if the Notes have been partially or fully refinanced since the Issue Date and are no longer eligible for "equity credit" from such Rating Agency in part or in full as a result, all or any of the Notes that would no longer have been eligible as a result of such amendment, clarification, change in hybrid capital methodology or change in the interpretation had they not been re-financed) for the same or a higher amount of "equity credit" (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) attributed to the Notes at the Issue Date (or, if "equity credit" is not assigned to the Notes by the relevant Rating Agency on the Issue Date, at the date on which "equity credit" is assigned by such Rating Agency for the first time) or (b) the period of time during which such Rating Agency attribute to the Notes a particular level of "equity credit" is shortened as compared to the period of time for which such Rating Agency did assigned to the Notes that level of "equity credit" on the Issue Date (or if such "equity credit" is not assigned on the Issue Date as the date on which the "equity credit" is assigned for the first time).

**Euro 5-Year Swap Rate** means:

- (i) the mid-swap rate for a term of five (5) years as displayed on Reuters screen "ICESWAP2/EURSFIXA" as at 11:00 a.m. (Central European time) or, if such rate is not displayed on such screen as at the relevant time, the mid-swap rate as displayed on a successor page as determined by the Calculation Agent (in each case, the **Screen Page**); and
- (ii) in the event that the Euro 5-Year Swap Rate does not appear on the Screen Page on the relevant Reset Interest Determination Date, the Euro 5-Year Swap Rate will be the Reference Bank Rate on such Reset Interest Determination Date.

**First Optional Redemption Date** means 15 November 2027.

**First Reset Date** means 15 February 2028.

**First Step-up Date** means 15 February 2033.

**Gross-Up Event** means that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts (as defined in Condition 8 (*Taxation*)).

**Group** means the Issuer and any entity falling within the consolidated perimeter of the Issuer taken as a whole.

**IFRS** means the International Financial Reporting Standards and any other accounting standards that may replace IFRS for the purposes of preparing the annual, semi-annual or, as the case may be, quarterly consolidated financial statements of the Issuer.

**Interest Payment Date** means 15 February of each year, commencing on 15 February 2022.

**Interest Period** means the period from, and including, the Issue Date to, but excluding, the first Interest Payment Date and thereafter each period beginning on, and including, an Interest Payment Date to, but excluding, the next Interest Payment Date. There will be a first short coupon in respect of the interest period from, and including, the Issue Date to, but excluding, 15 February 2022.

**Interest Rate** means any of the First Interest Rate, the Second Interest Rate, the Third Interest Rate or the Following Interest Rate (all as defined in Condition 5 (*Interest*)), as applicable.

**Junior Securities** means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*)).

**Mandatory Payment Event** means that:

- (i) a dividend (either interim or final), or any other distribution or payment (whether or not in cash) was validly resolved on, declared, paid or made in respect of any Junior Securities or Parity Obligations, except (a) where such dividend, distribution or payment was contractually required to be declared, paid or made under the terms of such Junior Securities or Parity Obligations and (b) in the case of Parity Obligations any partial payment of Arrears of Interest at the option of the Issuer; or
- (ii) the Issuer or any Subsidiary of the Issuer has repurchased, purchased, redeemed or otherwise acquired any Junior Securities, except where (a) such repurchase, purchase, redemption or acquisition was undertaken pursuant to any share buyback programme in force and duly approved by its shareholders' general meeting in connection with the satisfaction by the Issuer or any Subsidiary of the Issuer of its respective obligations under any employee shareholding programme (including any share purchase option plan, free share allocation plan, shares sold to employees through the Issuer savings funds or through a share capital increase) reserved for directors, officers and/or employees of the Issuer's group, or any associated hedging transaction, (b) such repurchase, purchase, redemption or acquisition was undertaken pursuant to the hedging of convertible securities or hedging of other equity-linked securities, (c) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Junior Securities or (d) such repurchase, purchase, redemption or acquisition is made in connection with the satisfaction by the Issuer of its obligations under any existing or future liquidity agreement (*contrat de liquidité*) managed by an investment services provider to repurchase its share capital from such investment services provider; or
- (iii) the Issuer or any Subsidiary of the Issuer has repurchased, purchased, redeemed or otherwise acquired any Parity Obligations or any Notes, except where (a) such repurchase, purchase, redemption or acquisition is contractually required to be made under the terms of such Parity Obligations or (b) such repurchase, purchase, redemption or acquisition is effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value.

**Noteholder** means, on a given date, the person whose name appears in the account of the relevant Account Holder (as defined in Condition 2 (*Form, Denomination and Title*)) as being entitled to such Notes.

**Ordinary Subordinated Obligations** means obligations, whether in the form of notes or otherwise, the principal, interest and other amounts due thereof which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank or are expressed to rank *pari passu* among themselves and with all other present or future ordinary subordinated obligations, behind Unsubordinated Obligations but in priority to *prêts participatifs*, if any, granted to the Issuer, to *titres participatifs*, if any, issued by the Issuer and to Deeply Subordinated Obligations of the Issuer, including the Notes.

**Parity Obligations** means (a) any securities or other similar instruments issued by, or obligations of, the Issuer which rank, or are expressed to rank, *pari passu* with the Issuer's obligations under the Notes (including, on the Issue Date, the notes with the following ISIN Codes: FR00140007K5 and FR00140007L3) and (b) any securities or other similar instruments issued by, or obligations of, a Subsidiary of the Issuer which have the benefit of a guarantee (or similar instrument) from the Issuer, which rank or are expressed to rank *pari passu* with the Issuer's obligations under the Notes.

**Rating Agency** means any of S&P Global Ratings Europe Limited (**S&P**) or Moody's France S.A.S. (**Moody's**), and any other rating agency of equivalent international standing solicited from time to time by the Issuer to grant a rating to the Issuer and/or the Notes and in each case, any of their respective successors to the rating business thereof. Each of S&P and Moody's is established in the European Union, is registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended (the **CRA Regulation**) and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority ([www.esma.europa.eu/supervision/credit-rating-agencies/risk](http://www.esma.europa.eu/supervision/credit-rating-agencies/risk)) in accordance with the CRA Regulation. Moody's and S&P are not established in the United Kingdom and are not registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the EUWA) (the **UK CRA Regulation**). The ratings of the Notes issued by Moody's and S&P have been endorsed by Moody's Investors Service Limited and S&P Global Ratings UK Limited, respectively, in accordance with UK CRA Regulation and have not been withdrawn. As such, the ratings issued by Moody's and S&P may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

**Reference Bank Rate** means the percentage rate determined on the basis of the five year mid swap rate for Euro swap transactions provided by at least four leading swap dealers in the interbank market selected by the Calculation Agent in consultation with the Issuer (the **Reference Banks**) to the Calculation Agent at its request at approximately 11:00 a.m. (Central European time) on the relevant Reset Interest Determination Date. If one quotation is provided, the Reference Bank Rate will be such quotation. If two or more quotations are provided, the Reference Bank Rate will be the arithmetic mean of the quotations, eliminating, if at least three quotations are provided, the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reference Bank Rate cannot be determined in accordance with the foregoing provisions of this paragraph, the applicable Reference Bank Rate shall be equal to the last Euro 5-Year Swap Rate available on the Screen Page as determined by the Calculation Agent.

**Reference Rate** means the Euro 5-Year Swap Rate on the day falling two (2) Business Days prior to the first day of the relevant Reset Period (each a **Reset Interest Determination Date**).

**Relevant Nominating Body** means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of such central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

**Reset Date** means the First Reset Date and every fifth (5<sup>th</sup>) Interest Payment Date thereafter.



**Reset Period** means each period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date.

**Second Step-up Date** means 15 February 2048.

**Subsidiary** means in relation to a company (the **Parent Company**) at any time, any other company in which the Parent Company holds more than fifty (50) per cent. of the share capital (as provided in article L. 233-1 of the French *Code de commerce*) or any other company which is controlled directly or indirectly by the Parent Company within the meaning of article L. 233-3 of the French *Code de commerce*.

**Substantial Repurchase Event** means that, prior to the giving of the relevant notice of redemption, at least seventy five per cent. (75%) of the aggregate principal amount of the Notes issued on the Issue Date (and on the issue date of any further notes issued and assimilated thereto) has been purchased by or on behalf of the Issuer or a Subsidiary of the Issuer and has been cancelled.

**TARGET 2 Settlement Day** means any calendar day on which the TARGET 2 System is operating.

**TARGET 2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto.

**Tax Deduction Event** means that an opinion of a recognised law firm of international standing has been delivered to the Issuer, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced.

**Unsubordinated Obligations** means obligations, whether in the form of notes or otherwise, the principal, interest and other amounts due thereof which constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* without preference or priority among themselves and (save for certain obligations required to be preferred by French law) with all other present or future unsecured and unsubordinated obligations of the Issuer.

**Withholding Tax Event** means that the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts (as defined in Condition 8 (*Taxation*)).

## 2. FORM, DENOMINATION AND TITLE

The Notes are issued in bearer form in dematerialised bearer form (*au porteur*) in the denomination of €100,000 per Note. Title to the Notes will be evidenced in accordance with Articles L. 211-3 *et seq.* and R. 211-1 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders. No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank SA/NV (**Euroclear**) and the depositary bank for Clearstream Banking, S.A. (**Clearstream**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

### 3. STATUS AND SUBORDINATION OF THE NOTES

#### 3.1 Deeply Subordinated Notes

The Notes (which constitute *obligations* under French law) are deeply subordinated notes (**Deeply Subordinated Notes**) of the Issuer issued pursuant to the provisions of Article L. 228-97 of the French *Code de commerce*. The obligations of the Issuer under the Notes in respect of principal, interest and other amounts (including for the avoidance of doubt, any Arrears of Interest) constitute direct, unconditional, unsecured and deeply subordinated obligations (*engagements subordonnés de dernier rang*) (**Deeply Subordinated Obligations**) of the Issuer ranking *pari passu* among themselves and with all other present and future Parity Obligations of the Issuer, shall be subordinated to present and future *prêts participatifs* granted to, or *titres participatifs* issued by, the Issuer, to Ordinary Subordinated Obligations and to Unsubordinated Obligations of, or issued by, the Issuer. The Notes shall rank in priority to any Junior Securities.

#### 3.2 Payment on the Notes in the event of the liquidation of the Issuer

If any judgment is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure (*redressement judiciaire*), or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation, merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes), the payments of the creditors of the Issuer shall be made in the following order of priority (in each case subject to the payment in full of priority creditors):

- (i) unsubordinated creditors of the Issuer (including creditors under Unsubordinated Obligations);
- (ii) ordinary subordinated creditors of the Issuer (including creditors under Ordinary Subordinated Obligations);
- (iii) creditors under *prêts participatifs* granted to the Issuer and *titres participatifs* issued by the Issuer; and
- (iv) deeply subordinated creditors of the Issuer (including holders of Deeply Subordinated Notes).

For such purposes, the rights of the Noteholders will be calculated on the basis of the principal amount of the Notes together with any accrued interest on such principal amount and any Arrears of Interest (including any Additional Interest Amount thereon).

In the event of liquidation of the Issuer, the Notes shall rank in priority to any payments to holders of Junior Securities.

In the event of incomplete payment of unsubordinated creditors and subordinated creditors ranking ahead of the claims of the holders of the Notes upon such liquidation, the obligations of the Issuer in connection with any present or future Deeply Subordinated Obligations (including the Notes) shall be terminated.

### 4. NO NEGATIVE PLEDGE

There will be no negative pledge in respect of the Notes.

## 5. INTEREST

### 5.1 General

Unless previously redeemed in accordance with Condition 6 (*Redemption and Purchase*) and subject to the further provisions of this Condition (in particular, but not limited to, Condition 5.5 (*Optional Interest Deferral*)), the Notes shall bear interest on their principal amount as follows:

- (i) from, and including, the Issue Date to, but excluding, the First Reset Date, at an interest rate of 2.000 per cent. *per annum* (the **First Interest Rate**), payable annually in arrear on 15 February of each year, commencing on 15 February 2022 and ending on the First Reset Date, provided that there will be a short first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date, amounting to EUR 504.11 per EUR 100,000 Note;
- (ii) from, and including, the First Reset Date to, but excluding, the First Step-up Date, at an interest rate *per annum* which will be equal to the sum of (a) the Reference Rate of the relevant Reset Period and (b) the Initial Margin (the **Second Interest Rate**), payable annually in arrear on 15 February of each year, commencing on 15 February 2029 and ending on the First Step-up Date;
- (iii) from, and including, the First Step-up Date to, but excluding, the Second Step-up Date, at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the First Step-up Margin (the **Third Interest Rate**), payable annually in arrear on 15 February of each year, commencing on 15 February 2034 and ending on the Second Step-up Date; and
- (iv) from, and including, the Second Step-up Date, at an interest rate *per annum* which will be subject to a reset every five (5) years and shall be equal to the sum of (a) the Reference Rate of the relevant Reset Period, (b) the Initial Margin and (c) the Second Step-up Margin (the **Following Interest Rate**), payable annually in arrear on 15 February of each year, commencing on 15 February 2049;

where the **Initial Margin** shall be 2.081 per cent. *per annum*, the **First Step-up Margin** shall be 0.25 per cent. *per annum* and the **Second Step-up Margin** shall be 1.00 per cent. *per annum*, provided that each of the Second Interest Rate, the Third Interest Rate and the Following Interest Rate shall never be less than zero.

Each Interest Amount (as defined below) shall be payable (subject as otherwise provided in these Conditions) annually in arrear on each Interest Payment Date, provided that there will be a short first coupon in respect of the first Interest Period.

Promptly after the determination of the Reference Rate, the Calculation Agent shall determine the Interest Rate and calculate the relevant Interest Amount (as defined below).

The Calculation Agent will cause the Interest Rate and the relevant Interest Amount to be notified to the Issuer and the Fiscal Agent and, if required by the rules of Euronext Paris or any other stock exchange on which Notes are listed from time to time, to such stock exchange, and to the Noteholders in accordance with Condition 13 (*Notices*) without undue delay, but, in any case, not later than on the fourth (4<sup>th</sup>) Business Day after its determination.

### 5.2 Calculation of the Interest Amount

The amount of interest (the **Interest Amount**) payable on each Note and on each Interest Payment Date will be the product of the principal amount of the Note and the applicable Interest Rate, multiplied by the Day Count Fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

### 5.3 Notifications, etc. to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5 (*Interest*), whether

by the Reference Banks (or any of them) or the Calculation Agent will (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent and all Noteholders.

#### 5.4 Calculation Agent

The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent provided that so long as any of the Notes remain outstanding, there shall at all times be a Calculation Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine the Interest Amount for any Interest Period, the Issuer shall appoint the European office of another leading bank engaged in the Euro-zone or London interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act honestly and in good faith and exercise the diligence of a reasonably prudent expert in comparable circumstances.

Notice of any change of Calculation Agent or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 13 (*Notices*) and, so long as the Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

#### 5.5 Optional Interest Deferral

Interest payments shall only be due and payable if the Issuer so elects, in accordance with the following provisions:

(a) *Optional Interest Payment*

The Issuer may, at any time and at its sole discretion, elect to defer all or part of the payment of interest accrued on the Notes in respect of any Interest Period, except in relation to a payment of interest to be made on an Interest Payment Date falling on the date of redemption of the Notes, by giving notice of such election to the Noteholders in accordance with Condition 5.5(d) below. If the Issuer makes such an election, the Issuer shall have no obligation to make such payment and any such non-payment or partial payment of interest shall not constitute a default of the Issuer or any other breach of obligations under the Notes or for any other purpose.

Any interest in respect of the Notes which has not been paid in accordance with this paragraph will be deferred and shall constitute **Arrears of Interest** and shall be payable as provided below.

(b) *Payment of Arrears of Interest*

Arrears of Interest (together with any Additional Interest Amount (as defined below)) may at the option of the Issuer be paid, in whole or in part, at any time, provided that all Arrears of Interest (together with the corresponding Additional Interest Amounts) in respect of all Notes for the time being outstanding shall become due and payable in whole, but not in part, on the date which is the earliest of:

- (i) the tenth (10<sup>th</sup>) Business Days following the occurrence of a Mandatory Payment Event;
- (ii) the next scheduled Interest Payment Date in respect of which the Issuer does not elect to defer all of the interest accrued in respect of the relevant Interest Period;
- (iii) the date on which the Notes are redeemed; or
- (iv) the date upon which a judgment is made for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer subsequent to the opening of a judicial recovery (*redressement judiciaire*) or in the event of the voluntary dissolution of the Issuer, or in the event the Issuer is liquidated for any other reason (and in all cases listed above, other

than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes).

Each amount of Arrears of Interest shall bear interest, in accordance with, and subject to, Article 1343-2 of the French *Code civil*, as if it constituted the principal of the Notes at a rate which corresponds to the rate of interest from time to time applicable to the Notes (the **Arrears Interest Rate**) and the amount of such interest (the **Additional Interest Amount**) with respect to Arrears of Interest shall be due and payable pursuant to this paragraph and shall be calculated by the Calculation Agent applying the Arrears Interest Rate to the amount of the Arrears of Interest and otherwise *mutatis mutandis* as provided in the Conditions.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added in accordance with and to the extent permitted by applicable law to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest, for the purpose only of calculating the Additional Interest Amount accruing thereafter.

(c) *Optional Partial Payment of Arrears of Interest and Additional Interest Amounts*

If amounts in respect of Arrears of Interest and Additional Interest Amounts are paid in part:

- (i) all unpaid amounts of Arrears of Interest shall be payable before any Additional Interest Amounts;
- (ii) Arrears of Interest accrued for any period shall not be payable until full payment has been made of all Arrears of Interest that have accrued during any earlier period and the order of payment of Additional Interest Amounts shall follow that of the Arrears of Interest to which they relate; and
- (iii) the amount of Arrears of Interest or Additional Interest Amounts payable in respect of any of the Notes in respect of any period, shall be *pro rata* to the total amount of all unpaid Arrears of Interest or, as the case may be, Additional Interest Amounts accrued on the Notes in respect of that period to the date of payment.

(d) *Notice of Deferral and Payment of Arrears of Interest*

Notice of (i) deferral of any interest under the Notes on any Interest Payment Date and (ii) any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable shall be given to the Noteholders in accordance with Condition 13 (*Notices*), and the Fiscal Agent and the Calculation Agent at least five (5) Business Days in Paris, but no more than thirty (30) Business Days in Paris, prior to such Interest Payment Date or date. So long as the Notes are admitted to trading on Euronext Paris and the rules applicable to such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

## 5.6 **Benchmark Discontinuation**

If a Benchmark Event occurs in relation to the Euro 5-Year Swap Rate at any time when any Interest Rate (or any component part thereof including, for the avoidance of doubt, 6 month EURIBOR) remains to be determined by reference to the Euro 5-Year Swap Rate, then the following provisions shall apply and prevail over the other fallbacks specified in the definition of "Euro 5-Year Swap Rate" in Condition 1 (*Definitions*).

If the Issuer (in consultation with the Calculation Agent) determines at any time prior to, on or following any Reset Interest Determination Date, a Benchmark Event occurs in relation to the Euro 5-Year Swap Rate, the Issuer will as soon as reasonably practicable (and in any event prior to the next relevant Reset Interest Determination Date) appoint (at its own cost) an independent financial institution of international repute or an independent adviser of recognised standing with appropriate expertise (the **Independent Adviser**), which, acting in a commercially reasonable manner and as an independent expert in the performance of its duties, will advise the Issuer as to whether a substitute or

successor rate is available for purposes of determining the Reference Rate on each Reset Interest Determination Date falling on such date or thereafter that is substantially comparable to the Euro 5-Year Swap Rate. If the Independent Adviser determines that there is an industry accepted successor rate, the Independent Adviser will advise the Issuer accordingly. For these purposes, a rate that is formally recommended by a relevant central bank, reserve bank, monetary authority, a group of the aforesaid central banks, monetary authority or supervisory authority, or any similar institution (including any committee or working group thereof) for the currency to which the Euro 5-Year Swap Rate relates or any supervisory authority which is responsible for supervising the administrator of the Euro 5-Year Swap Rate will be considered as an industry accepted successor rate. It is further specified that if there is two or more industry successor rates recommended by the above mentioned authority, institution or working groups, the Independent Adviser shall determine which of those successor rates is most appropriate, having regard to, *inter alia*, the particular features of the Notes and the nature of the Issuer. Following the foregoing advice, the Independent Adviser will determine a substitute or successor rate (such rate, the **Replacement Reference Rate**), for the purpose of determining the Reference Rate on each Reset Interest Determination Date falling on or after such determination but not earlier than the actual discontinuation of the Euro 5-Year Swap Rate. Additionally, (i) the Independent Adviser will determine the changes (if any) to the Terms and Conditions of the Notes (including, without limitation, to the business day convention, the definition of business day, the reset interest determination date, the day count fraction, and any method for obtaining the Replacement Reference Rate, including any adjustment factor needed to make such Replacement Reference Rate comparable to the Euro 5-Year Swap Rate (including any Adjustment Spread)), in each case in a manner that is consistent with industry-accepted practices for such Replacement Reference Rate, (ii) references to the Euro 5-Year Swap Rate in these Conditions will be deemed to be references to the Replacement Reference Rate, including any alternative method for determining such rate as described in (i) above, and (iii) the Issuer will give notice as soon as reasonably practicable to the Noteholders (in accordance with Condition 13 (*Notices*)) and the Paying Agent(s) specifying the Replacement Reference Rate, as well as the details described in (i) above that it will have received from the Independent Adviser.

The determination of the Replacement Reference Rate and the other matters referred to above by the Independent Adviser will (in the absence of manifest error) be final and binding on the Fiscal Agent, the Calculation Agent, the Paying Agent(s) and the Noteholders, unless the Independent Adviser, acting in a commercially reasonable manner, considers at a later date that the Replacement Reference Rate is no longer substantially comparable to the Euro 5-Year Swap Rate or does not constitute an industry accepted successor rate, in which case the Independent Adviser, or another Independent Adviser appointed by the Issuer, shall advise the Issuer on confirming the Replacement Reference Rate and/or determining a substitute Replacement Reference Rate in an identical manner as described in this Condition 5.6 (*Benchmark Discontinuation*).

For the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5.6. No Noteholder consent shall be required in connection with effecting the Replacement Reference Rate or such other changes pursuant to this Condition 5.6.

Notwithstanding any other provision of this Condition 5.6, no Replacement Reference Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any other related adjustments and/or amendments to the Terms and Conditions of the Notes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to (i) result in a reduction of the amount of "equity credit" (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) assigned to the Notes by any Rating Agency when compared to the "equity credit" assigned to the Notes immediately prior to the occurrence of the relevant Benchmark Event from such Rating Agency, (ii) result in shortening of the period of time "equity credit" is assigned / attributed to the Notes by any Rating Agency or (iii) otherwise prejudice the eligibility of the Notes for "equity credit" from any Rating Agency.

Notwithstanding any other provision of this Condition 5.6, if the Issuer is unable to appoint an Independent Adviser or if the Independent Adviser is unable to or otherwise does not advise the Issuer a Replacement Reference Rate for any Reset Interest Determination Date, no Replacement Reference Rate or any other successor, replacement or alternative benchmark or screen rate will be adopted and

the Reference Rate for the relevant Interest Period will be equal to the last Reference Rate available on the Screen Page as determined by the Calculation Agent.

## **6. REDEMPTION AND PURCHASE**

The Notes may not be redeemed otherwise than in accordance with this Condition.

### **6.1 Final Redemption**

Subject to any early redemption described below, the Notes are undated securities with no specified maturity date.

### **6.2 Optional Redemption**

The Issuer will have the right to redeem all (but not some only) of the Notes at any time from and including the First Optional Redemption Date to and including the First Reset Date or upon any Interest Payment Date thereafter, subject to having given not more than forty (40) nor less than ten (10) calendar days' prior notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 13 (*Notices*). Such early redemption of the Notes will be made at their principal amount together with any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon).

### **6.3 Make-whole Redemption by the Issuer**

The Issuer may, having given not less than ten (10) nor more than forty (40) calendar days' notice to the Noteholders in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption (each such date, a **Make-whole Redemption Date**)) redeem all but not some only of the Notes then outstanding at any time (other than (i) during the period from and including the First Optional Redemption Date to and including the First Reset Date or (ii) upon any subsequent Interest Payment Date) at the Make-whole Redemption Amount (the **Make-whole Redemption Option**). The Issuer shall, not less than fifteen (15) calendar days before the giving of any notice referred to above, notify the Fiscal Agent and the Make-whole Calculation Agent of its decision to exercise the Make-whole Redemption Option. No later than the Business Day immediately following the Calculation Date, the Make-whole Calculation Agent shall notify the Issuer, the Fiscal Agent and the Noteholders of the Make-whole Redemption Amount. All Notes shall be redeemed on the relevant Make-whole Redemption Date in accordance with this Condition.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Make-whole Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties. The Make-whole Calculation Agent shall act as an independent expert and not as an agent for the Issuer or the Noteholders. The Make-whole Calculation Agent (acting in such capacity) shall not have any relationship of agency or trust with, and, to the extent permitted by law, shall not incur any liability against, the Issuer, the Noteholders, the Fiscal Agent, or the Paying Agent.

For the purposes of this Condition, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**Benchmark Rate** means the annual yield to maturity of the Reference Bond (rounded to the nearest 0.001%, with 0.0005% rounded upwards) displayed on the Reference Screen Rate as determined by the Make-whole Calculation Agent or, if the Reference Screen Rate is not available, the average of the quotations given by each Reference Dealer to the Make-whole Calculation Agent on the Business Day immediately preceding the Calculation Date at market close of the mid-market annual yield to maturity of the Reference Bond (rounded to the nearest 0.001%, with 0.0005% rounded upwards). If the Reference Bond is no longer outstanding or the Reference Screen Rate does not quote the yield on the Reference Bond, a Similar Security will be chosen by the Issuer in consultation with an independent investment bank of international standing on the Business Day immediately preceding the Calculation Date and notified to the Make-whole Calculation Agent. The Benchmark Rate (and the reference of the Similar Security if applicable) will be published by the Issuer in accordance with Condition 13 (*Notices*).

**Calculation Date** means the third Business Day prior to the Make-whole Redemption Date.

**Make-whole Margin** means:

- (i) 0.40 per cent. *per annum* if the Make-whole Redemption Date occurs prior to the First Step-up Date;
- (ii) 0.45 per cent. *per annum* if the Make-whole Redemption Date occurs on or after the First Step-up Date but prior to the Second Step-up Date; and
- (iii) 0.50 per cent. *per annum* if the Make-whole Redemption Date occurs on or after the Second Step-up Date.

**Make-whole Redemption Amount** means, in respect of each Note, an amount in Euro, determined by the Make-whole Calculation Agent, equal to the sum of:

- (i) the greater of (x) the principal amount of such Note and (y) the sum (rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards)) of the present values as at the Make-whole Redemption Date of the remaining scheduled payments of principal and interest on such Note (excluding any Arrears of Interest and Additional Interest Amount thereon and any interest accruing on such Note from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date to, but excluding, the Make-whole Redemption Date) discounted from (A) the First Optional Redemption Date, if the relevant Make-whole Redemption Date occurs prior to the First Optional Redemption Date, or (B) the next succeeding Interest Payment Date, if the relevant Make-whole Redemption Date occurs after the First Reset Date to such Make-whole Redemption Date, in each case on the basis of the relevant Day Count Fraction at a rate equal to the Make-whole Redemption Rate; and
- (ii) any interest accrued and any Arrears of Interest (and Additional Interest Amount thereon) but not paid on such Note from, and including, the last Interest Payment Date or, as the case may be, the Issue Date, immediately preceding such Make-whole Redemption Date, to, but excluding, the Make-whole Redemption Date.

**Make-whole Redemption Rate** means the sum, as calculated by the Make-whole Calculation Agent, of the Benchmark Rate and the Make-whole Margin.

**Reference Bond** means the German government treasury bond bearing interest at a rate of 0.500 per cent. *per annum* due 15 February 2028, with ISIN DE0001102440.

**Reference Dealers** means four banks selected from time to time by the Make-whole Calculation Agent, at its sole discretion, which are primary European government security dealers or makers in pricing corporate bond issues.

**Reference Screen Rate** means Bloomberg HP page for the Reference Bond (using the settings "Mid YTM" and "Daily").

**Similar Security** means a reference bond or reference bonds issued by the German Government selected as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed (assuming for this purpose only that the Notes mature: (A) if the relevant Make-whole Redemption Date occurs prior to the First Optional Redemption Date or (B) on the next succeeding Interest Payment Date, if the relevant Make-whole Redemption Date occurs after the First Reset Date) that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities comparable to the Notes.

#### 6.4 Redemption for Taxation Reasons

- (i) If a Gross-Up Event shall occur after the Issue Date, the Issuer may, at its option, at any time, subject to having given not more than forty (40) nor less than ten (10) calendar days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 13 (*Notices*), redeem all (but not some only) of the Notes at the Early Redemption Price, provided



that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding or deduction for French taxes.

- (ii) If a Withholding Tax Event shall occur after the Issue Date, then the Issuer shall forthwith give notice of such event to the Fiscal Agent and the Issuer may, at its option, at any time, subject to having given not less than seven (7) calendar days' prior notice to the Noteholders, in accordance with Condition 13 (*Notices*), redeem all (but not some only) of the Notes at the Early Redemption Price on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding or deduction for French taxes, or, if such date is past, as soon as practicable thereafter.
- (iii) If a Tax Deduction Event shall occur after the Issue Date, the Issuer may, at its option, at any time (subject to having given not more than forty (40) nor less than ten (10) calendar days' prior notice to the Noteholders (which notice shall be irrevocable)), in accordance with Condition 13 (*Notices*), redeem all (but not some only) of the Notes at the Early Redemption Price, provided that the effective date of redemption of which notice hereunder may be given shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.

#### **6.5 Redemption following an Accounting Event**

If an Accounting Event shall occur on or after the Issue Date, the Issuer may at its option redeem all (but not some only) of the Notes at the Early Redemption Price subject to the Issuer having given the Noteholders not less than ten (10), or more than forty (40), calendar days' prior notice (which notice shall be irrevocable), in accordance with Condition 13 (*Notices*).

#### **6.6 Redemption following an Equity Credit Rating Event**

If an Equity Credit Rating Event shall occur on or after the Issue Date, the Issuer may at its option redeem all (but not some only) of the Notes at any time, subject to the Issuer having given the Noteholders not less than ten (10), or more than forty (40), calendar days' prior notice (which notice shall be irrevocable), in accordance with Condition 13 (*Notices*), at the Early Redemption Price, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last calendar day before the date on which all or any of the Notes are assigned a level of equity credit that is lower than the level or equivalent level of equity credit assigned to the Notes by the relevant Rating Agency on the Issue Date, or if such equity credit was not assigned on the Issue Date, at the date when the equity credit was assigned for the first time.

#### **6.7 Redemption following a Substantial Repurchase Event**

If a Substantial Repurchase Event shall occur after the Issue Date, the Issuer may at its option, at any time, redeem all (but not some only) of the outstanding Notes at the Early Redemption Price, subject to the Issuer having given the Noteholders not less than ten (10), or more than forty (40), calendar days' prior notice (which notice shall be irrevocable), in accordance with Condition 13 (*Notices*).

#### **6.8 Purchases**

The Issuer may at any time purchase Notes in the open market or otherwise (including by way of tender or exchange offers) at any price in accordance with applicable laws and regulations. All Notes purchased by, or for the account of, the Issuer may, at its sole discretion, be held and resold or cancelled in accordance with applicable laws and regulations.

#### **6.9 Cancellation**

All Notes which are purchased for cancellation by the Issuer pursuant to this Condition 6 (*Redemption and Purchase*) will forthwith be cancelled in accordance with applicable laws and regulations. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## **7. PAYMENTS**

### **7.1 Method of Payment**

Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest and Additional Interest Amounts) in respect of the Notes will be made in euro by credit or transfer to a euro denominated account (or any other account to which euros may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET 2 System.

Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments validly made to such Account Holders in favour of the Noteholders will be an effective discharge of the Issuer in respect of such payments.

All payments are subject in all cases to any applicable fiscal or other laws, regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*).

### **7.2 Payments on Business Days**

If any due date for payment of principal or interest in respect of any Note is not a Business Day, then the Noteholder shall not be entitled to payment of the amount due until the next following day which is a Business Day and the Noteholder shall not be entitled to any interest or other sum in respect of such delay.

No commission or expenses shall be charged to the Noteholders in respect of such payments.

### **7.3 Fiscal Agent, Paying Agent, Calculation Agent and Make-whole Calculation Agent**

The names of the initial Agents and their specified offices are set out below:

Fiscal Agent, Principal Paying Agent and Calculation Agent :

**Société Générale**  
32 rue du Champ de Tir  
CS 30812  
44308 Nantes Cedex 3  
France

Make-whole Calculation Agent:

**Aether Financial Services S.A.S.**  
36 rue de Monceau  
75008 Paris  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Principal Paying Agent, Paying Agent, the Calculation Agent or the Make-whole Calculation Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be (i) a Fiscal Agent, a Principal Paying Agent, a Calculation Agent and a Make-whole Calculation Agent having a specified office in a European city and (ii) a Paying Agent having a specified office in such city as shall be required by the rules of any exchange on which the Notes are listed from time to time. Notices of any such change or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders or another Calculation Agent in accordance with Condition 13 (*Notices*) and, so long as the Notes are admitted to trading on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

## **8. TAXATION**

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental

charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of France or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If French law should require that payments of principal or interest made by the Issuer in respect of any Note be subject to withholding or deduction in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature levied by the Republic of France, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with France other than the mere holding of the Note.

References in these Conditions to (i) **principal** shall be deemed to include any premium, any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes, the Early Redemption Price and all other amounts in the nature of principal payable pursuant to Condition 6 (*Redemption and Purchase*) or any amendment or supplement to it, (ii) **interest** shall be deemed to include all accrued interest and all other amounts (including, for the avoidance of doubt, if any, all Arrears of Interest and all Additional Interest Amount) payable pursuant to Condition 6 (*Redemption and Purchase*) or any amendment or supplement to it and (iii) **principal** and/or **interest** and/or **other revenues** shall be deemed to include any Additional Amounts that may be payable under this Condition.

## 9. ENFORCEMENT EVENTS, NO EVENTS OF DEFAULT AND NO CROSS DEFAULT

There are no events of default in respect of the Notes. There is no cross default under the Notes.

However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any, and any Arrears of Interest (including any Additional Interest Amounts thereon) to the date of payment, in the event that a judgment is rendered by any competent court for the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery (*redressement judiciaire*) procedure, or in the event of the voluntary dissolution of the Issuer or if the Issuer is liquidated for any other reason (and in all cases listed above, other than pursuant to a consolidation, amalgamation or merger or other reorganisation outside the context of an insolvency and where the resulting entity assumes the obligations of the Issuer under the Notes). No payments will be made to holders of any Junior Securities of the Issuer before all amounts due, but unpaid, to all Noteholders have been paid by the Issuer.

## 10. REPRESENTATION OF NOTEHOLDERS

The Noteholders will be grouped automatically for the defence of their common interests in a *Masse* (the **Masse**) which will be governed by the provisions of articles L. 228-46 *et seq.* of the French *Code de commerce* as amended by this Condition 10 (*Representation of Noteholders*) and, in particular, with the exception of Articles L. 228-65 I 1°, 3° and 4° of the French *Code de commerce* as per Condition 10.9 (*Exclusion of certain provisions of the French Commercial Code (Code de commerce)*) below.

### 10.1 Legal Personality

The *Masse* will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through collective decisions of the Noteholders (the **Collective Decisions**).

The *Masse* alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which may accrue with respect to the Notes.

### 10.2 Representative

The following person is designated as Representative:

The Issuer shall pay to the Representative of the Masse an amount equal to €400 *per annum* (excluding taxes), which shall be due for the first time on the Issue Date and thereafter in accordance with the terms of a separate agreement between the Issuer and the Representative. No additional remuneration is payable in relation to any further notes issued pursuant to Condition 12 (*Further Issues*).

In the event of death, liquidation, dissolution, retirement, resignation or revocation of the Representative, such Representative will be replaced by its alternate, if any, or another Representative may be appointed. Collective Decisions in relation to the appointment or replacement of the Representative shall be published in accordance with Condition 13 (*Notices*).

### 10.3 Powers of the Representative

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders, with the capacity to delegate its powers.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

### 10.4 Collective Decisions

Collective Decisions are adopted either (i) in a general meeting (the **General Meeting**) or (ii) by unanimous consent of the Noteholders following a written consultation (the **Written Unanimous Resolutions**, as further described in Condition 10.6 (a) below), or (iii) by consent of one or more Noteholders holding together at least two-third (2/3) of the principal amount of the Notes outstanding, following a written consultation (the **Written Majority Resolutions**, as further described in Condition 10.6 (b) below and together with the Written Unanimous Resolutions, the **Written Resolutions**).

In accordance with Article R. 228-71 of the French *Code de commerce*, the rights of each Noteholder to participate in Collective Decisions will be evidenced by entries in the books of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) of the name of such Noteholder as of 0:00 Paris time, on the second (2<sup>nd</sup>) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 13 (*Notices*).

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Notes of such Series.

### 10.5 General Meetings

A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth (1/30) of the principal amount of Notes outstanding, may address to the Issuer and the Representative a demand for a General Meeting to be called. If such General Meeting has not been called within two (2) months after such demand, the Noteholders may commission one of them to petition the competent court to appoint an agent (*mandataire*) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if the Noteholders present or represented hold at least one-fifth (1/5) of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. The decisions of the General Meeting shall be taken by a two-thirds (2/3) majority of votes cast by the Noteholders attending such General Meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 13 (*Notices*) not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence or by videoconference.

Each Noteholder or Representative thereof will have the right, during the fifteen (15) calendar day period on the first convocation and five (5) calendar day period on the second convocation preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting.

The General Meeting is chaired by the Representative. In the event of the absence of a representative at the start of a General Meeting and if no Noteholder is present or represented at the General Meeting, the Issuer may, notwithstanding the provisions of Article L. 228-64 of the French *Code de commerce*, designate a provisional chairman until a new Representative has been appointed.

## 10.6 Written Resolutions and Electronic Consent

Pursuant to Article L. 228-46-1 of the French *Code de commerce* the Issuer shall be entitled in lieu of the holding of a General Meeting to seek approval of a resolution from the Noteholders by way of a Written Unanimous Resolution or a Written Majority Resolution.

### (a) *Written Unanimous Resolution*

Written Unanimous Resolutions shall be signed by or on behalf of all Noteholders and shall not have to comply with formalities and time limits referred to in Condition 10.6 (b). Pursuant to Articles L. 228-46-1 and R. 225-97 of the French *Code de commerce*, approval of a Written Unanimous Resolution may also be given by way of electronic communication allowing the identification of Noteholders (**Electronic Consent**). Any Written Unanimous Resolution shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Such Written Unanimous Resolution may be contained in one document, or in several documents in like form each signed by or on behalf of one or more of such Noteholders, and shall be published in accordance with Condition 13 (*Notices*).

### (b) *Written Majority Resolution*

Notices seeking the approval of a Written Majority Resolution, which shall include the text of the proposed resolutions together with any report thereon, will be published as provided under Condition 10.5 no less than fifteen (15) calendar days prior to the date fixed for the passing of such Written Majority Resolution (the **Written Majority Resolution Date**). Notices seeking the approval of a Written Majority Resolution will contain the conditions of form and time limits to be complied with by the Noteholders who wish to express their approval or rejection of such proposed Written Majority Resolution. Noteholders expressing their approval or rejection before the Written Majority Resolution Date will undertake not to dispose of their Notes until after the Written Majority Resolution Date.

Written Majority Resolutions shall be signed by one or more Noteholders holding together at least two-thirds (2/3) of the nominal amount of the Notes outstanding. Approval of a Written Majority Resolution may also be given by Electronic Consent. Any Written Majority Resolution shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Noteholders. Such Written Majority Resolution may be contained in one document, or in several documents in like form each signed by or on behalf of one or more of such Noteholders, and shall be published in accordance with Condition 13 (*Notices*).

## **10.7 Expenses**

The Issuer shall pay all expenses relating to the operations of the *Masse*, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

## **10.8 Outstanding Notes**

For the avoidance of doubt, in this Condition 10, the term "**outstanding**" shall not include those Notes purchased by the Issuer, or on its behalf, or by any of its subsidiaries pursuant to applicable laws and regulations.

## **10.9 Exclusion of certain provisions of the French Commercial Code (*Code de commerce*)**

The provisions of Article L. 228-65 I. 1° and 4° of the French *Code de commerce* (respectively providing for a prior approval of the General Meeting of the Noteholders of any change in corporate purpose or form of the Issuer or of an issue of bonds benefiting from a security (*sûreté réelle*)) and the related provisions of the French *Code de commerce* shall not apply to the Notes.

The provisions of Article L. 228-65 I. 3° of the French *Code de commerce* (providing for a prior approval of the Noteholders in relation to any proposal to merge or demerge the Issuer in the cases referred to in Articles L. 236-13 and L. 236-18 of the French *Code de commerce*) shall not apply to the Notes to the extent that such proposal relates to a merger or demerger with another entity of the Group.

## **11. PRESCRIPTION**

Claims against the Issuer for the payment in respect of the Notes shall be prescribed and become void within ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

## **12. FURTHER ISSUES**

The Issuer may, without the consent of the Noteholders create and issue further Notes to be assimilated (*assimilées*) and form a single series with the Notes provided such Notes and the further Notes carry rights identical in all respects (or in all respects save for the issue date) and that the terms of such further Notes provide for such assimilation, and references in these Conditions to "**Notes**" shall be construed accordingly. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will, for the defence of their common interests, be grouped in a single *Masse* having legal personality.

## **13. NOTICES**

Any notice to the Noteholders will be valid if delivered to the Noteholders through Euroclear France, Euroclear or Clearstream, for so long as the Notes are cleared through such clearing systems and published on the website of the Issuer ([www.finance.veolia.com](http://www.finance.veolia.com)) and so long as the Notes are admitted to trading on Euronext Paris and the rules of Euronext Paris so require, on the website of Euronext Paris ([www.euronext.fr](http://www.euronext.fr)). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

## **14. GOVERNING LAW AND JURISDICTION**

### **(a) Governing Law**

The Notes are governed by, and shall be construed in accordance with, French law.

(b) Jurisdiction

Any claim against the Issuer in connection with any Notes may be brought before any competent court in Paris.

***Replacement Capital Language:***

*The following paragraph in italics does not form part of the Conditions:*

***Considerations regarding redemption and repurchase of the Notes:***

*The Issuer intends (without thereby assuming a legal obligation) at any time that it will (a) redeem or (b) repurchase the Notes only to the extent the aggregate principal amount of the Notes to be redeemed or repurchased does not exceed the net proceeds received by the Issuer or any Subsidiary of the Issuer prior to or on the date of such redemption or repurchase from the sale or issuance by the Issuer or such Subsidiary to third party purchasers (other than group entities of the Issuer) of securities which are assigned by S&P at the time of sale or issuance, an aggregate "equity credit" (or such similar nomenclature used by S&P from time to time) that is equal to or greater than the "equity credit" assigned to the Notes to be redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes), unless*

- (i) the credit rating or the stand-alone credit profile assigned by S&P to the Issuer is at least the same as or higher than the credit rating or stand-alone credit profile assigned to the Issuer on the date when the most recent additional hybrid security was issued (excluding refinancings without net new issuance) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase, or*
- (ii) in the case of a repurchase or a redemption, taken together with other relevant repurchases or redemptions of hybrid securities of the Issuer, such repurchase or redemption is less than (x) 10 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of 12 consecutive months or (y) 25 per cent. of the aggregate principal amount of the Issuer's outstanding hybrid securities in any period of ten consecutive years, provided that such repurchase or redemption has no materially negative effect on the Issuer's credit profile, or*
- (iii) if the Notes are not assigned an "equity credit" (or such similar nomenclature then used by S&P at the time of such redemption or repurchase), or*
- (iv) the Notes are redeemed pursuant to an Equity Credit Rating Event, Accounting Event, Withholding Tax Event, Tax Gross-up Event or a Tax Deduction Event, or*
- (v) in the case of any repurchase or redemption, such repurchase or redemption relates to an aggregate principal amount of Notes which is less than or equal to the excess (if any) above the maximum aggregate principal amount of the Issuer's hybrid capital to which S&P then assigns equity content under its prevailing methodology, or*
- (vi) any such redemption or repurchase occurs on or after the Second Step-up Date.*

*Terms used but not defined in the above paragraphs shall have the same meaning as that in the Conditions.*



## **USE OF PROCEEDS**

The estimated net proceeds of the issue of the Notes will amount to €497,500,000.

The proceeds of the Notes will be used by the Issuer for general corporate purposes.

## DESCRIPTION OF THE ISSUER

For a general description of the Group, its activities and its financial condition, please refer to the sections and pages of the 2020 Universal Registration Document, of the Amendment to the 2020 Universal Registration Document and of the Third Quarter 2021 Financial Information identified in the cross-reference table of the "*Documents Incorporated by Reference*" section of this Prospectus and the "*Recent Developments*" section of this Prospectus.

## RECENT DEVELOPMENTS

The following recent developments are disclosed by the Issuer:

1. Press release dated 4 November 2021

### KEY FIGURES AS OF SEPTEMBER 30, 2021

(UNAUDITED DATA - AUDIT IN PROCESS)

#### A RECORD 9 MONTH 2021 RESULTS DELIVERY

#### REVENUE AND RESULTS SIGNIFICANTLY ABOVE 2020 AND 2019

#### ACCELERATION OF RESULTS GROWTH IN THE 3RD QUARTER

#### VEOLIA IN A VERY SOLID POSITION AHEAD OF SUEZ ACQUISITION

- **STRONG REVENUE GROWTH, TO €20 357M UP +9.4%<sup>1</sup> vs. 9M 2020 AND UP +4.7%<sup>1</sup> vs. 9M 2019**
- **VERY STRONG EBITDA GROWTH, TO €3 140M, UP +26.4%<sup>1</sup> vs. 9M 2020, AND UP +10.2%<sup>1</sup> vs. 9M 2019**
- **EFFICIENCY GAINS OF €299M, AHEAD OF ANNUAL TARGET OF €350M**
- **VERY STRONG CURRENT EBIT GROWTH, TO €1 258M, UP +68.7%<sup>2</sup> vs. 9M2020 AND UP +9.1%<sup>2</sup> vs. 9M 2019**
- **RECORD CURRENT NET INCOME GROUP SHARE OF €667M, MULTIPLIED BY MORE THAN 5 vs. 9M 2020 AND UP+44%<sup>2</sup> vs. 9M 2019**
- **NET FREE CASHFLOW STRONGLY UP, BY +€960M vs. 9M 2020, TO €583M**
- **2021 GUIDANCE FULLY CONFIRMED**

<sup>1</sup> Variation at constant exchange rates

**Antoine Frérot, Veolia's Chairman & CEO commented:** « After a flying start to the year, Veolia has maintained an outstanding pace of growth in the 3rd quarter, even stronger than in 2019, both in terms of activity and results. All indicators are green. Our commercial momentum is particularly strong, thanks to expanding markets and offers that integrate more and more added value. Moreover, our strict cost control has enabled us once again to benefit from a strong operating leverage. Our financial performance in the first 9 months of 2021 is not only much better than in 2020, which was penalized by the sanitary crisis in the first 2 quarters of the year, but also very much ahead of 2019, which was a record year of profits for Veolia. 2021 guidance is therefore fully confirmed. Our teams have also remained fully committed to finalizing the acquisition of Suez around year-end. We are now all looking forward to welcoming Suez's teams in order to create the world leader in ecological transformation. »

- **Revenue of €20 357M vs. €18 705M in the 9 months 2020, an increase of +8.8% at current exchange rates and of +9.4% at constant exchange rates.**

In the first 9 months of 2021 Veolia's activity progressed significantly. The adaptation measures put in place early 2020 to face the sanitary crisis have contributed to recover a very positive momentum as from the second half of 2020, which has continued in 2021.

At constant exchange rates, after a growth of 4.0% in Q1,2021 and of +19.7% in Q2,2021 compared to Q2 2020 which was the most penalized quarter by the sanitary crisis (revenue was down 11%), Q3 2021 progressed by 5.9%, versus Q3 2020 which was nearly flat.

Compared to « pre-Covid » 2019, revenue in the 9 months 2021 increased by 4.7% at constant exchange after +4.6% in H1,2021.

Exchange rates variations unfavorably impacted revenue growth by -0.6% (-€111M)

Scope effect was +€135M. Growth in Central and Eastern Europe (Czech Republic and Hungary mainly) and in Global Businesses (acquisition of Osis from Suez) more than offset the divestment of Sade Telecom and of the industrial cleaning activity in Singapore.

Energy prices (heat and electricity) had a favorable impact on revenue of +€131M and recycled material prices of +€358M of which +€238M for paper and cardboard, strongly up, of €28M for plastics and of €49M for metals.

Weather effect was a positive of +€47M, down compared to H1. After a cold winter, favorable for the energy activities, rainy summer penalized water volumes in France.

The Volumes/Commerce impact was very positive, +€812M, or +4.3% on the Group's revenue, thanks to a continued solid commercial momentum in all our businesses, the volume rebound in Waste and the recovery of works.

Service prices continued to be well oriented, leading to a favorable impact of +€280M on the Group's revenue, or +1.5%, after +1.3% in the first half.

*By geography and at constant exchange rates, the evolution over the 1st nine months of 2021 is as follows*

- **In France**, revenue grew strongly, by +10.3% vs. 9M2020 and by +3.5% vs. 2019, to €4 320M. Water revenue increased by +1.7% with moderate tariff indexation of +0.7% and volumes down by 2%, due to the rainy summer, which effect was offset by the works recovery.

Waste revenue grew sharply versus 2020 (+20.6% in the 9 months after +23.5% in H1) thanks to new contracts and the start-up of a new incineration facility. Volumes were up by +7.3% and recovered their pre-Covid level, and price effect was +3.0%. Waste activities also benefitted from increased recycled materials prices (impact of +8.2% on the Waste revenue), with an average recycled papers selling price of €165 per ton, a doubling versus 2020. Revenue growth was also very significant compared to 2019, +10%.

- **Europe excluding France** maintained the growth rhythm registered in the first half, with a revenue of €7 656 M, up +13.8% vs. 9M 2020 and up +12.1 % vs. 9M 2019. This progression is mostly attributable to Central and Eastern Europe, with a revenue of €2 853 M, up +23.3%, mainly in the Energy business, up 35% thanks to favorable weather, increased heat and electricity prices, and the integration of new assets in Prague and Budapest. Water activity grew by +1.5% with stable volumes (+0.2%). UK and Ireland revenue was €1 772 M, an increase of +6.3%, thanks to the continued growth in C&I waste, very high recycled material prices and an excellent availability rate of the PFIs (93.7%). Increased electricity prices had no impact as volumes were pre-sold. Revenue in Germany was €1 436M up +7.1% and even +12.6% at constant perimeter, due to C&I volume recovery and high recycled material prices. Scandinavia and the Netherlands registered double-digit growth due to good commercial performance with industrial clients and strong plastic recycling activity. Italy, Portugal and Spain grew by +15.5% with new contracts.
- **Rest of the World** revenue came out up +5.2% compared to 9M 2020, to €5 059 M. All geographies progressed, except Pacific, slightly down (-0.9%). Asia grew by +3.5%, including China-Hong Kong up +6.5%. Latin America once again registered strong growth, of +15.1% thanks to commercial dynamism, price increases and hazardous waste growth. North America grew by +3.5% due to good hazardous waste volumes and price increases, which more than offset the temporary shutdowns due to the cold wave in Texas in Q1 and the IDA hurricane at the beginning of September. Africa Middle East grew by +10%, thanks notably to new contracts in the Middle East.
- **Global business** came out to €3 319 M up +5.7% compared to 9M 2020, and by +9% at constant perimeter (mainly excluding the divestment of Sade Telecom). Veolia Water Technologies grew by +4.8%. SADE progressed by +7.3% at constant scope. Hazardous waste activity continued to grow sharply, up +27.5% vs. 9M 2020 and up +16.5% vs. 2019. This activity remains fast growing in all our geographies. Industrial and energy services have confirmed their recovery and are up by +16.3%.

*By business, at constant scope and exchange rates, the evolution over the 9 months is as follows:*

Water revenue increased by +1.7%, with prices up 0.7% and volumes down 2% in France and up 0.2% in Central and Eastern Europe, and solid works activity. Water Technology and Networks grew by 6.1%.

Waste revenue increased by 14.3%, including volumes up +5.4%, continued well oriented prices (up 2.8%) and the impact of higher recycled material prices (+5.1% effect), which has strengthened in the 3rd quarter. Energy revenue grew sharply, by 18.2% at constant exchange rates and by 10.6% at constant scope and

exchange rates, with a favorable weather impact of +1.6% on revenue (+€60M) and a heat and electricity prices impact of +3.4%

- **Strong growth of EBITDA to €3 140M vs. €2 492M in the 1st nine months of 2020, an increase of +26.4% at constant exchange rates and of +10.2% vs. 2019.**
  - Exchange rates variations unfavorably impacted EBITDA by -€10M (-0.4%) while scope had a positive effect of +€66M (+2.6%).
  - Solid growth of revenue vs. 9M 2020 translated into a good operating leverage effect at the EBITDA level. The strong growth of EBITDA was driven by higher volumes and activity level for +€267M (+10.7% impact), by efficiency gains for €299M, ahead of the annual objective of €350M (+12% impact), by higher recycle and energy prices for +€98M (+4.0%) and finally by a price cost squeeze effect of -€155M (-6.2%). Weather impact was neutral, as cold winter in Energy was offset by rainy summer for Water in France.
  - EBITDA also benefitted in Q3 from a positive Operating Financial Asset (OFA) reimbursement one-off of +€83M, due to the completion of a waste-to-energy facility in France. EBITDA growth remains very strong even excluding this one off, at +23.1% vs. 9M 2020. This one off EBITDA item had no impact at the EBIT level. In the 4th quarter it will be offset by CO2 cash costs settlements for 2021 and by the implementation of the new IFRS treatment (IAS 38) of IT spending. The one off items will therefore be neutralized.
- **Current EBIT growth of +68.7% to €1 258 M vs. €748M in 2020.**
  - Exchange rates variations weighed in for -€4M.
  - The very strong Current EBIT growth of +€510M can be analyzed as follows :
    - EBITDA growth for +€658M at constant exchange rates
    - Depreciation and amortization (including Operating Financial Assets reimbursements) increased by €176M due to the integration of new assets in Energy in Central and Eastern Europe and to the OFA one off of €83M (neutralized at EBIT level)
    - Provisions, fair value adjustments and industrial capital gains improved from -€14M to +€29M from 2020 to 2021, thanks to industrial divestitures capital gains, while provisions increase from -€34M to -€17M in 2020.
    - Current net income from joint ventures and associates reached €69M vs. €73M in 2020, mainly due the divestment of the Shenzhen Chinese water concession.
- **Record level for Current Net income Group share: €667M vs. €126M in 2020 and €468M in 2019.**
  - Current net income group share increased sharply, thanks to :
    - Very strong increase of Current EBIT
    - Cost of financing down sharply, by €73M to -€242M, due to very favorable Euro debt refinancing (Euro bond average borrowing rate of 1.94%), and to the unwinding of a portfolio of interest rates derivatives which generated a €20M income.
    - Suez dividend corresponding to our 29.9% stake for +€122M.
    - Other financial income and expense stable at -€125M.
    - Net financial capital gains of +€7M in 9M 2021 vs. +€9M in 9M 2020.
    - Higher income tax expense of -€241M vs. -€98M in 9M 2020. Current tax rate was 25%.
    - Non-controlling interest increased to -€112M vs. -€92M in 9M 2020.
- **Net financial debt of €13 445M at September 30, 2021 vs. €13 217M at December 31, 2020. Record Free Cash Flow of +€583M**

- Net financial debt is stable excluding unfavorable exchange rates impact of -€203M
  - Controlled Net industrial capex: €1 355M vs. €1 334M in 9M 2020.
  - Strict WCR management has led to an improvement of €291M
  - Net free cash flow generation therefore increased significantly to reach +€705M vs. -€377M at 30 September 2020. Excluding the Suez dividend of +€122M, it stands at +€583M.
  - Net financial investments amounted to €258M and including mainly the closing of the acquisition of Osis from Suez which had been initiated prior to the launch of the offer on the entire Suez Group.
  - Exchange rates variations had an unfavorable impact on net financial debt of -€145M
- **2021 Prospects\* fully confirmed**

Following the excellent 9M performance, **we fully confirm our full year guidance**

- Revenue above 2019
- **More than €350M of efficiency gains** : €250M recurring efficiencies and €100M of complementary savings from the Recover & Adapt plan
- **EBITDA target of more than €4.1bn**, a growth >12% vs. 2020
- **Net financial debt below €10bn** at the end of 2021 and a leverage ratio below 3 times
- Objective to recover the pre-crisis dividend policy in 2021

*\* At constant forex*

## **Merger with Suez**

The different steps of the combination with Suez proceed as planned and according to the previously announced timetable. Several major milestones have been reached during the 3rd quarter of which:

- On July 20th, the French Stock Exchange Authority (AMF) declared Veolia's proposed tender offer on the remaining 70.1% stake in Suez, previously filed on June 30th, compliant. The Tender Offer Document, the Note in Response from Suez as well as the information required in accordance with Article 231-28 of the AMF General Regulation are available on the websites of the AMF, Veolia and Suez. The Tender Offer has been opened since July 29th
- A rights issue of €2.5 billion was completed with the settlement and delivery of the new shares on October 8th, 2021.
- After the information consultation process with the employee representative bodies of Suez was completed, the Share and Asset Purchase Agreement was signed with the Consortium in order to create New Suez. Terms and conditions are fully aligned with the binding offer signed on June 29th.
- The anti-trust process is proceeding as planned. In particular, the official filing before the European Commission was done on October 22nd.

## FINANCIAL INFORMATION FOR THE PERIOD ENDED SEPTEMBER, 30 2021

### A| KEY FIGURES

Group key figures for the nine months ended September 30, 2021 are presented below. Re-presented comparative figures for the nine months ended September 30, 2020 include IFRS 2 share-based payment impacts in current items. A reconciliation of published and re-presented indicators is presented in the Appendices.

(€ million)	Nine months ended September 30, 2020 published	Nine months ended September 30, 2020 re-presented	Nine months ended September 30, 2021	Change 2020 / 2021		
				Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
Revenue	18,705	18,705	20,357	8.8%	9.4%	8.7%
EBITDA <sup>(1)</sup>	2,492	2,492	3,140	26.0%	26.4%	23.8%
EBITDA margin	13.3%	13.3%	15.4%			
Current EBIT <sup>(1)</sup>	771	748	1,258	68.2%	68.7%	69.1%
Current net income - Group Share	149	126	667	427.9%	428.2%	436.1%
Current net income - Group Share excluding capital gains and losses on financial divestitures net of tax	139	116	662	468.5%	468.5%	477.1%
Net industrial investments	(1,334)	(1,334)	(1,355)			
Net free cash flow <sup>(2)</sup>	(377)	(377)	705			
Opening net financial debt	(10,680)	(10,680)	(13,217)			
Closing net financial debt	(11,745)	(11,745)	(13,445)			

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

(2) The indicators are defined in Chapter 5, Section 5.5.8 of the 2020 Universal Registration Document.

The main foreign exchange impacts on key figures were as follows:

	%	(€ million)
FX impacts vs. September 30, 2020		
Revenue	-0.6%	-111
EBITDA	-0.4%	-10
Current EBIT	-0.5%	-4
Current net income	-0.3%	-0.4
Net financial debt	1.5%	203

## B| INCOME STATEMENT

### 1. GROUP CONSOLIDATED REVENUE

#### 1.1. REVENUE BY OPERATING SEGMENT

The Group consolidated revenue totaled €20,357 million for the nine months ended September 30, 2021, compared with €18,705 million for the nine months ended September 30, 2020, **up +9.4% at constant exchange rates and +8.7% organically**.

Quarterly revenue trends at constant exchange rates by operating segment for the first nine months of 2021 are as follows:

	Q1 2021	Q2 2021	Q3 2021
<i>Change at constant exchange rates vs. 2020.</i>			
France	5.7%	23.5%	3.4%
Europe, excluding France	9.0%	20.9%	13.0%
Rest of the world	0.6%	7.7%	7.5%
Global business	-5.0%	32.5%	-5.8%
<b>Group</b>	<b>4.0%</b>	<b>19.7%</b>	<b>5.9%</b>

Following a post-health crisis recovery in Group activity in Q3 2020, Q3 2021 revenue growth (+5.9% at constant exchange rates) confirmed first-half trends. The third quarter confirmed:

- the continued upturn in waste activities which benefited from strong volume growth, higher service prices and the positive impact of recyclate prices,
- growth in energy activities boosted by the positive impact of tariff reviews
- the ongoing resilience of water activities, despite a negative weather impact on water volumes in France due to a wet summer and a high comparison base following the post-health crisis recovery in construction activity in Q3 2020.

(€ million)	Nine months ended September 30, 2020	Nine months ended September 30, 2021	Change 2020 / 2021		
			Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
France	3,918	4,320	10.3%	10.3%	10.3%
Europe, excluding France	6,702	7,656	14.2%	13.8%	10.5%
Rest of the world	4,921	5,059	2.8%	5.2%	4.8%
Global business	3,160	3,319	5.0%	5.7%	9.0%
Other	4	3	-	-	-
<b>Group</b>	<b>18,705</b>	<b>20,357</b>	<b>8.8%</b>	<b>9.4%</b>	<b>8.7%</b>

Revenue increased +10.3% in **France** compared with the nine months ended September 30, 2020:

- Water revenue is up +1.7% year-on-year boosted by increased construction activities which returned to 2019 levels and the positive impact of tariff reviews (+0.7%) which offset lower water volumes due to a wet summer in Q3.
- Waste revenue rose +20.6% year-on-year continuing the H1 recovery, with higher volumes in industrial waste collection (+7.8%) and landfill (+1.5%), favorable recyclate price trends (paper, plastic and ferrous and non-ferrous metals) and the positive impact of tariff reviews.



**Europe excluding France** revenue grew 13.8% at constant exchange rates compared with the nine months ended September 30, 2020, continuing to benefit from higher recycle prices and a positive weather effect in energy at the beginning of the year. These items combined with the integration of new entities in Central and Eastern Europe and the end of the health crisis in the United Kingdom offset waste volumes which remained below pre-health crisis levels:

- In **Central and Eastern Europe**, revenue increased +23.3% at constant exchange rates year-on-year to €2,853 million. This growth was mainly driven by:
  - o organic growth in all activities (+10.3% at constant scope and exchange rates) chiefly underpinned by higher tariff indexation in energy (in Poland and Hungary) and water (in the Czech Republic, Bulgaria and Romania) and a positive weather effect of €55 million (Czech Republic and Poland) observed in H1;
  - o a scope impact of €304 million, with the integration of new activities acquired at the end of 2020 in cogeneration in Hungary (BERT), heat distribution in the Czech Republic (Prague Right Bank) and waste in Russia (MAG);
- In the **United Kingdom/Ireland**, revenue increased +6.3% at constant exchange rates to €1,772 million. In Q3, revenue continued to benefit from higher recycle prices (paper and metals), an upturn in industrial waste and landfill volumes, which nearly returned to pre-health crisis levels and excellent incinerator performance (availability rate of 93.7%).
- In **Northern Europe**, revenue grew +8.0% at constant exchange rates year-on-year to €2,076 million. In Germany, revenue grew +12.6% at constant scope, thanks to the surge in recycle prices (€116 million, including €91 million for paper), the good recovery in commercial waste volumes and strong energy installation activities.

Revenue increased +5.2% in the **Rest of the World** at constant exchange rates year-on-year, with growth in all geographies:

- Revenue in **Latin America** increased +15.1% at constant exchange rates, driven notably by favorable tariff indexation in Argentina (local inflation) and Colombia, growth in hazardous waste activities in Chile and Argentina and commercial wins in waste (Peru and Colombia) and water (Peru).
- In **Africa/Middle East**, revenue grew +10% at constant exchange rates following new contract wins, chiefly in energy services in the Middle East, increased water volumes in Morocco and business growth in Western Africa (Ivory Coast).
- In **North America**, revenue increased +3.5% at constant exchange rates year-on-year to €1,291 million. Hazardous waste contributed to this growth with higher volumes and a favorable price volume mix, partially offset by the impacts of the bitterly cold weather in Texas in the first quarter and hurricane Ida in September which led to the temporary shut-down of certain sites.
- Revenue in **Asia** increased +3.5% at constant exchange rates with increased hazardous waste activities in China and scope entries in China and India.
- In the **Pacific** zone, revenue fell -0.9% at constant exchange rates. The continuation of sanitary restrictions during part of the year affected waste activities (lower volumes), while energy activities were impacted by the sale of an industrial asset (impact of -€27 million).

**Global businesses** revenue increased +5.7% at constant exchange rates compared with the nine months ended September 30, 2020, despite the sale of the Sade Telecom business at the end of 2020. At constant scope and exchange rates, segment revenue increased +9%:

- **Hazardous waste activities in Europe** increased significantly by +27.5% at constant exchange rates, with good volume and price levels and a recovery in sanitation and industrial maintenance activities which returned to pre-health crisis levels. Activity also benefited from the positive scope impact tied to the acquisition of Suez RV OSIS in the first-half of the year (revenue of €116 million).
- **Veolia Water Technologies** revenue increased +4.8% at constant exchange rates with increased technological distribution activities in Europe, the ramp-up of Mobile Unit solutions and the development of municipal projects in France. VWT bookings totaled €1,045 million as of September 30, 2021, compared with €929 million one year earlier.
- **SADE** which sold its Telecom activity at the end of 2020 (scope impact of -€234 million) reported a fall of -18.8% at constant scope and exchange rates and an increase of +7.3% at constant scope and exchange rates, driven by dynamic commercial activity in France and a return to pre-crisis activity levels.

## 1.2. REVENUE BY BUSINESS

The Group's activity by business is marked by resilient **Water** activities, with growth to end-September 2021 of +2.8% at constant scope and exchange rates year-on-year. Revenue growth continued in **Waste**, exceeding H1 levels (+14.3% at constant scope and exchange rates at end-September compared with +13.7% in H1). **Energy** continued to report good activity growth in line with the first six months (+10.6% at constant scope and exchange rates compared with +10.3% in H1).

(€ million)	Nine months ended September 30, 2020	Nine months ended September 30, 2021	Change 2020 / 2021		
			Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
Water	7,890	7,810	-1.0%	-0.2%	2.8%
of which Water Operations	5,954	6,010	0.9%	1.7%	1.7%
of which Technology and Construction	1,936	1,800	-7.0%	-6.1%	6.1%
Waste	7,090	8,181	15.4%	15.5%	14.3%
Energy	3,725	4,366	17.2%	18.2%	10.6%
<b>Group</b>	<b>18,705</b>	<b>20,357</b>	<b>8.8%</b>	<b>9.4%</b>	<b>8.7%</b>

### Water revenue

**Water Operations** revenue increased +1.7% at constant scope and exchange rates year-on-year confirming the activity's resilience driven by an upturn in construction activity and good commercial momentum despite lower Q3 volumes due to reduced consumption linked to a wet summer in France.

**Technology and Construction** revenue is up +6.1% at constant scope and exchange rates compared with September 30, 2020. This increase is mainly driven by VWT, with growth reported by Westgarth (a subsidiary specializing in the Oil & Gas sector) and increased construction activity for municipalities in France and the United States.

### Waste revenue

Revenue increased +14.3% in the **Waste** business at constant exchange rates compared with the nine months ended September 30, 2020, benefiting from ongoing high recycle prices (+5.1%), volume growth (+5.4%) and positive tariff increases (+2.8%).

Recyclate prices and particularly paper prices continued to increase in the third quarter.

Overall, volumes have returned to pre-health crisis levels, except for commercial and industrial waste which remain down in certain geographies.

## Energy revenue

**Energy** revenue grew +18.2% at constant exchange rates compared with the nine months ended September 30, 2020 and +10.6% organically, restated for the scope effects of integrating Prague Right Bank heating network activities and cogeneration installations in Budapest (+€279 million in revenue).

The business' strong growth is supported by a highly favorable weather impact at the beginning of the year (+1.6%) notably in Central and Eastern Europe, an increased price effect (+3.4%) driven by price rises in Poland and Romania and higher volumes (+2.6%) notably in Italy and Central Europe.

### 1.3. ANALYSIS OF THE CHANGE IN GROUP REVENUE

The increase in revenue breaks down **by main impact** as follows:

The **foreign exchange impact** of -€111 million (-0.6% of revenue) mainly reflects fluctuations in American (-€123 million) and Asian (-€32 million) currencies, partially offset by an improvement in the Australian (+€41 million) and UK (+€42 million) currencies<sup>1</sup>.

The **consolidation scope impact** of €135 million mainly concerns the impact of integrating the Prague Right Bank urban heating network (€144 million), the Budapest cogeneration installations (€135 million) and waste processing activities in Russia (€25 million) in Central Europe. In the Global businesses segment, the sale of SADE's Telecom network activities in 2020 (-€234 million) was partially offset by the integration of OSIS in 2021 (€116 million).

The **commerce / volumes / works** impact is +€812 million, driven by higher waste volumes (+€386 million) and excellent commercial momentum.

The **weather impact** is +€47 million and mainly concerns Central Europe where the Energy business benefited from a severe winter in the first quarter, offset by the impact of a wet summer in France.

**Energy and recyclate prices** had an impact of +€489 million, driven by a strong increase in recyclate prices (+€358 million, including €238 million for paper, €28 million for plastic and €49 million for metal)) and the positive impact of energy prices in Europe and notably in Central Europe, which benefited from higher heating tariffs in Poland, and in Germany with favorable impacts on electricity sales.

**Favorable price effects** (+€280 million) are mainly tied to tariff reviews estimated at +2.8% in waste and +1.0% in water.

## 2. GROUP EBITDA

Group consolidated **EBITDA** for the nine months ended September 30, 2021 was €3,140 million, up +26.4% at constant exchange rates year-on-year. The margin rate is 15.4% at September 30, 2021, compared with 13.3% at September 30, 2020.

The increase in EBITDA between 2020 and 2021 breaks down by impact as follows:

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<sup>1</sup> Main foreign exchange impacts by currency: US dollar (-€94 million), Argentine peso (-€29 million), Japanese yen (-€29 million), Polish zloty (-€26 million), Brazilian real (-€9 million), Hong Kong dollar (-€9 million), Czech koruna (+€19 million).

The **foreign exchange impact** on EBITDA was -€10 million and mainly reflects unfavorable fluctuations in American (-€16 million), and Central European (-€3 million) currencies, partially offset by an improvement in the Australian and UK currencies<sup>2</sup>.

The **consolidation scope impact** of +€66 million mainly reflects the impact of the acquisition of the Prague Right Bank urban heating network and the Budapest cogeneration installations in 2020.

**Commerce and volume** impacts are +€267 million. This increase was driven by higher waste volumes, mainly in France and Europe, and strong construction activities in Water in France and in Global businesses (VWT).

The €83 million **one-off impact** concerns the Operating Financial Asset disposal relating to a waste to energy project in France.

Favorable **weather impact** in Energy +€23 million principally in Central Europe, partially offset by severe weather in the US and by the wet summer in France (-€23 million).

**Energy and recycle prices** had a favorable impact on EBITDA of +€98 million (vs. +€20 million at September 30, 2020), including +€75 million in recycles.

The impact of **prices net of cost inflation** is -€155 million.

**Cost-savings plans contributed** +€299 million at the end of September, ahead of the €350 million annual objective and include:

- post-health crisis additional savings efforts under the Recover & Adapt plan for €87 million;
- the efficiency plan for €212 million and mainly concerning operating efficiency (61%) and purchasing (26%) across all geographic zones: France (25%), Europe excluding France (37%), Rest of the world (25%), Global businesses (11%) and Corporate (2%).

### 3. CURRENT EBIT

Group consolidated **current EBIT** for the nine months ended September 30, 2021 was €1,258 million, up significantly by +68.7% at constant exchange rates compared with the nine months ended September 30, 2020 re-presented<sup>3</sup>.

EBITDA reconciles with Current EBIT for the nine months ended September 30, 2021 compared with September 30, 2020 as follows:

<i>(€ million)</i>	<i>Nine months ended September 30, 2020 published</i>	<i>Nine months ended September 30, 2020 re-presented</i>	<i>Nine months ended September 30, 2021</i>
<b>EBITDA</b>	<b>2,492</b>	<b>2,492</b>	<b>3,140</b>
Renewal expenses	(225)	(225)	(220)
Depreciation and amortization <sup>4</sup>	(1,555)	(1,555)	(1,730)
Provisions, fair value adjustments & other	(14)	(37)	(1)

<sup>2</sup> Foreign exchange impacts by currency: US dollar (-€10 million), Argentine peso (-€4 million), Colombian peso (-€2.0 million), Polish zloty (-€6 million), United Arab Emirates dirham (-€2 million), Hungarian forint (-€1 million), Brazilian real (-€1 million), Australian dollar (+€5 million), Czech koruna (+€5 million), pound sterling (+€7 million).

<sup>3</sup> See Appendices

<sup>4</sup> Including principal payments on operating financial assets.

Share of current net income of joint ventures and associates	73	73	69
<b>Current EBIT</b>	<b>771</b>	<b>748</b>	<b>1,258</b>

The significant +€514 million increase in Current EBIT at constant exchange rates compared with September 30, 2020 re-presented<sup>5</sup> is mainly due to:

- a marked improvement in EBITDA (+€658 million at constant exchange rates);
- an increase in depreciation and amortization<sup>(1)</sup> impacted by 2020 scope entries and the neutralization of the OFA disposal relating to a waste incinerator in France (-€83 million)
- a favorable difference in provisions and other, including higher capital gains on industrial divestitures (+€52 million at constant exchange rates) mainly relating to asset rotation transactions in Sweden and Norway.

The foreign exchange impact on Current EBIT was -€4 million and mainly reflects fluctuations in American currencies (-€8 million)<sup>6</sup>.

#### 4. NET CURRENT FINANCIAL EXPENSE

The net financial expense for the nine months ended September 30, 2021 is -€239 million, compared with -€433 million for the nine months ended September 30, 2020. This improvement is chiefly due to dividends received on Suez shares in respect of 2020 of €122 million and an improvement in the net finance cost.

##### Cost of net financial debt

The cost of net financial debt totaled -€242 million for the nine months ended September 30, 2021, compared with -€315 million for the nine months ended September 30, 2020. This significant decrease in the Group's cost of net financial debt is due to favorable bond issue refinancing conditions in 2020, historically low foreign currency interest rates with nonetheless the beginning of an uptick, as well as increased commercial paper contributing to the performance of the cost of non-euro denominated debt and the positive impact of the cancellation of the interest rate hedging portfolio (pre-hedge swaps) set-up in 2020.

The Group's financing rate (excluding IFRS 16 impacts) was therefore 2.67% at September 30, 2021, compared with 4.24% at September 30, 2020 (2.57% vs. 3.91% including IFRS 16 impacts).

##### Other financial income and expenses

Other financial income and expenses totaled +€3 million for the nine months ended September 30, 2021, compared with -€118 million for the nine months ended September 30, 2020.

They include Suez dividends for 2020 (€122 million) on shares purchased in October 2020 (29.9%) as well as interest on concession liabilities (IFRIC 12) of -€57 million and the unwinding of discounts on provisions for -€11 million.

Gains on financial divestitures recognized in the first nine months of 2021 totaled +€7 million and mainly include the capital gain on the divestiture of utilities services activities in Nordic countries (€11 million).

As of September 30, 2020, gains on current financial divestitures totaled +€9 million.

#### 5. CURRENT INCOME TAX EXPENSE

<sup>5</sup> See Appendices

<sup>6</sup> Foreign exchange impacts by currency: US dollar (-€4 million), Argentine peso (-€3 million), Polish zloty (-€2 million), United Arab Emirates dirham (-€2 million), Hungarian forint (-€1 million), Czech koruna (+€2 million) and Swedish crown (+€1 million).

The current income tax expense for the nine months ended September 30, 2021 amounted to -€241 million, compared with -€98 million for the nine months ended September 30, 2020.

The current income tax rate for the nine months ended September 30, 2021 is 25.4%, versus 40.2% for the nine months ended September 30, 2020 re-presented (36.8% as of September 30, 2020 published).

## 6. CURRENT NET INCOME

**Current net income attributable to owners of the Company** was €667 million for the nine months ended September 30, 2021, compared with €126 million for the nine months ended September 30, 2020 re-presented (€149 million for the nine months ended September 30, 2020 published). Excluding capital gains and losses on financial divestitures net of tax and minority interests, current net income attributable to owners of the Company is €662 million, compared with €116 million for the nine months ended September 30, 2020 re-presented (€139 million for the nine months ended September 30, 2020 published).

## C| CHANGES IN NET FREE CASH FLOW AND NET FINANCIAL DEBT

**Net free cash flow** for the nine months ended September 30, 2021 is +€705 million, up significantly on the nine months ended September 30, 2020 (-€377 million).

The change in net free cash flow year-on-year reflects:

- the increase in EBITDA over the first nine months through greater activity, the intensification of commercial and operating efficiency efforts and an OFA disposal relating to a waste incinerator in France.
- net industrial investments of €1,335 million, up 1.6% at current exchange rates (+2.2% at constant exchange rates):
  - Maintenance investments of €778 million (3.8% of revenue);
  - Growth investments in the current portfolio of €570 million (€516 million in the nine months ended September 30, 2020);
  - Discretionary investments of €210 million, in line with September 2020.
  - Industrial divestitures of €203 million as part of the continuation of the Group's asset rotation strategy in accordance with the objectives set in the Impact 2023 strategic plan.
- a marked improvement in the change in operating working capital requirements to -€360 million, compared with -€651 million for the nine months ended September 30, 2020 thanks to ongoing debt recovery efforts.
- the receipt of Suez dividends of €122 million on July 8, 2021 on the shares acquired in October 2020 (29.9% non-consolidated investment).

Overall, **net financial debt** amounted to €13,445 million, compared with €13,217 million as of December 31, 2020.

Compared with December 31, 2020, the change in **net financial debt** is mainly due to:

- net free cash flow generation of +€705 million for the period;
- the payment of the dividends voted by the Combined Shareholders' Meeting of April 22, 2021 (-€397 million);
- net financial investments of -€258 million (including acquisition costs and net financial debt of new entities) and mainly comprising the impact of the acquisition of OSIS and an organic fertilizer plant in France and the divestment of Utilities Services activities in Sweden and Norway and of the Shenzhen water concession in China.

Net financial debt was also impacted by negative exchange rate fluctuations of -€203 million as of September 30, 2021 compared with December 31, 2020 <sup>7</sup>.

## APPENDICES

### A) RECONCILIATION OF DATA PUBLISHED IN 2020 AND 2019 WITH DATA RE-PRESENTED IN 2021

From fiscal year 2021 and with a view to improving comparability with other issuers, the impacts of applying IFRS 2, “Share-based payments”, are now included in Current EBIT.

In accordance with ESMA guidance on changes in the definition of non-GAAP indicators, the 2019 and 2020 indicators were restated.

#### **Reconciliation of aggregate indicators for the nine months ended September 30, 2020 and 2019**

<i>(in euro millions)</i>	<i>Sept 2019 excl IFRS 2</i>	<i>Impact IFRS 2</i>	<i>Sept 2019 incl IFRS 2</i>	<i>Sept 2020 excl IFRS 2</i>	<i>Impact IFRS 2</i>	<i>Sept 2020 incl IFRS 2</i>
<b>Revenue</b>	<b>19 764</b>		<b>19 764</b>	<b>18 705</b>		<b>18 705</b>
<b>EBITDA</b>	<b>2 894</b>		<b>2 894</b>	<b>2 492</b>		<b>2 492</b>
EBITDA margin	14,6%		14,6%	13,3%		13,3%
Personnel cost- share based payments		-18	-18		-23	-23
<b>Current EBIT</b>	<b>1 190</b>	<b>-18</b>	<b>1 172</b>	<b>771</b>	<b>-23</b>	<b>748</b>
<b>Net current income Group share</b>	<b>486</b>	<b>-18</b>	<b>468</b>	<b>149</b>	<b>-23</b>	<b>126</b>
<b>Net current income Group share excl. financial capital gains</b>	<b>468</b>	<b>-18</b>	<b>450</b>	<b>139</b>	<b>-23</b>	<b>116</b>
Net capex	-1 455		-1 455	-1 334		-1 334
Net Free cash flow	-167		-167	-377		-377
<b>Net financial Debt (opening)</b>	<b>-11 567</b>		<b>-11 567</b>	<b>-10 680</b>		<b>-10 680</b>
<b>Net financial debt (closing)</b>	<b>-12 487</b>		<b>-12 487</b>	<b>-11 745</b>		<b>-11 745</b>

#### **Reconciliation of 2020 and 2019 Q3 indicators:**

<i>(in euro millions)</i>	<i>Q3 2019 excl. IFRS 2</i>	<i>Impact IFRS 2</i>	<i>Q3 2019 incl IFRS 2</i>	<i>Q3 2020 excl IFRS 2</i>	<i>Impact IFRS 2</i>	<i>Q3 2020 incl IFRS 2</i>
<b>Revenue</b>	<b>6 441</b>		<b>6 441</b>	<b>6 293</b>		<b>6 293</b>
<b>EBITDA</b>	<b>892</b>		<b>892</b>	<b>893</b>		<b>893</b>
EBITDA margin	13,8%		13,8%	14,2%		14,2%
Personnel cost- share based payments		-9	-9		-21	-21

<sup>7</sup> Mainly driven by negative impacts on the US dollar (-€71 million), pound sterling (-€42 million), Czech koruna (-€30 million), Hong Kong dollar (-€21 million) and Chinese renminbi yuan (-€14 million).

<b>Current EBIT</b>	<b>332</b>	<b>-9</b>	<b>323</b>	<b>333</b>	<b>-21</b>	<b>312</b>
<b>Net current income Group share</b>	<b>133</b>	<b>-9</b>	<b>124</b>	<b>142</b>	<b>-21</b>	<b>121</b>
<b>Net current income Group share excl. financial capital gains</b>	<b>134</b>	<b>-9</b>	<b>125</b>	<b>134</b>	<b>-21</b>	<b>113</b>

This adjustment does not impact Net income attributable to owners of the Company in so far as it involves a reclassification between current and non-current items in Net income attributable to owners of the Company.

## B) DEFINITIONS

To calculate **Current EBIT** (which includes the share of current net income of joint ventures viewed as core Company activities and associates), the following items are deducted from operating income:

- goodwill impairments of fully controlled subsidiaries and equity-accounted entities;
- restructuring charges;
- non-current provisions and impairment;
- non-current and/or significant impairment of non-current assets (property, plant and equipment, intangible assets and operating financial assets);
- Share acquisition costs.

For the other indicators, please refer to Section 5.5.8 of the 2020 Universal Registration Document.

### 2. Press release dated 6 October 2021

#### **VEOLIA ANNOUNCES THE SUCCESS OF ITS SHARE CAPITAL INCREASE OF €2.5 BILLION AS PART OF THE FINANCING OF THE COMBINATION OF VEOLIA AND SUEZ**

The share capital increase of €2.5 billion marks a critical milestone on the path for the combination of Veolia and SUEZ to create the world champion of ecological transformation. The success of this capital increase and the support from our existing shareholders, as evidenced by the strong take-up rate, confirm the powerful rationale that underpins the combination with SUEZ. The tender offer on SUEZ shares is expected to close by January 2022, subject to regulatory approvals and customary closing conditions.

#### **Results of the share capital increase**

Following the subscription period, which ended on October 1<sup>st</sup>, 2021, the total demand amounted to more than **193 million** shares, for an amount close to **€ 4.4 billion**, leading to a well oversubscribed transaction with a take-up rate of approximately **175.4 %**:

- **106,245,716** new shares were subscribed on an irreducible basis (*à titre irréductible*), representing approximately **96.24 %** of the new shares to be issued;
- orders submitted on a reducible basis (*à titre réductible*) represented **87,366,331** new shares and will therefore only be partially allocated for a number of **4,151,080** new shares<sup>8</sup>.

The final gross proceeds of the share capital increase with shareholders' preferential subscription rights (the "Rights Issue") announced on September 16th, 2021 amount to €2,506,007,269.20 corresponding to the issuance of 110,396,796 new shares at a subscription price of €22.70.

**Antoine Frérot, Chairman and Chief Executive Officer of Veolia, said:** *« I am glad to announce the success of our € 2.5 billion capital increase, which is part of the financing of the acquisition of SUEZ.*

<sup>8</sup> Allocated according to a coefficient of 0.01258324 calculated according to the number of rights submitted in support of irreducible subscriptions without resulting in an allocation of fractions of new shares and without the allocation being greater than the number of new shares requested on a reducible basis.



*Most of our shareholders have decided to increase their investment in Veolia, which is a testimony of their confidence in our growth prospects in very supportive environmental markets, as well as in our successful integration of SUEZ.*

*I am very grateful to our shareholders and to all of our stakeholders for their faithfulness and their long lasting support, especially since the beginning of this historical project, creating the world champion of ecological transformation. »*

### **Rationale for the Capital Increase**

The proceeds of the Rights Issue will be used to finance in part the tender offer on SUEZ shares, for an amount of c.€9 billion. The Rights Issue is part of a total financing package that also includes the proceeds expected from the disposal of new SUEZ<sup>9</sup> to a consortium consisting of Meridiam, GIP and CDC/CNP Assurances for an enterprise value of €10.4 billion<sup>10</sup>. The tender offer on SUEZ shares is expected to close by January 2022, subject to regulatory approvals and customary closing conditions.

### **Main shareholder subscription**

Pursuant to its commitment, Caisse des Dépôts et Consignations (CDC), which has a direct holding representing approximately 4.50% of Veolia's share capital, exercised all the preferential subscription rights relating to direct holding. Through this subscription, CDC confirms its long-term commitment to Veolia and its support for the business combination with SUEZ.

### **Timetable**

Settlement and delivery of the new shares and trading on the regulated market of Euronext Paris will happen on October 8<sup>th</sup>, 2021. The new shares, which will entitle their holders to any dividends declared by Veolia as from the date of issuance, will be, as from their issuance date, fully fungible with Veolia's existing shares and will be traded under the same trading line and ISIN code as Veolia's existing shares (ISIN code FR0000124141).

### **Impact of the Capital Increase**

Following the settlement and delivery of the Rights Issue, Veolia's share capital will amount to €3,449,899,925 comprised of 689,979,985 shares with a nominal value of €5 each.

### **3. Press release dated 16 September 2021**

#### **VEOLIA LAUNCHES A €2.5 BILLION SHARE CAPITAL INCREASE**

On 14 May 2021, Veolia and SUEZ signed a historic combination agreement leading to the creation of the world champion of ecological transformation. This agreement led to the opening of a tender offer on 29 July on the 70.1% stake in SUEZ not yet held by Veolia. In this context, Veolia announces the launch of a share capital increase with shareholders' preferential subscription rights in an amount of approximately €2.5 billion (including issue premium) (the "Rights Issue").

#### **Key terms and highlights of the transaction**

- Veolia, which currently owns 29.9% of SUEZ, launched a tender offer on the remainder of the share capital of SUEZ on 29 July 2021
- The proceeds from the capital increase will be used to partly finance the acquisition of SUEZ and create a world champion in ecological transformation
- Subscription ratio: 4 new shares per 21 existing shares

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<sup>9</sup> New SUEZ to encompass the municipal water and solid waste activities of Suez in France, as well as the activities of Suez in particular in water and in the following geographies: Italy (including the stake in Acea), the Czech Republic, Africa (including Lydec), Central Asia, India, China, Australia, and the global digital and environmental activities (SES).

<sup>10</sup> Including a potential earn-out of €300 million to be paid at the end of the 2021 fiscal year which depends on the 2021 EBITDA.

- Subscription price: € 22.70 per new share; 19.1% discount to TERP (theoretical ex-rights price) based on 14 September's closing price of Veolia shares, i.e. €29.06
- Theoretical value of the preferential subscription right: €1.02
- Preferential subscription rights trading period: from 17 September 2021 to (and including) 29 September 2021
- Subscription period: from 21 September 2021 to (and including) 1 October 2021
- Rights Issue results: 6 October 2021 (post market close)
- Settlement & delivery and listing of the new shares: 8 October 2021

The proceeds of the Rights Issue will be used to finance in part the tender offer on SUEZ shares, for an amount of c.€9 billion. The Rights Issue is part of a total financing package that also includes the proceeds expected from the disposal of new SUEZ<sup>11</sup> to a consortium of investors consisting of Meridiam, GIP and CDC/CNP Assurances for an enterprise value of €10.4 billion<sup>12</sup>.

The combination will enable Veolia to acquire the strategic assets needed to pursue its goal of building a world champion in ecological transformation, benefiting from increased scale and improved profitability with c.€37 billion revenues and c.€6 billion EBITDA on a pro-forma basis. With synergies estimated by Veolia at €500 million per year, of which c.20% in the first year and more than 60% in the second year, the combination will be strongly value-creative for the Group's shareholders, with an expected c.10% EPS accretion in 2022 and c.40% in 2024. The transaction financing will allow to maintain leverage below or equal 3.0x, in line with the Group's objectives, and preserve current ratings.

The combination is expected to close by 2021 year-end subject to regulatory approvals and customary closing conditions.

Antoine Frérot, Chairman and Chief Executive Officer of Veolia, said: *"The combination agreement signed on 14 May 2021 with SUEZ will lead to the creation of the world champion of ecological transformation. As part of the financing of this transaction, Veolia is, today, launching a €2.5 billion capital increase (reserved in priority for its shareholders), which will strengthen the prospects of the new entity and accelerate its development at a time when environmental concerns have never been so strong."*

### Key terms of the Rights Issue

The Rights Issue will be carried out with shareholders' preferential subscription rights and will result in the issuance of 110,396,796 new shares at a subscription price of €22.70 per share (i.e., a nominal value of €5.00 plus an issue premium of €17.70), to be fully paid up upon subscription, representing gross proceeds, including the issue premium, of €2,506,007,269.20.

Holders of existing shares recorded on their accounts as of the end of the accounting day on 16 September 2021 will be entitled to receive preferential subscription rights which will be detached from the underlying existing shares on 17 September 2021. Existing shares will therefore trade ex-right from 17 September 2021.

Each existing share will entitle its holder to receive one (1) preferential subscription right. 21 rights will entitle holders to subscribe for 4 new shares on an irreducible basis (*à titre irréductible*), at a subscription price of €22.70 per new share.

Subscriptions on a reducible basis (*à titre réductible*) will be accepted. Any new shares not subscribed on an irreducible basis (*à titre irréductible*) will be distributed and allocated to the holders of the rights having submitted

<sup>11</sup> New SUEZ to encompass the municipal water and solid waste activities of Suez in France, as well as the activities of Suez in particular in water and in the following geographies : Italy (including the stake in Acea), the Czech Republic, Africa (including Lydec), Central Asia, India, China, Australia, and the global digital and environmental activities (SES).

<sup>12</sup> Including a potential earn-out of €300 million to be paid at the end of the 2021 fiscal year which depends on the 2021 EBITDA.

additional subscription orders on a reducible basis (*à titre réductible*) subject to reduction in the event of over-subscription.

Based on the closing price of Veolia's share price on the regulated market of Euronext Paris ("Euronext Paris") on 14 September 2021, i.e. €29.06:

- the theoretical value of one (1) preferential subscription right is € 1.02 (this value may fluctuate during the rights trading period, in particular depending on changes in the price of the Veolia share)
- the theoretical value of the ex-right share is € 28.04
- the subscription price for the new shares of € 22.70 per share (representing a nominal value of € 5.00 plus an issue premium of € 17.70) reflects a discount of 19.1% to the theoretical ex-right share price and 21.9% to the closing price on 14 September 2021

The only offer to the public in the context of the rights issue will be in France.

### **Subscription intentions**

The Caisse des Dépôts et Consignations (CDC), which has a direct holding representing 4.50% of Veolia's share capital, has announced its support for the Rights Issue and that it will participate to the extent of its rights.

### **Dilution**

For illustrative purposes only, a shareholder holding 1.0% of Veolia's share capital as of 14 September 2021, and who does not participate in the Rights Issue, would hold 0.84% following its completion.

### **Underwriting**

The Rights Issue is being underwritten pursuant to an underwriting agreement entered into on 15 September 2021 with a syndicate of banks. This underwriting agreement does not constitute an irrevocable guarantee (*garantie de bonne fin*) within the meaning of Article L. 225-145 of the French Commercial Code.

### **Lock-up undertaking**

Veolia has agreed to a lock-up period starting on the signing date of the underwriting agreement and ending 180 calendar days after the settlement and delivery date of the Rights Issue, subject to certain exceptions.

### **Indicative timetable of the Rights Issue**

The preferential subscription rights will be traded on Euronext Paris under the ISIN code FR0014005GA0 from 17 September 2021 until 29 September 2021 inclusive. It will not be possible to buy or sell the preferential subscription rights on the market after the close of trading on 29 September 2021. The subscription period for the new shares will run from 21 September 2021 to 1 October 2021, inclusive.

Any preferential subscription rights not exercised before the end of the subscription period, i.e. the close of trading on 1 October 2021, shall automatically become null and void. Settlement and delivery of the new shares and commencement of trading on Euronext Paris are expected to take place on 8 October 2021. The new shares, which will entitle their holders to any dividends declared by Veolia as from the date of issuance, will be, as from their issuance date, fully fungible with Veolia's existing shares and will be traded under the same trading line and ISIN code as Veolia's existing shares (ISIN code FR0000124141).

### **Availability of the Prospectus**

The prospectus (the "Prospectus") including (i) the 2020 universal registration document (*document d'enregistrement universel*) of Veolia filed with the AMF on 17 March 2021 under number D.21-0145, (ii) the amendment to the 2020 universal registration document filed with the AMF on 15 September 2021 under number D.21-0145-A01 and (iii) a securities note (*note d'opération*) (including the summary of the prospectus) which was filed with the AMF and received approval under number n° 21 – 401 dated 15 September 2021 is available

on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) and the company ([www.veolia.com](http://www.veolia.com)). Copies of the Prospectus are available free of charge at the Group's registered office (21, rue La Boétie, 75008 Paris).

### **Risk factors**

Investors' attention is drawn to the risk factors included in chapter 2 "Risk Factors and Control" of the 2020 universal registration document, as supplemented by section 3 "Risk Factors" of the amendment to the 2020 universal registration document and in chapter 2 "Risk Factors" of the securities note (*note d'opération*).

In particular, investors are invited to take into consideration the risks related to the contemplated combination, in particular those related to SUEZ's performance and contingent liabilities, as well as to the integration of SUEZ's activities and potential failure to achieve expected synergies, as set out in section 3 "Risk Factors" of the amendment to the 2020 universal registration document.

## SUBSCRIPTION AND SALE

### Subscription Agreement

MUFG Securities (Europe) N.V., Natixis, Crédit Industriel et Commercial S.A., ING Bank N.V., Belgian Branch, La Banque Postale and SMBC Nikko Capital Markets Europe GmbH (together, the **Joint Bookrunners**), have, pursuant to a subscription agreement dated 10 November 2021 (the **Subscription Agreement**), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to procure subscription and payment, or failing which to subscribe and pay, for the Notes at an issue price equal to 100 per cent. of the principal amount of the Notes, less any applicable commission.

In addition, the Issuer will pay certain costs incurred by it and the Joint Bookrunners in connection with the issue of the Notes.

The Joint Bookrunners are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Notes. The Issuer has agreed to indemnify the Joint Bookrunners against certain liabilities in connection with the offer and sale of the Notes.

### General Selling Restrictions

Each Joint Bookrunner has agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Notes or have in its possession or distribute this Prospectus or any other offering material relating to the Notes. No action has been, or will be, taken in any country or jurisdiction that would, to the best of each Joint Bookrunner's knowledge, permit a non-exempt offer of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

### Prohibition of Sales to European Economic Area Retail Investors

Each of the Joint Bookrunners has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA.

- (a) For the purposes of this provision, the expression “retail investor” means a person who is one (or both) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.
- (b) the expression an offer includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

This Prohibition of Sales to EEA Retail Investors' selling restriction is in addition to any other selling restrictions set out in this Prospectus.

### United Kingdom

Each Joint Bookrunner has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### ***Prohibition of Sales to United Kingdom Retail Investors***

Each Joint Bookrunner has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom.

(a) For the purposes of this provision, the expression "retail investor" means a person who is one (or both) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

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

### **United States**

The Notes have not been and will not be registered under the Securities Act or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States, or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities laws. The Notes are being offered and sold only outside of the United States in reliance on Regulation S.

Each Joint Bookrunner has represented and agreed with the Issuer that, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until and including the fortieth day after the later of the commencement of the offer and the closing date for the sale of any Notes, within the United States or to, or for the account or benefit of U.S. persons except in accordance with Rule 903 of Regulation S. Each Joint Bookrunner has also agreed that it, each of its affiliates and each person acting on its or their behalf have complied and will comply with the offering restriction requirements of Regulation S; and at or prior to confirmation of a sale of Notes it will have sent to each distributor, dealer or other person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of U.S. persons. Each Joint Bookrunner has also represented and agreed with the Issuer that no directed selling efforts (as defined in Regulation S) have been made or will be made in the United States by the Joint Bookrunners, any of their affiliates or any person acting on behalf of any of the Joint Bookrunners or their affiliates in respect to the Notes.

Terms used in the preceding paragraph and not otherwise defined in this Prospectus have the meanings given to them by Regulation S.

In addition, until forty (40) calendar days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

## GENERAL INFORMATION

### 1. Approval by the AMF

This Prospectus has been approved by the AMF in France in its capacity as competent authority pursuant to the Prospectus Regulation and received the approval number no. 21-483 dated 10 November 2021.

The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Notes that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the Notes.

This Prospectus will be valid until the date of admission of the Notes to trading on Euronext Paris, which is expected to occur on or about 15 November 2021. The obligation to supplement the Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

### 2. Clearing of the Notes

The Notes have been accepted for clearance through the Euroclear France, Euroclear and Clearstream, Luxembourg systems. The International Securities Identification Number (ISIN) of the Notes is FR00140061X6 and their Common Code number is 240802821.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream is 42, avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

### 3. Admission to trading

Application has been made to admit the Notes to trading on Euronext Paris as from the Issue Date. Euronext Paris is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended.

### 4. Listing fees

The estimated costs for the admission to trading of the Notes are €18,000.

### 5. Corporate authorisations

The issue of the Notes was authorised by resolutions of the Board of Directors (*Conseil d'administration*) of the Issuer dated 9 March 2021 and a decision of Mr. Antoine Frérot, Chairman and Chief Executive Officer (*Président-Directeur Général*) of the Issuer dated 10 November 2021.

The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the issue and performance of the Notes.

### 6. Documents available

Copies of:

- (i) the *statuts* of the Issuer;
- (ii) the Agency Agreement;
- (iii) this Prospectus; and
- (iv) the documents incorporated by reference in this Prospectus,

will be available for inspection during the usual business hours on any week day (except Saturdays, Sundays and public holidays) at the registered office of the Issuer.

This Prospectus, the *statuts* and the documents incorporated by reference in this Prospectus will be published on the website of (a) the Issuer ([www.finance.veolia.com](http://www.finance.veolia.com)) and (b) the AMF ([www.amf-france.org](http://www.amf-france.org)), save for the Third Quarter 2021 Financial Information which will only be available on the website of the Issuer.

**7. No material adverse change**

Save as disclosed in the Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2020.

**8. Significant Change**

Save as disclosed in the Prospectus, there has been no significant change in the financial performance and/or position of the Issuer and/or the Issuer and its subsidiaries, taken as a whole since 30 September 2021.

**9. Litigation**

Except as disclosed in the Prospectus, neither the Issuer nor any member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the twelve (12) months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Issuer and its subsidiaries, taken as a whole.

**10. Auditors**

KPMG S.A., Tour Eqho, 2 avenue Gambetta, 92066 Paris La Défense, France and Ernst & Young 1 -2, Place des Saisons Paris-La Défense 1 – 92400 Courbevoie have (i) audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the financial years ended 31 December 2019 and 31 December 2020 and (ii) carried out a limited review of the consolidated financial statements of the Issuer for the half year ended 30 June 2021. KPMG S.A. and Ernst & Young are registered with the *Compagnie Régionale des Commissaires aux Comptes de Versailles* and regulated by the *Haut Conseil du Commissariat aux Comptes*.

**11. Rating**

The Notes have been rated BB+ by S&P and Baa3 by Moody's. As at the date of this Prospectus, the Issuer's long-term senior debt and short-term senior debt have been respectively rated (i) BBB and A-2 with stable outlook by S&P and (ii) Baa1 and P-2 with stable outlook by Moody's. S&P and Moody's are established in the European Union and are registered under the CRA Regulation. As such, S&P and Moody's are included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Moody's and S&P are not established in the United Kingdom and are not registered in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the EUWA) (the **UK CRA Regulation**). The ratings of the Notes issued by Moody's and S&P have been endorsed by Moody's Investors Service Limited and S&P Global Ratings UK Limited, respectively, in accordance with UK CRA Regulation and have not been withdrawn. As such, the ratings issued by Moody's and S&P may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

**12. Yield**

Being undated securities, there is no explicit yield to maturity for the Notes.

The yield in respect of the Notes to the First Reset Date is 2.0006 per cent. *per annum* and is calculated on the Issue Date on the basis of the issue price of the Notes

It is not an indication of future yield.

**13. Conflicts of interest**

As of the date hereof, and to the Issuer's knowledge, there are no potential conflicts of interest between the private interests and/or other duties of the members of the *Conseil d'Administration* of the Issuer and the duties they owe to the Issuer.

**14. No conflicts**

In the ordinary course of their business activities, the Joint Bookrunners and the Calculation Agent, and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve



securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Joint Bookrunners and the Calculation Agent or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Bookrunner or the Calculation Agent and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. The Joint Bookrunners and the Calculation Agent and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. The net proceeds of this issuance will be used, at the time of the issuance, or may be used in the near future, to repay part of the exposures held by certain of the Joint Bookrunners or the Calculation Agent, or their affiliates.

#### **15. Forward-Looking Statements**

This Prospectus contains certain statements that are forward-looking including statements with respect to the Issuer's and the Group's business strategies, expansion and growth of operations, trends in the business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

The Issuer operates in a continually changing environment and new risks emerge continually. Forward-looking statements speak only as of the date they are made and the Issuer does not undertake any obligation to update or revise any of these forward-looking statements, to reflect new information, future events or circumstances or otherwise. These forward-looking statements do not constitute profit forecasts or estimates under the Commission Delegated Regulation 2019/980 supplementing the Prospectus Regulation.

#### **16. LEI**

The Issuer's Legal Entity Identifier (LEI) is: 969500LENY69X51OOT31.

#### **17. Currency**

In this Prospectus, unless otherwise specified, references to a "Member State" are references to a Member State of the European Economic Area, references to "EUR" or "euro" or "€" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

#### **18. Benchmarks Regulation**

Amounts payable under the Notes from and including the First Reset Date are calculated by reference to the Euro 5-Year Swap Rate which itself currently refers to Reuters screen ICESWAP2/EURSFIXA, which is provided by ICE Benchmark Administration Limited (the **Administrator**). As at the date of this Prospectus, the Administrator appears on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the Benchmarks Regulation.

#### **19. Websites**

Any websites mentioned or referred to in this Prospectus are for information purposes only and the information to such websites does not form any part of this Prospectus unless that information is incorporated by reference into the Prospectus.

## PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

The Issuer hereby declares that, to the best of its knowledge, the information contained or incorporated by reference in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

### **Veolia Environnement**

21 rue La Boétie  
75008 Paris

duly represented by Antoine Frérot, Chairman and CEO  
on 10 November 2021



This Prospectus has been approved by the AMF in its capacity as competent authority for the purposes of Regulation (EU) 2017/1129, as amended.

The AMF approves this Prospectus having verified that the information contained in it is complete, coherent and comprehensible as provided under Regulation (EU) 2017/1129, as amended.

This approval is not a favourable opinion on the Issuer and on the quality of the Notes described in this Prospectus. Investors should make their own assessment of the opportunity to invest in such Notes.

This Prospectus has been approved on 10 November 2021 and is valid until the date of admission of the Notes to trading on Euronext Paris and must during such period and in accordance with Article 23 of Regulation (EU) 2017/1129, as amended, be completed by a supplement to the Prospectus in the event of any new significant facts or material errors or inaccuracies. The approval number applicable to this Prospectus is 21-483.

## **REGISTERED OFFICE OF THE ISSUER**

### **VEOLIA ENVIRONNEMENT**

21 rue La Boétie  
75008 Paris  
France  
Tel: +33 (0)1.85.57.70.00

## **GLOBAL COORDINATORS**

### **MUFG Securities (Europe) N.V.**

World Trade Center  
Tower H, 11th Floor  
Zuidplein 98  
1077 XV Amsterdam  
The Netherlands

### **Natixis**

30, avenue Pierre Mendès France  
75013 Paris  
France

## **JOINT BOOKRUNNERS FOR THE NOTES**

### **MUFG Securities (Europe) N.V.**

World Trade Center  
Tower H, 11th Floor  
Zuidplein 98  
1077 XV Amsterdam  
The Netherlands

### **Natixis**

30, avenue Pierre Mendès France  
75013 Paris  
France

### **Crédit Industriel et Commercial S.A.**

6, avenue de Provence  
75452 Paris Cedex 9  
France

### **La Banque Postale**

115, rue de Sèvres  
75275 Paris Cedex 06  
France

### **ING Bank N.V., Belgian Branch**

Avenue Marnix 24  
1000 Brussels  
Belgium

### **SMBC Nikko Capital Markets Europe GmbH**

Neue Mainzer Straße 52-58  
60311 Frankfurt  
Germany

## **FISCAL AGENT, PRINCIPAL PAYING AGENT AND CALCULATION AGENT**

### **Société Générale**

32 rue du Champ de Tir  
CS 30812  
44308 Nantes Cedex 3  
France

## **MAKE-WHOLE CALCULATION AGENT**

### **Aether Financial Services S.A.S.**

36 rue de Monceau  
75008 Paris  
France

## **STATUTORY AUDITORS OF THE ISSUER**

**KPMG SA**  
Tour Eqho  
2 avenue Gambetta  
92066 Paris La Défense  
France

**Ernst & Young et Autres**  
1-2, place des Saisons  
Paris-La Défense 1  
92400 Courbevoie  
France

**LEGAL ADVISORS**

*To the Issuer*

**Gide Loyrette Nouel A.A.R.P.I**  
15, rue de Laborde  
75008 Paris  
France

*To the Joint Bookrunners*

**Allen & Overy LLP**  
52, avenue Hoche  
75008 Paris  
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