UNIVERSAL REGISTRATION DOCUMENT 2023

Including the annual financial report

VEOLIA

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Information from the Annual Financial Report is clearly identified in the table of contents by the pictogram AFR

VEOLIA ENVIRONNEMENT

UNIVERSAL REGISTRATION DOCUMENT

Annual financial report

2023

The Universal Registration Document was filed with the Autorité des Marchés Financiers (AMF, the French Financial Markets Authority) on March 21, 2024 , in accordance with Regulation (EU) 2017/1129, without prior approval in accordance with Article 9 of this Regulation.
The Universal Registration Document may be used when securities are offered to the public or admitted to trading on a regulated market, if supplemented by a securities note and, where applicable, a summary and all amendments made to the Universal Registration Document. The resulting documents are approved as a whole by the AMF in accordance with Regulation (EU) 2017/1129.

This document is a reproduction of the official version of the Universal Registration Document inclusing the 2023 Annual Financial Report prepared in accordance with the European Single Electronic Format (ESEF) and filed with the AMF, available on the website of the Company and the AMF.

This is a translation into English of the Universal Registration Document of the Company issued in French and it is available on the website of the Company.

MESSAGE FROM ANTOINE FRÉROT

Chairman of Veolia

At Veolia, "ecological transformation is our Purpose". The simplicity and ambition of this statement are what drive our Group's 220,000 employees. What could be more difficult or more important than fighting greenhouse gas emissions, the increasing scarcity of natural resources and pollution of all kinds? What could be more complex or more exhilarating than making the world, which has lived for too long on ecological credit, sustainable?

Few missions are as exciting as these, and this is reflected in our employee commitment rate of 89%. This record level is an essential asset in achieving our objectives and implementing our new 2024-2027 strategic program. Because employee commitment is what fuels the Group everyday! And people only mobilize for a company whose values and vision they share, and which gives meaning to their work.

In 2023, Veolia published a short version of its Purpose to facilitate its appropriation by all employees, highlight the key aspects for all parties who engage with the Group, its stakeholders, and accelerate its roll-out. Like the initial text adopted in 2019, this second, more concise, version was drafted collectively.

The Group's Purpose is what drives it, inspires it, guides it. It unites and mobilizes its employees, giving them the strength to surpass their limits, go further and "move mountains" in the service of human progress. It is the source of the Group's success, even though it was only formally set-out in recent years. It explains its resilience and sustainability, which are both quite exceptional as the Group has just celebrated its 170th anniversary.

Our Company was created in 1853 to bring pure water to the people and protect them from the water-borne epidemics that ravaged cities. A major issue at a time when Pasteur said: "We drink 90% of our diseases". Over the decades, it expanded its activities into other businesses, other technologies, other customer bases, other countries. Throughout its existence, our Company has reinvented itself to offer its partners cutting-edge solutions to meet their new needs. It renewed itself once again in 2022 on its merger with Suez to meet the challenges of the 21st century.

The development of our Group has been an extraordinary human adventure. Today's Veolia is the result of intense cooperation between countless passionate and persevering employees, each of whom has brought the best of themselves. We are the heirs of their vision, their work and their inventiveness.

The greatest tribute we can pay them is for our Group to continue making its mark in environmental businesses, true to its heritage and its values; to become the undisputed world champion of ecological transformation, which our world so badly needs.

EMPLOYEE COMMITMENT IS WHAT FUELS OUR GROUP EVERYDAY!

INTERVIEW WITH ESTELLE BRACHLIANOFF

Chief Executive Officer of Veolia

What are the major achievements of 2023?

Strong growth in key markets, excellent operating and financial results, a new impetus and dimension for the Group thanks to the integration of Suez... 2023 was once again a highly successful year for Veolia! These repeated successes are no coincidence: they can be explained by the relevance of our strategy and the quality of its execution, by the creativity and dynamism of our employees and by the quality of the relationships our Group has built with its stakeholders.

2023 was also marked by the launch of the Care program, which guarantees a common base level of social protection for key life moments, even in countries where nothing is provided for by law... I am particularly proud of this program, as our employees are both our Company's primary asset and its future: which is why we are constantly seeking to better protect them and provide the best working conditions.

The new governance structure introduced in July 2022, separating the duties of Chairman and Chief Executive Officer, is working very smoothly, according to our values and in keeping with the Group's strategic projects.

What is your assessment of the recently completed 4-year strategic program, Impact 2023?

A great success! All of our financial targets were met or exceeded. And we achieved nearly all of our non-financial targets.

The merger with Suez is a success on three levels, human, commercial and financial: the teams are fully integrated, we have an expanded portfolio of solutions and references, strengthening our growth and we are well ahead of the planned synergies.

The Group has clearly changed its size and outlook! It is more international and is in the Top 3 companies in each of its businesses, in all countries key to its development. It has gained in appeal, visibility and influence. It has enhanced its leadership, creating the global champion of ecological transformation.

Expanding this champion and methodically unlocking its immense development potential are the goals of our new 2024-2027 strategic program.

THROUGH ITS STRATEGIC PROGRAM, VEOLIA AFFIRMS ITS AMBITION: TO BE THE COMPANY THAT MAKES ECOLOGICAL TRANSFORMATION POSSIBLE.

Can you outline the main points of this new 4-year program?

As its name GreenUp suggests, this strategic program serves the ecological transformation of cities and industries. It focuses on three growth boosters: local energy to decarbonize; new water solutions to save and recycle this precious resource; and hazardous waste treatment, to depollute and thus improve health and protect biodiversity.

This program will allow us to consolidate our main European strongholds, continue Veolia's international expansion (particularly in North America, the Middle East and Australia) and exploit new geographic opportunities.

To achieve this, our Group will leverage its leading position in key countries and businesses, its diversified contractual portfolio, its culture of operating efficiency, and its close relations with the territories. And also its ability to innovate and invent the solutions of tomorrow.

Through this program, Veolia affirms its ambition: to be the company that makes the ecological transformation of territories, cities and industries possible. The company that serves as a one-stop shop for the quick and efficient implementation of ecological solutions. The company that best decarbonizes, depollutes and regenerates natural resources. The company with the most positive impact on its stakeholders!

2023
HIGHLIGHTS

DECARBONIZE

APRIL
TURKEY

Veolia operates the largest waste-to-energy plant in Turkey
On April 20, 2023, Veolia announced it had been awarded the contract to operate and maintain Turkey's first waste-to-energy plant, the largest in Europe, in Istanbul. With a processing capacity of around 1.1 million metric tons of non-recyclable household waste per year, the plant will save nearly 1.5 million metric tons of carbon emissions annually, thanks in particular to the production of 560,000 MWh of electricity, equivalent to the consumption of 1.4 million inhabitants of the metropolis.

JANUARY-MARCH
GERMANY

Successful start-up of the Braunschweig biomass plant in Germany
In the first quarter of 2023, Veolia successfully launched operations at the Braunschweig biomass plant, which will produce 800 GWh of heat per year to supply 68,000 homes. This plant has allowed Veolia to replace the use of coal with a mix of biomass and gas, generating 25% green electricity and reducing the carbon footprint by 50%.

JANUARY-DECEMBER
SPAIN

In Spain, Veolia is implementing a pioneering cold energy recovery solution to produce low-carbon local energy
The ambitious aim of this project launched by Veolia, in cooperation with Enagás and with support from Barcelona City Council, is to supply Barcelona's port area with low-carbon local energy recovered from residual cold emitted by the liquefied natural gas (LNG) regasification process. Implemented at the Enagás LNG terminal in Barcelona, this innovative solution will generate 131 GWh a year of local, affordable and environmentally friendly energy, replacing conventional energy sources and avoiding over 42,000 metric tons of CO_2 emissions every year.

131 GWh
of local energy generated per year

DEPOLLUTE

MARCH

AUSTRALIA

First integrated waste management contract in the county, in the Gold Coast, Australia

On March 9, 2023, Veolia announced it had been awarded the integrated waste management contract for the Gold Coast, Australia's second largest regional authority and sixth largest city. The contract has an initial term of seven years with options to extend to eighteen years, which would represent around €500 million for the full extended term of the contract. This new contract combines the management of recovery and collection facilities and will optimize the implementation of existing infrastructure across the entire waste treatment value chain. It will also reduce carbon emissions by around 77,000 metric tons per year.

JANUARY-DECEMBER

MIDDLE EAST

Veolia accelerates the development of its hazardous waste treatment activities in the Middle East

A consortium comprising Veolia, Vision Invest and ADQ has signed a historic agreement with the Abu Dhabi National Oil Company Refining (ADNOC Refining) for the treatment of hazardous industrial waste. Veolia and its consortium partners will operate two hazardous waste sites in the AlRuways industrial complex, with a combined annual capacity of around 70,000 metric tons. The partnership will see Veolia supporting a major industrial group, ADNOC, in its ecological transformation and cementing its own position as the Middle East's leading provider of hazardous waste management solutions.

NOVEMBER

FRANCE

Launch of an electric vehicle battery recycling facility

Through its subsidiary, SARPI, which specializes in the processing and recovery of hazardous waste, Veolia launched the construction of a hydrometallurgy facility to extract copper, nickel, cobalt and lithium from the black mass produced at Veolia electric vehicle battery recycling sites. This facility will process the metals contained in 20,000 metric tons of electric batteries.

Carbons emission reduced by

~77,000 metric tons/year

2023
HIGHLIGHTS

SAVE AND REGENERATE RESOURCES

APRIL
FRANCE

Successful renewal of the Lille water distribution contract in France
In April 2023, Veolia successfully renewed the Lille water distribution contract for a period of ten years and combined revenue of €700 million. Through an innovative contract focused on resource conservation, 65 million cubic meters of water will be saved over the duration of the contract.

JUNE
IVORY COAST

Operation of the La Me drinking water treatment plant in the Ivory Coast
On June 21, 2023, Veolia announced that the Group and its Ivorian partner, PFO Africa, will operate one of the largest drinking water treatment plants in West Africa for a period of 15 years. The plant addresses the water access issue by treating surface water rather than drawing from groundwater. At full capacity, the plant will cover the daily needs of 2.4 million Abidjan inhabitants. The contract represents revenue of €390 million over fifteen years.

OCTOBER
HONG KONG

Signature of a €2 billion waste management contract in Hong Kong
In October 2023, the Hong Kong Environmental Protection Department (EPD) awarded the contract to design, build and operate the extension of the West New Territories (WENT) resource recovery site to a joint venture set up between Veolia and the Chinese state. This 20-year contract worth over €2 billion for Veolia, a long-standing partner of Hong Kong, will help process 90 million metric tons of nonrecyclable waste and avoid the emission of 10 million metric tons of CO_2.

Daily water needs of
2.4m/inhabitants
of Abidjan covered

BUSINESSES

WATER

Veolia's expertise spans treatment of water to monitoring its quality at each stage in the cycle from extraction to discharge back into the natural environment.
The Group innovates to protect resources and encourages recycling and reuse of water by cities and industry.

3,809 drinking water production plants managed

113 millions people supplied with drinking water

3,222 wastewater treatment plants managed

103 millions people connected to wastewater systems

WASTE

Veolia is the specialist in waste management, whether for liquid or solid, non-hazardous or hazardous waste. The Group's areas of expertise cover the waste life cycle from collection to recycling, and on to its final recovery as materials or energy.

43 millions people provided with collection services on behalf of municipalities

63 millions metric tons of treated waste

562,828 business customers

865 waste processing facilities operated

ENERGY

As an expert in energy services, Veolia supports the economic growth of its municipal and industrial customers while helping reduce their ecological footprint. Whether in energy efficiency, efficient management of heating and cooling networks, green energy production or local low-carbon energy, the Group has a unique expertise for a more sustainable world.

42 millions MWh produced

48,745 thermal installations managed

708 heating and cooling networks managed

2,118 industrial sites managed

Solutions for municipal and industrial clients

Water

- Drinking water production
- Drinking water distribution
- Wastewater collection
- Wastewater treatment and reuse
- Sludge management
- Customer relationship services
- Water and environmental technologies
- Desalination
- Auditing, consulting, engineering, design and build

Waste

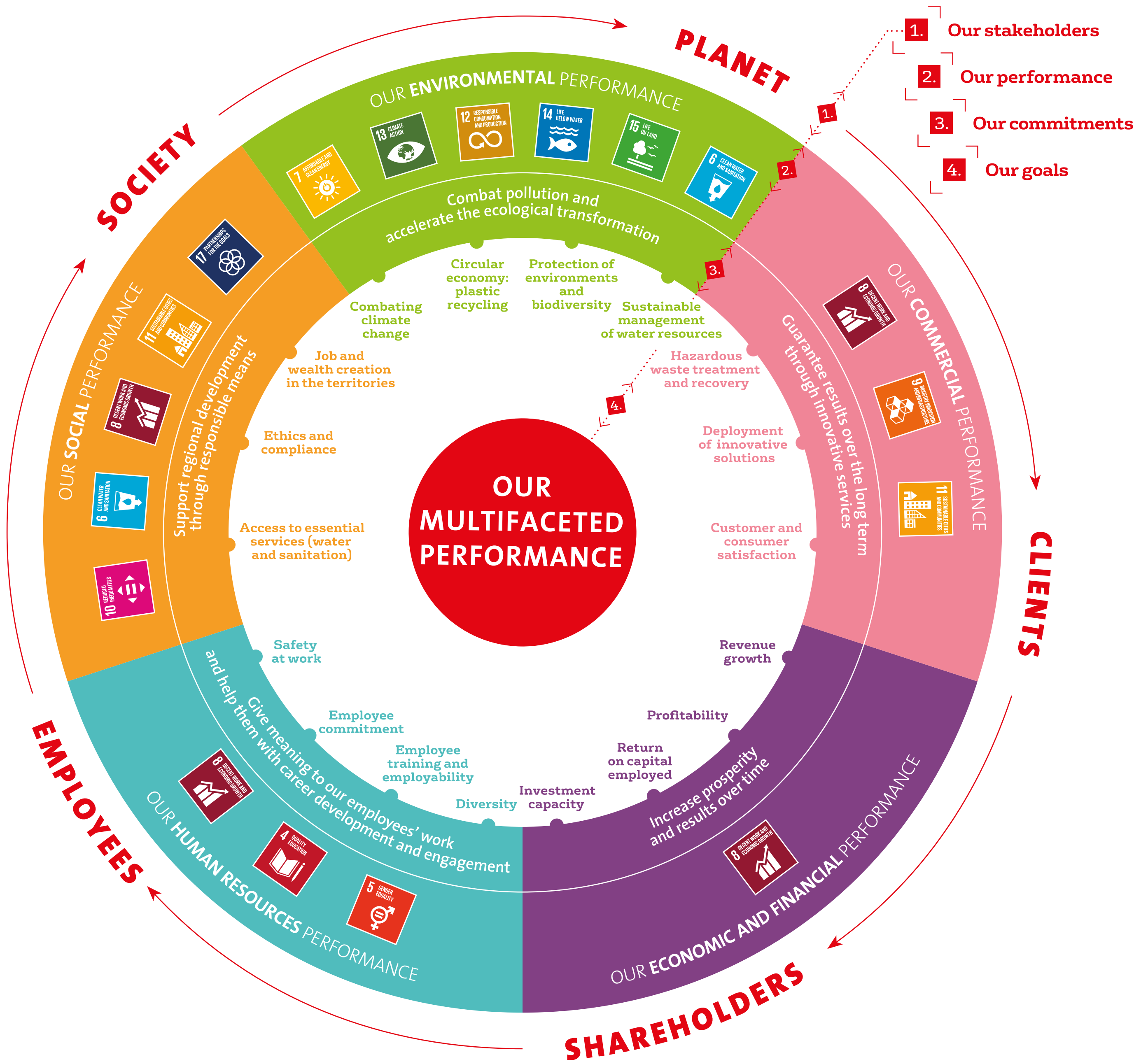
- Waste collection
- Waste transfer center
- Waste sorting, recycling and recovery
- Landfill and biogas recovery
- Waste-to-energy recovery
- Industrial utilities and integrated facilities management
- Street cleaning
- Total waste management
- Hazardous waste treatment and recycling
- Soil remediation
- Clean-up and treatment of nuclear equipment and low level waste
- Industrial cleaning and maintenance
- Industrial effluent treatment

Energy

- Energy services for buildings
- Energy production
- Energy distribution and district networks
- Energy micro-networks
- Smart industries
- Cooling system management
- Air quality management

VEOLIA'S PURPOSE

AN IMPROVEMENT APPROACH SHARED WITH AND FOR OUR STAKEHOLDERS



Sustainable Development Goals (SDGs)

Veolia participates to a varied extent in the implementation of all 17 SDGs, with a direct impact on 13 SDGs.

THE MULTIFACETED PERFORMANCE IN THE 2023 IMPACT PROGRAM AFR

In its Purpose, Veolia expresses its aim to take stakeholder expectations into account when creating and sharing wealth. Accordingly, Veolia has committed to a multifaceted performance which is equally attentive to and has the same high standards for economic and financial, commercial, human resources, corporate social and environmental performance. Under the 2023 Impact program, 18 progress objectives were defined for 2023.
This commitment is broken down in all Group processes, so that the multifaceted performance objectives drive the management of activities. The related progress indicators are regularly audited and measured by independent third-party bodies and are included in the calculation of Veolia senior executive variable compensation.
At the end of the Impact 23 program, 17 out of 19 indicators had been attained.

Aspect	Commitment	Objective	SDG	Indicator-definition	2019 reference	2020 Results	2021 Results	2022 Results	2023 Results	2023 Target
Economic and financial performance	**Increase prosperity and results over time**	**Revenue growth**	8 Decent work and economic growth	Annual growth in published revenue	€27.2 billion	€26 billion	€28.5 billion	€42.9 billion	**€45,3 billion**	Annual target
		Profitability	8 Decent work and economic growth	Current net income - Group share	€760 million	€415 million	€896 million	€1,162 million	**€1,335 million**	€ 1 billion
		Return on capital employed	8 Decent work and economic growth	ROCE after tax (with IFRS 16)	8.4%	6.4%	8.2%	7.6%	**8.3%**	Annual target
		Investment capacity	8 Decent work and economic growth	Free Cash Flow (before discretionary investments)	€1,230 million	€942 million	€1,720 million	€1,463 million	**€1,683 million**	Annual target
Human resources performance	**Give meaning to our employees work and help them with career development and engagement**	**Employee commitment**	8 Decent work and economic growth	Rate of engagement of employees, measured through an independent survey	84%	87%	87%	89%	**89% (√)**	≥ 80%
		Safety at work	8 Decent work and economic growth	Lost time injury frequency rate	8.12	6.60	6.65	5.61	**4.95(√)**	5
		Employee training and employability	4 Quality education	Average number of training hours per employee per year	18h	17h	21h	26h	**29h(√)**	23 h
		Diversity	5 Gender equality	Proportion of women appointed among Executive Resourcers from 2020 to 2023 (1)	Not applicable	28.3%	30.4%	30.3%	**30.7%**	50.0%
Commercial performance	**Guarantee results over the longterm through innovative services**	**Customer and consumer satisfaction**	8 Decent work and economic growth	Customer satisfaction rate calculated using the Net Promoter Score	Not applicable	NPS = 41 with 57% of revenue covered	43 with 72% of revenue covered	48 with 83% of revenue covered (3)	**53 with 82% of revenue covered**	NPS > 30 with 75% of revenue covered
		Development of innovative solutions	11 Sustainable cities and communities	Number of innovations included in at least ten contracts signed by the Group	Not applicable	2	6	10	**17**	12
		Hazardous waste treatment and recovery	9 Industry, innovation and infrastructure	Consolidated revenue generated by the hazardous and liquid waste treatment and recovery activities	2.6 Mds€	2.5 Mds€	3.1 Mds€	4.1 Mds€	**4,2 Mds€**	> 4 Mds€

Aspect	Commitment	Objective	SDG	Indicator-definition	2019 reference	2020 Results	2021 Results	2022 Results	2023 Results	2023 Target
Environmental performance	**Combat pollution and accelerate the ecological transformation**	**Combating climate change**	13 CLIMATE ACTION	• Reducing GHG emissions: progress of the investment plan to phase-out coal in Europe by	Not applicable	8.1% of investment to be achieved	17% of investment to be achieved	30% of investment to be achieved	**42% of investment to be achieved**	30% of investment to be achieved (4)
				• Avoided emissions: annual contribution to avoided GHG emissions (assessed with regard to a reference scenario) - FE IEA2013(5) (6)	12.1 million metric tons of CO_2 eq	12.5 million metric tons of CO_2 eq	12.4 million metric tons CO_2 eq	14.1 million metric tons of CO_2 eq	**15.5 million metric tons of CO2 eq (6)**	15 million metric tons of CO_2 eq
		Circular economy: plastic recycling	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	• Volume of recycled plastic in Veolia transformation plants (7)	350 thousand metric tons	391 thousand metric tons	476 thousand metric tons	490 thousand metric tons	**465 thousand metric tons**	610 thousand metric tons
		Protection of environments and biodiversity	14 LIFE BELOW WATER; 15 LIFE ON LAND	• Progress rate of action plans aimed at improving the environment and biodiversity footprint in sensitive sites (8)	Not applicable	1.7 %	30 %	66 %	**85 %**	75 %
		Sustainable management of water resources	6 CLEAN WATER AND SANITATION	• Efficiency of drinking water networks (Volume of drinking water consumed/ Volume of drinking water produced) (9)	72.5 %	73.4 %	75.6 %	76.3 %	**76.4 % (√)**	> 75%
Social performance	**Support regional development through responsible means**	**Job and wealth creation in the territories**	11 SUSTAINABLE CITIES AND COMMUNITIES	• Socio-economic footprint of Veolia's activities in the countries where the Group operates, with regard to jobs supported and	Not applicable	• 1,105,388 jobs supported • € 51 billion of added value created in 51 countries	• 1,033,623 jobs supported • €49 billion of added value created in 52 countries	• 1 ,147,238 jobs supported • € 53 billion of added value created in 50 countries	**• 1 ,561,629 jobs supported • € 77.5 billion of added value created in 58 countries**	Annual assessment of impacts, overall and by geography in at least 45 countries
		Ethics and compliance	8 DECENT WORK AND ECONOMIC GROWTH	• Rate of positive answers to this question of the engagement survey "Veolia's values and ethics are put into practice within	92 % of Top 5000	83 % of all respondents	84 % off all respondents	85 % of all respondents (10)	**88 % off all respondents**	≥ 80% of all respondents
		Access to essential services (water and sanitation)	6 CLEAN WATER AND SANITATION	• Number of inhabitants benefiting from inclusive measures for access to water or sanitation within contracts	5.71 million inhabitants	6.12 million inhabitants (+7%)	6.71 million inhabitants (+17.5%)	6.92 million inhabitants (+21.3%)	**7,27 million inhabitants (+27.4%)**	+12% vs 2019 at constant scope

(1) Formerly referred to as the Top 500 senior executives of the Group.
(2) 2022 data excluding the scope integrating activities transferred on the Suez combination.
(3) 2023 data concerns all activities of Veolia.
(4) The KPI is calculated with the initial investment budget for new forms of energy aimed at eliminating coal in Europe by 2030, estimated at €1.274 billion in 2019. This budget was revalued at €1.65 billion at the end of 2023.
(5) Emissions factors (EF IEA) for electricity used to set the Impact 2023 plan target.
(6) The 2023 EF IEA updated in the Global Report reporting tool in 2023 shows a value of 14.2 million metric tons of CO_2 eq in 2023.
(7) Since 2021, this indicator includes plastic volumes recycled in Veolia transformation plants processing WEEE and volumes recycled in plants acquired or sold by Veolia during the year. In the case of non-consolidated joint ventures, the indicator includes volumes of recycled plastics in proportion to Veolia's stake in these joint ventures.
(8) 2019-2023 pro forma data.
(9) For networks serving over 50,000 inhabitants. At constant scope.

Economic and financial performance

- The four financial indicators reflect strong activity growth and operating performance and a solid financial position. The Group has attained a historic level of activity with robust profitability. Detailed comments on the financial indicators can be found in Chapter 5.

Human resources performance

- **Employee commitment:** in 2023, the employee commitment rate remained at an excellent level at 89%, with a survey participation rate of 79%, up on 2022. These excellent results, above the target rate of 80% set in the Impact 2023 plan, testify to strong support, a high level of confidence among employees in the implementation of the strategic plan, and the success of the merger with Suez (see Section 4.4.4.3.1 below).
- **Safety at work:** "zero accidents" is both an objective and a performance driver for the Group. In 2023, the lost time injury frequency rate continued to fall, reaching the target rate of 5 set in the Impact 2023 plan (Tf = 4.95) (see Section 4.4.3.1 below).
- **Employee training and employability:** Veolia has an ambitious training policy, notably to accompany the Group's strategy to make Veolia the reference company for ecological transformation (see Section 4.4.42.1 below). With 29 training hours per year on average per employee, Veolia largely exceeded the target set in the Impact 2023 plan.
- **Diversity:** actions implemented to promote diversity and increase the number of female executives in the Group (recruitment process, young talents policy, Executive Resourcers succession plan (Top 500), specific development programs) were continued. In 2023, the percentage of women appointed among the Executive Resourcers (Top 500) continued to increase (30.7% for the period 2020-2023), but remained insufficient to achieve the ambitious target of 50% for the period 2020-2023 set in the Impact 2023 plan. (see Section 4.4.5.3 below).

Environmental performance

- **Combating climate change**: this objective is twofold:
  - **reducing GHG emissions**: investment in decarbonizing energy production in Central and Eastern Europe increased by close to €147 million in 2023. This investment, primarily concentrated in Poland and the Czech Republic, brings total investment under the plan at the end of 2023 to €529 million, above the €400 million target set in the Impact 2023 strategic plan (see Section 4.2.3.2.1 below). With the start up of the Braunsweigh (Germany), Prerov and Kolin (Czech Republic) plants, the reduction in greenhouse gas emissions is now effective;
  - **avoided emissions**: in 2023, Veolia continued its efforts to decarbonize its customers' activities, particularly with regard to waste recycling, material and energy recovery, low carbon and renewable energy and energy efficiency solutions (see Section 4.2.3.2.1 below).
- **Circular economy:** plastic recycling. Despite a sharp increase in the Group's recycling capacity (c. 725 thousand metric tons), production fell in 2023, particularly in France, Germany and China, due to a difficult market environment (see Section 4.2.2.2 below). With 465 thousand metric tons of recycled plastic exiting Veolia plants, the Impact 2023 target of 465 thousand metric tons was not achieved.
- **Protection of environments and biodiversity:** in 2019, the Group inventoried its sensitive sites with regard to protecting environments and biodiversity. The Impact 2023 plan target of 75% progress in 2023 was exceeded (85% at the end of 2023), with the mobilization of all the Business Units enabling this indicator to gain 19 points in one year (see Section 4.2.4.3.1 below).
- **Sustainable management of water resources**: the 2023 target of a water distribution network efficiency rate of 75% by 2023, was again exceeded in 2023 (see Section 4.2.5.2 below). Action plans undertaken by the Group (renewal work, break-up of networks into sectors, meter maintenance, leak detection) consolidate the improvement in the efficiency rate and the reduction in related drinking water losses.

Commercial performance

- **Customer and consumer satisfactio**n: 2023 campaign results confirm the excellent momentum in deploying the Net Promoter Score (NPS), with 82% of Group revenue covered. The score of 53 remains a good level compared to companies operating in comparable sectors. For the first time in 2023, the entities transferred on the combination with Suez were included in the calculation of this indicator.
- **Development of innovative solutions:** this indicator seeks to measure the Group's ability to disseminate priority innovations in a structured manner. In 2023, 17 innovations were recorded in at least ten contracts signed by the Group (See Section 1.4.3 below).
- **Hazardous waste treatment and recovery:** with revenue of €4.2 billion, the liquid and hazardous waste segment again exceeded the €4 billion target set by the Impact 2023 plan.

Social performance

- **Job and wealth creation in the territories:** the study conducted in 2023 covered 58 countries (see Section 4.3.2.2 below). The results by country, published on the internet, are accessible in each country to all Group stakeholders.
- **Ethics and compliance:** in 2023, 88% of respondents to the commitment survey positively answered the question "Does Veolia act ethically in my country and satisfy compliance rules in its activities?" This score exceeds the target rate of 80% set in the Impact 2023 plan and is all the more robust given the significant increase in the number of employees surveyed (see Section 4.6.3.2 below).
- **Access to essential services (water and sanitation):** this indicator measures the number of inhabitants benefiting from inclusive measures to access and retain access to services, whether through physical or contractual solutions (see Section 4.3.3.2 below). The Impact 2023 target (+12% vs. 2019) was significantly exceeded in 2023 (+24.7%). This result is driven in particular by the inclusion of retention measures in Veolia's offerings in countries well served by the network, and the expansion of network coverage to previously unserved neighbourhoods.

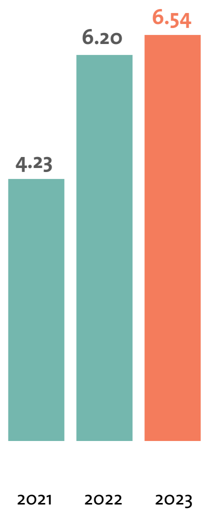
2023 Non-financial ratings

	2023
DJSI	Inclusion in the World and Europe indices
FTSE4Good	Inclusion
S&P Global	83/100, 1st in the Multi and Water utilities industry (1)
ISS-ESG	Prime, 1st Decile, B (2)
Moody's Analytics	72/100 (average industry score = 53/100)
CDP Climate change	Leadership, A-
CDP Water security	Leadership, A-
Ecovadis	/

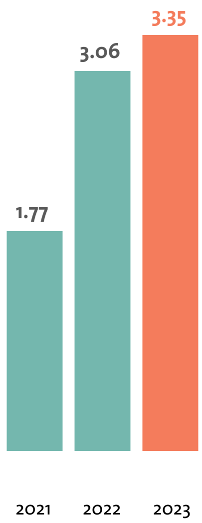
(1) CSA score as of 12/22/2023
(2) As of 10/17/2023

FINANCIAL INFORMATION (1)

EBITDA (in € billion)



Current EBIT (in € billion)



Current net income attributable to owners of the Company (in €M)

Post-tax ROCE

(1) See Chapter 5, section 5.5.2. below.

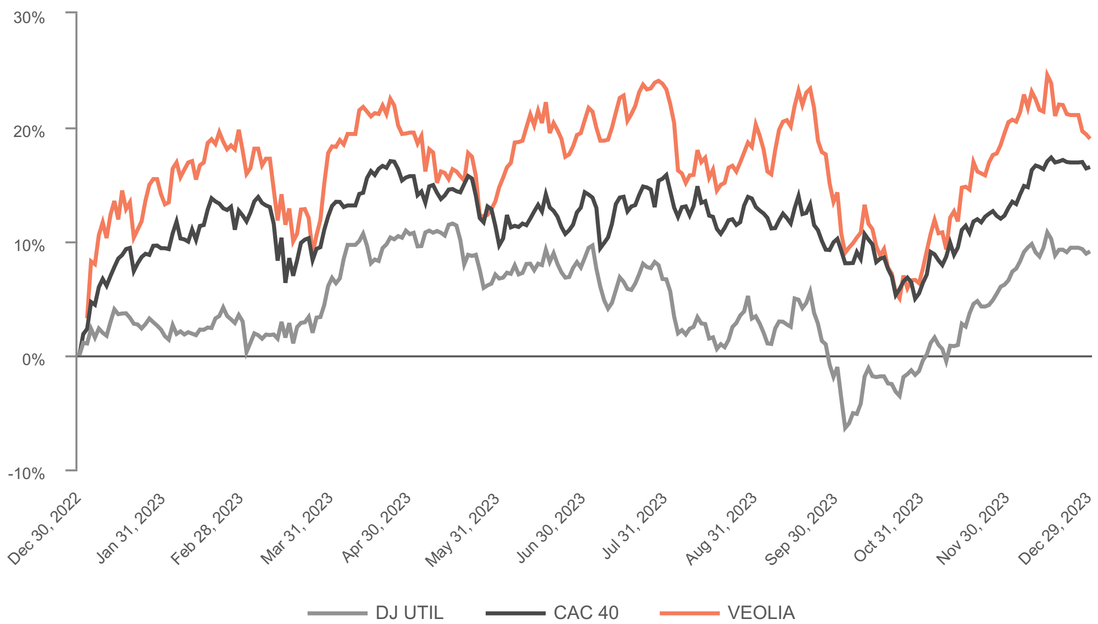
Selected financial information

Figures presented in accordance with IFRS

(in € million)	31/12/2022	31/12/2023
Revenue	42,885	45,351
EBITDA	6,196	6,543
Current EBIT	3,062	3,346
Current net income - Group share	1,162	1,335
Operating cash flow before changes in working capital	4,804	5,582
Operating income after share of net income (loss) of equity-accounted entities (1)	2,333	2,847
Net income - Group share	716	937
Dividends paid (2)	688	787
Dividend per share paid during the fiscal year (3)	1.12	1.25
Total assets	**73,304**	**72,566**
Net financial debt - Closing (4, 5)	(18,138)	(17,903)
Industrial investments (including new operating financial assets)	(3,089)	(3,730)
Net free cash flow (6)	1,032	1,143

(1) Operating income after share of net income of equity-accounted entities does not include capital gains or losses on financial divestitures, booked in financial income.
(2) Dividends paid by the parent company.
(3) Subject to approval at the General Shareholders' Meeting of April 25, 2024.
(4) Definitions: cf. Chapter 5, Section 5.5.2.
(5) Net financial debt excludes the revaluation of financial liabilities as part of the Suez purchase price allocation exercise as defined in Section 5.6.4.
(6) Net free cash flow corresponds to free cash flow from continuing operations, and is equal to the sum of EBITDA, dividends received, changes in operating working capital and operating cash flow from financing activities, less the net interest expense, net industrial investments, taxes paid, renewal expenses, restructuring costs and other non-current expenses.

2023 Stock market performance



Dividend per share

€ 1.25
2023 (1)

€ 1.12
2022

€ 1.00
2021

(1) Submitted to approval of the General Shareholders' Meeting of April 25, 2024.

GOVERNANCE

Members of the Board of Directors as of December 31, 2023

61	54.5%(1)	82%(2)	6 years	96%	4
Average age of Directors	Female Directors	Independence rate	Length of service of Directors (years)	Average Attendance Rate	Non-French Directors

Antoine Frérot
Chairman

Estelle Brachlianoff
Chief Executive Officer

Independent Directors 9

Maryse Aulagnon
Vice Chairwoman and Senior Independant Director

Olivier Andriès

Véronique Bédague

Isabelle Courville

Pierre-André de Chalendar

Marion Guillou

Nathalie Rachou

Francisco Reynès

Guillaume Texier

* Chairman/Chairwoman

14
Directors and 1 Censor

1 Director representing employee shareholders

Agata Mazurek-Bąk

2 Directors representing employees

Franck Le Roux

Pavel Páša

1 Censor

Enric Xavier Amiguet i Rovira

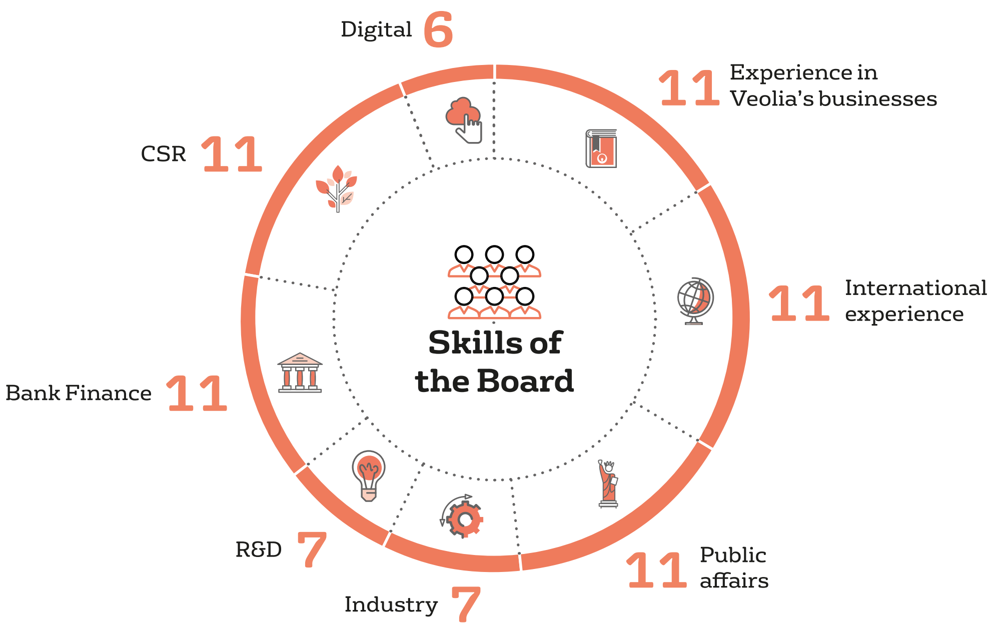
Board Committees

Accounts and Audit	Nominations	Compensation	Research, Innovation and Sustainable Development	Purpose of the Company
6 members	4 members	5 members	5 members	6 members
100% independent	75% independent	100% independent	100% independent	80% independent
97% attendance rate	100% attendance rate	100% attendance rate	100% attendance rate	100% attendance rate

(1) Excluding Directors representing employees in accordance with Article L. 225-27 and L. 22-10-7 of the French Commercial Code.
(2) Excluding Directors representing employees in accordance with the AFEP-MEDEF Code.

Skills matrix (1)

Number of directors having the expertise



Composition of the Executive Committee (1)


Estelle Brachlianoff, *Chief Executive Officer*


Isabelle Calvez, *Senior Executive Vice President, Human Resources*


Sébastien Daziano, *Senior Executive Vice President, Strategy and Innovation*


Gavin Graveson, *Senior Executive Vice President, Northern Europe*


Philippe Guitard, *Senior Executive Vice President, Central and Eastern Europe*


Éric Haza, *Chief Legal Officer*


Claude Laruelle, *Deputy Chief Executive Officer Finance, Digital and Purchasing*


Anne Le Guennec, *Senior Executive Vice President, Worlwide Water Technologies*


Christophe Maquet, *Senior Executive Vice President, Asia Pacific*


Gustavo Migues, *Senior Executive Vice President, Iberia and Latin America*


Jean-François Nogrette, *Senior Executive Vice President, Director of the France and special waste Europe*


Laurent Obadia, *Deputy Executive Vice President, Stakeholders and Communications, Advisor to the Chairman*


Helman le Pas de Sécheval, *General Counsel*


Frédéric Van Heems, *Senior Executive Vice President, North America*

(1) *As of the date of filing of this Universal Registration Document.*

KEY FIGURES

45,351

Revenue (in € million)

Breakdown of the Group's client base

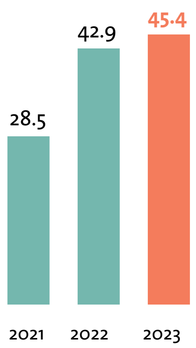
43%

Industrial

57%

Municipal

Revenue trends (in € billion)



Revenue by business

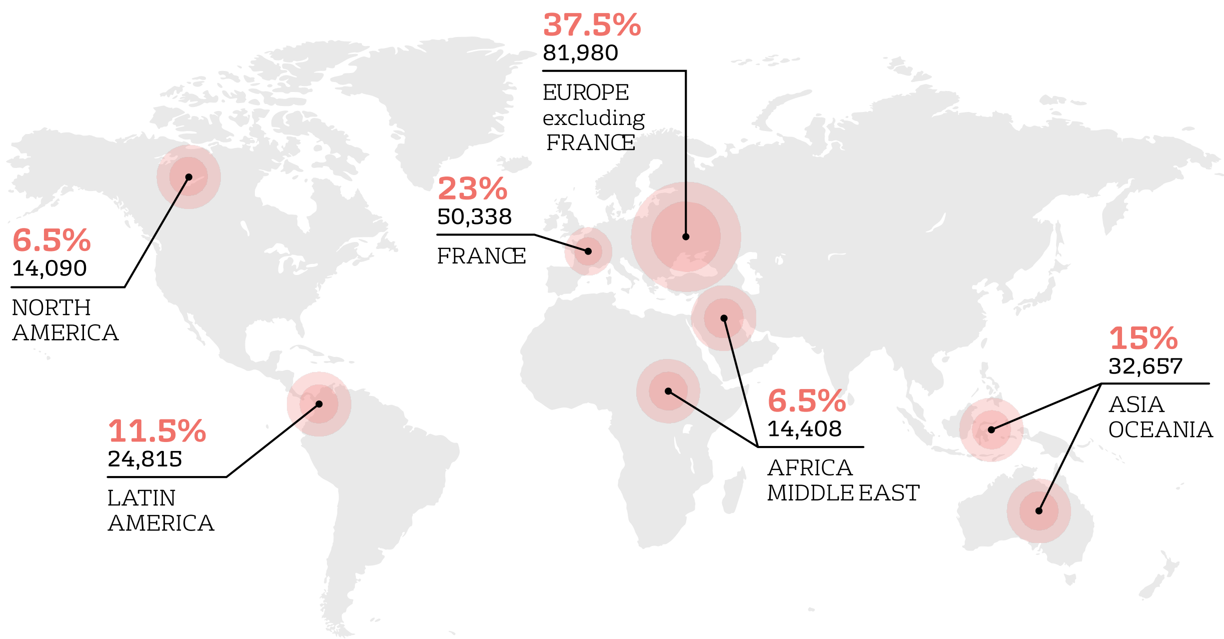
Water	40.6%
Waste	32.4%
Energy	27.0%

Revenue by geography

10.4%	Water technologies
21.5%	France and special waste Europe
41.9%	Europe excluding France
26.3%	Rest of the world

Worldwide employee breakdown (1)

218,288 employees



(1) *Excluding employees of the Chinese concessions.*

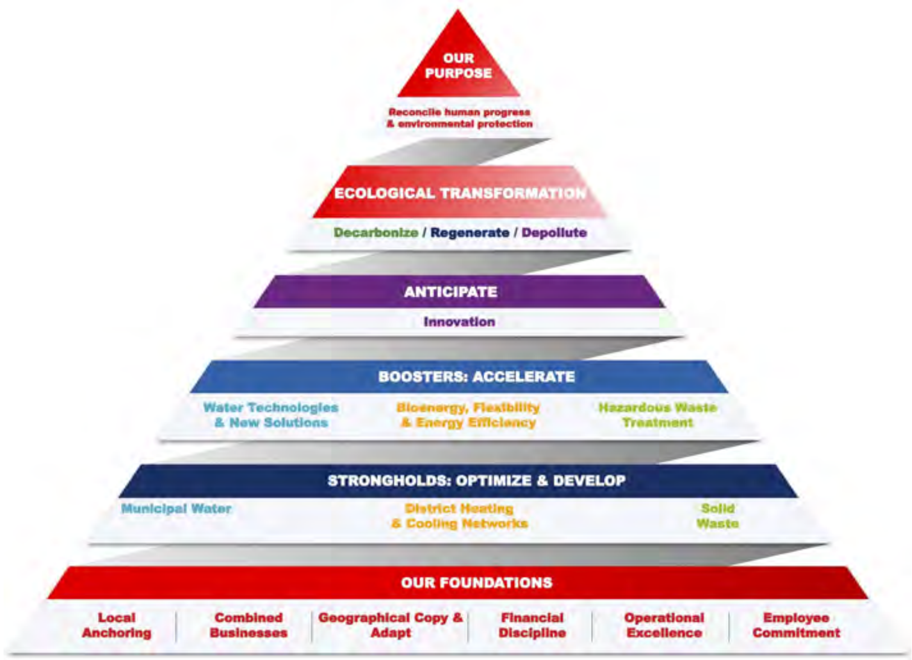
VEOLIA'S STRATEGIC PROGRAM FOR THE PERIOD 2024-2027:

2023 was the final year of the Impact 2023 program, during which Veolia demonstrated its ability to achieve its financial and non-financial performance targets through its agility, operational excellence and financial discipline.

Veolia starts 2024 with considerable confidence, launching its new GreenUp program for the period 2024-2027 (see Section 1.2.1).

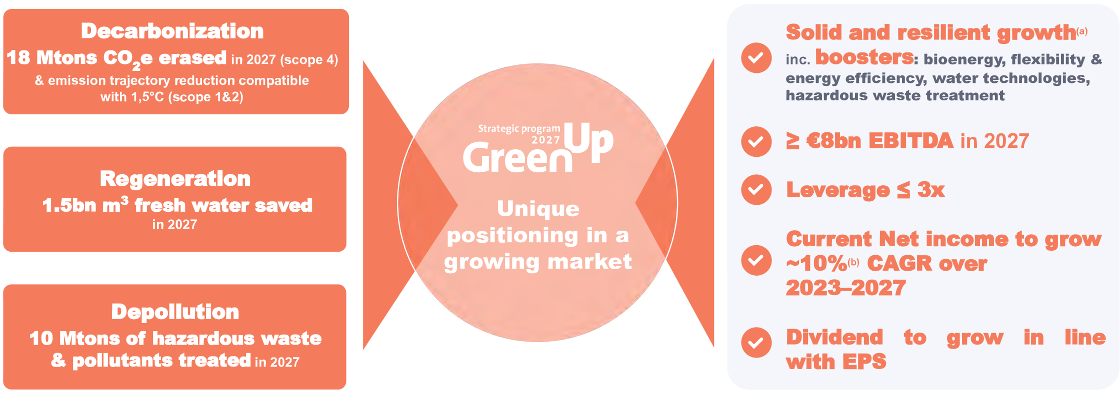
GreenUp presents a value creation model that combines our 3 strongholds and 3 boosters to accelerate our profitable growth:

- essential services strongholds in the infrastructure model: Municipal water, Solid waste and District heating. These businesses provide essential services under long-term contracts with strong visibility of cash flow generation and will have solid growth in the coming years.
- growth boosters, rooted in our bastions, will drive our growth:
  - water technologies and new solutions;
  - in the energy business segment, bioenergy, renewable energy, flexibility and energy efficiency
  - and hazardous waste treatment.



GreenUp in a nutshell:

Firm financial and non-financial commitments thanks to a unique positioning in a growing market that make it possible to commit to net income growth at around 10% per year between 2023 and 2027 (for more details see Section 1.2.1).



(a) excluding energy price impact
(b) at constant forex

THE NEW MULTIFACETED PERFORMANCE IN THE 2027 GreenUp AFR

For simplicity and to facilitate appropriation, and to align with the new GreenUp strategic program, the multifaceted performance framework has been reduced to 15 objectives, along with the number of associated Group performance indicators.

1. Our stakeholders
2. Our performance
3. Our commitments
4. Our objectives

Sustainable Development Goals (SDGs)

Veolia participates to a varied extent in the implementation of all 17 SDGs, with a direct impact on 14 SDGs.

Dimension	Commitment	Objective	Indicator-definition	2023 reference	2027 Target
Economic and financial performance	**Increase prosperity and results over time**	**Profitability**	Current net income, Group share	€1,335 million	CAGR ~10% (constant FX 2023)
		Investment capacity	Free Cash Flow (before discretionary growth Capex)	€1,683 million	Annual target
		Return on capital employed	Post-tax ROCE	8.3%	Annual target
Commercial performance	**Guarantee results over the long-term through innovative services**	**Customer and consumer satisfaction**	Customer satisfaction rate calculated using the Extended Net Promoter Score methodology (score and revenue coverage)	Not applicable	score ≥ 30 with 80% of revenue covered
		Scope 4 - Decarbonization of our customers	Erased GHG emissions (new methodology)	13.8 million metric tons	≥ 18 million metric tons
		Growth boosters and innovation	Revenue growth in priority business segments (energy, water technology, hazardous waste)	€20.6 billion	CAGR ≥5%at constant energy prices and exchange rates, excluding divestitures planned at 01/01/24
Environmental performance	**Combat pollution and accelerate ecological transformation**	**Decarbonization – scopes 1 and 2 reduction**	Scopes 1 and 2 GHG emissions reduction	-5%vs2021 (33.6 million metric tons vs 35.5 million metric tons)	-18% vs 2021 (29 million metric tons vs 35.5 million metric tons)
		Decarbonization – transformation of our assets	Decarbonation Capex, including phase out of coal and methane capture (aggregate 2024-2027)	Not applicable	€600 million
		Fresh water saved and resource regeneration	Fresh water saved	1.4 billion m^3	≥ 1.5 billion m^3
		Depollution - biodiversity	Biodiversity preservation on sensitive sites	59% progress on action plans (new scope)	≥ 85% progress on action plans
Human resources performance	**Give meaning to our employees work and help them with career development and engagement**	**Health, safety and well-being**	Lost time injury frequency rate(Veolia employees)	4.95	≤ 4.1
		Employee commitment	Employee commitment rate Voice of Resourcers Survey)	89%	≥ 85%
		Diversity and inclusion	Proportion of women in the Group Management Committee	25.6%	≥ 30%
Social performance	**Support regional development through responsible means**	**Ethics and integrity**	Positive answers to the ethics and compliance question in the Voice of Resourcers survey	88%	≥ 83%
		Support to local communities	Residents benefiting from inclusive solutions to access essential services (all activities)	7.8 million people	8.4 million people (constant 2023 scope)

1

ABOUT THE GROUP

Information from the Annual Financial Report is clearly identified in the table of contents by the pictogram AFR

1.1 History and general introduction

1.1.1 HISTORY AND DEVELOPMENT

1853 Compagnie Générale des Eaux was created by Imperial Decree. It won its first public service concession for the distribution of water in the city of Lyon, France. It went on to expand its activities in France in the cities of Nantes (1854), Nice (1864), Paris (1860) and later in the Greater Paris region (1869).

1880 A treaty granted Compagnie Générale des Eaux a contract for the production and distribution of water in Venice. Contracts followed for Constantinople in 1882 and Porto in 1883.

1975 Compagnie Générale des Eaux created SARP Industries for hazardous waste recovery. SARP Industries rapidly became the first European center for processing liquid toxic waste.

1980 Compagnie Générale des Eaux took control of:

- Compagnie Générale d'Entreprises Automobiles (CGEA) (which would become CONNEX and ONYX, and later Veolia Transport and Veolia Propreté, respectively);
- Compagnie Générale de Chauffe and Esys-Montenay (which would later merge to form Dalkia);
- all of its subsidiaries involved in design, engineering and operating activities relating to drinking water and wastewater treatment, grouping them together in Omnium de Traitement et de Valorisation (OTV).

It also began to expand significantly into other countries.

1998 Compagnie Générale des Eaux became "Vivendi" and renamed its main water subsidiary "Compagnie Générale des Eaux".

1999 Vivendi established "Vivendi Environnement" to consolidate all of its environmental services activities: Water (Vivendi Water), Waste (ONYX), Energy services (Dalkia) and Transport (CONNEX).

2000 Vivendi became Vivendi Universal. Vivendi Environnement shares were admitted for trading on the Paris stock exchange on July 20, 2000.

2001 Vivendi Environnement shares were included in the CAC 40 in August and were listed on the New York Stock Exchange in the form of American Depositary Receipts (ADR) in October.

2002 Vivendi Universal gradually reduced its stake. At the same time, Vivendi Environnement carried out a major restructuring to refocus on its core environmental services activities.

2003 Vivendi Environnement became Veolia Environnement. (1)

2005 Veolia Environnement rolled out the Veolia brand, applying it across its divisions (Veolia Eau, Veolia Propreté, Veolia Énergie and Veolia Transport).

2006 Vivendi Universal withdrew completely from Veolia Environnement's share capital.

2011 Veolia Environnement and Caisse des dépôts et consignations announced the creation of Veolia Transdev, after merging their respective subsidiaries, Veolia Transport and Transdev.
The Group presented its strategic plan and its mid-term outlook, aimed primarily at refocusing its activities and business portfolio.

2013 The Group embarked upon a significant organizational change. The Group's activities were organized by geographic zone rather than by business line and division. Veolia Transdev became Transdev Group.

2014 Veolia Environnement and EDF finalized the agreement relating to their joint subsidiary, Dalkia. EDF took over all of Dalkia's activities in France and retained the Dalkia brand, while the Group assumed control of the international business activities. At the same time, the Group took over all the Latin-American activities of Proactiva, the joint subsidiary held with FCC.
The Veolia Environnement ADR have not been listed on the New York Stock Exchange since December 23, 2014. The ADR securities are now traded on the US over-the-counter market.

2015 The Group unveiled its 2016-2018 strategic plan focusing on two key areas: (i) increasing revenue by achieving a better balance of municipal and industrial contracts and strengthening the Group's position outside of Europe, and; (ii) pursuing its strategy of reducing costs and improving operating efficiency.
At the COP 21, Veolia reaffirmed its commitment to the fight against climate change. This commitment is founded on three key initiatives to curb greenhouse gas emissions: the circular economy, implementation of the polluter-payer principle and a reduction in methane emissions.

2016 Veolia Environnement signed an agreement with Caisse des dépôts et consignations covering its withdrawal from Transdev Group. Caisse des dépôts et consignations acquired 20% of the share capital of Transdev Group. The Group acquired the assets of Chemours' Sulfur Products Division, strengthening its waste processing and recycling offering for the Oil & Gas sector in the United States.

It also acquired the American start-up, Kurion, and now has a comprehensive offering in the nuclear clean-up sector, thereby creating Veolia's Nuclear Solutions business.

2019 Veolia Environnement sold its remaining stake in Transdev Group to the Rethmann group.

At the Combined General Meeting, Veolia officially gave itself a Purpose.

Veolia completed the divestiture of its energy assets in the United States to Antin Infrastructures Partners for €1.1 billion

2020 On February 28, the Group unveiled its 2020-2023 strategic program: Impact 2023.
On October 5, Veolia Environnement acquired Engie's 29.9% stake in Suez and confirmed its intention to file a takeover bid on the remaining Suez shares.

2021 Veolia continued its Suez combination project. The successful completion of Veolia's public tender offer for Suez was published on January 10, 2022 by the French Financial Markets Authority (AMF), with settlement-delivery on January 18, 2022. The squeeze-out procedure for Suez shares on Euronext Paris was performed on February 18, 2022 and the shares were delisted at that date.

2022 Following the merger with Suez in 2022, Veolia strengthened its ambition to create a global champion of ecological transformation.

(1) In this Universal Registration Document, unless otherwise indicated, the term Company refers to the public limited company Veolia Environnement, and the terms Group and Veolia refer to Veolia Environnement and its direct and indirect consolidated subsidiaries.

1.1.2 PURPOSE

Veolia was one of the first French groups to define its purpose, adopted by its Board of Directors in April 2019. The Group's purpose was drawn up in consultation with its various stakeholders and approved by the Board of Directors, and articulates why Veolia exists and what it does and how, for the benefit of all its stakeholders. This purpose, which is the fruit of more than 160 years of history, is in line with Veolia's "Resourcing the World" mission statement.

The purpose states the fundamental way in which Veolia will act. It is both the direction in which the Group is heading and a means to show the extent of its ambition and to give its actions a firmer long-term foundation. All Veolia's stakeholders are informed of its purpose - whether employees, customers, suppliers, shareholders, partners or the territories where it operates - so that they know what it means and can contribute to its practical application.

In 2023, Veolia adopted a short version of its purpose to facilitate its appropriation by all employees and more strongly highlight its key elements for all stakeholders, thus supporting, strengthening and accelerating its deployment.

> Ecological transformation means acting to reconcile human progress and environmental protection.
>
> We develop and implement locally solutions to depollute vital resources and preserve them from depletion, solutions to decarbonise our ways of living and producing and adapt them to the consequences of climate change.
>
> All over the world, attuned to local cultures, we strive to improve the health and quality of life of communities.
>
> At Veolia, we tackle economic, social and environmental issues as an inseparable whole to the benefit of the largest number of people.

The long version of the purpose can be found on Veolia.com.

1.1.3 GENERAL INTRODUCTION

Veolia is a world leader in environmental services and offers a complete range of solutions for managing Water, Waste and Energy on five continents.

In 2022, the Group operated in 57[(1)] countries, generated revenue of €45,351.2 million and employed 218,288 people.

In 2022, Veolia's organization is divided into seven geographic zones (France and Special Waste Europe, Central and Eastern Europe, North America, , Asia Pacific, Iberia and Latin America, North America, Italy-Africa-Middle East) and an additional worldwide zone (Water technologies).

In the geographic zones, the organization is structured by delegated zone or country (Business Unit), with the directors for each country responsible for the Water, Waste and Energy business lines within their scope.

Veolia Environnement is included in the Euronext Paris CAC 40 index.

(1) *Countries where Veolia has a permanent establishment, employees and capital employed in excess of €5 million.*

1.2 Strategy AFR

Faced with the tangible impacts of climate change, the demand for ecological transformation has never been stronger. In a world committed to achieving carbon neutrality and gradually reducing fossil fuels, industries and territories need to be steered towards proven, affordable and replicable solutions: solutions that enable them to reduce their carbon footprint, but also adapt to the already visible consequences of climate change, notably on water resources, preserve the health of populations, and exploit new local resources to gain greater sovereignty and autonomy

Veolia is focusing on being the missing link of this ecological transformation to meet growing market demand.

Today, Veolia operates in a market where demand outweighs supply: decarbonization, climate change adaptation and mitigation, management of the scarcity of resources, preservation of the quality of life and health of individuals, search for competitiveness and sovereignty for players and territories.

The Group has never been as strong with unique solutions across the entire value chain of business lines that are vital to ecological transformation or as well-positioned to assist its customers in addressing these various challenges.

It is in this context that Veolia launched its new strategic program for 2024-2027, GreenUp.

1.2.1 VEOLIA'S STRATEGIC PROGRAM FOR THE PERIOD 2024-2027: GREENUP

For Veolia, ecological transformation requires solutions which decarbonize, depollute and regenerate and therefore preserve health, well-being and purchasing power, the strategic autonomy and attractiveness of territories and the performance of industrial customers.

This impact demonstrates the importance of dedicating efforts to greening, transformation, and not just to what is already “green”: this is precisely the objective of GreenUp. Veolia is also accelerating its own decarbonization trajectory, with a reduction in emissions (scope 1 & 2) of -50% by 2032, compatible with the 1.5°C warming trajectory of the Paris Agreement.

One ambition: be the benchmark company for ecological transformation

The Group operates in buoyant markets that are no largely correlated with economic cycles. It is guided by a governance and management that have demonstrated their ability to deliver results, whatever the context.

The Group’s strength also lies in the fact that its employees are its leading shareholder. It is an employer of choice with an employee engagement rate of 89% and has top rankings in ESG classifications.

With GreenUp, Veolia proposes to take real action towards ecological transformation, accelerate, transform and deliver genuine affordable and replicable solutions.

With GreenUp, Veolia is also accelerating the profitable growth of its activities worldwide. The Group will strengthen its position as global and European leader in its strongholds, municipal water, solid waste recycling and recovery and heating networks, and step up the growth of its booster activities with the highest impact: water technologies and new solutions, hazardous waste treatment and bioenergy, flexibility and energy efficiency. Their rapid, large-scale deployment will help erase 18 million tons of CO_2 emissions (scope 4), preserve 1.5 billion m^3 of water and treat 10 million tons of hazardous waste by 2027.

One priority: boost the growth of a century old foundation

To achieve its growth, Veolia acts as a solutions integrator, combining its different businesses - Water, Waste and Energy - to help its customers decarbonize, depollute and regenerate resources. To achieve this, the Group relies on the combination of its core businesses (“strongholds”) with growth boosters, strengthened by its worldwide presence in order to duplicate and deliver proven solutions in the 57 [(2)] countries where it operates.

The acceleration of GreenUp will therefore rely on the strongholds on which these boosters can develop. They account for 70% of Veolia’s activity today and will continue to fuel its growth, contributing by 30% by 2027 with €2 billion earmarked for investment as part of the plan.

These are the robust foundations of essential services to the territories or to industry, often comparable to infrastructures. For these activities, such as heating networks, municipal water and solid waste, Veolia maintains its global and European leadership thanks to its operational excellence and innovation efforts.

Spearheads of Veolia’s growth, the boosters are strategic activities to which the Group will devote a major share of its resources, as part of its GreenUp plan and aims to achieve revenue growth of +50% by 2030. They already account for 30% of its revenue and will generate 70% of its 2024-2027 growth. Veolia will allocate half of its growth investments to these activities, i.e. €2 billion, as much as for all the activities in the previous strategic plan.

Decarbonizing local energy

The first booster of the GreenUp program involves bioenergy, energy efficiency in buildings and industries, and flexibility. Producing local, low-carbon energy for all its municipal and industrial customers worldwide: this is Veolia’s commitment. Its ambition is to produce 8 GW of bioenergy and have a flexible installed capacity of 3 GW by 2030.

(2) *Countries where Veolia has a permanent establishment, employees and capital employed in excess of €5 million.*

From the production of bioenergy from non-recyclable waste and wastewater to heat and cold recovery, energy efficiency solutions and CO2 capture, the Group is focusing on the production of local, affordable, low-carbon energy, with a 18 MtCO2 reduction target for 2027.

With revenue of more than €12 billion[3] in this sector in 2023, Veolia is accelerating the development of these innovative solutions to enable its customers to optimize and balance their energy mix, while accelerating the production and consumption of renewable energies.

Water technologies and new solutions

A central pillar of Veolia's activities, the water business has guided the Group for 170 years, positioning Veolia as a leader in this sector. The Group intends to maintain its operational excellence while offering technological innovations to its customers, moving from water distribution activities to water science activities.

Water technologies and new solutions are the program's second booster. They will preserve water resources and treat new pollutants. Veolia aims to become the water services provider of the future by focusing on the efficiency of its solutions, such as the reuse of treated wastewater, the treatment of water and pollutants, including micro-pollutants using cutting-edge technologies, or the production of drinking water.

With a unique portfolio of proprietary solutions and technologies, and revenue of €18 billion in this sector, Veolia is aiming for 1.5 billion m^3 of water saved by 2027.

Hazardous waste treatment

As the world leader in hazardous waste treatment and present on every continent, Veolia is accelerating its activities with its customers with the deployment of unique offers.

Hazardous waste treatment is the third booster in this program. This will process the most toxic and harmful components to preserve the health of individuals and ecosystems.

The Group intends to accelerate circular economy solutions and innovation in lithium battery recycling, with the construction of several facilities, including one in Europe for copper, cobalt, nickel and lithium refining.

With revenue of over €14 billion in 2023, Veolia will continue to develop its activities and put all its expertise in hazardous waste treatment to work for its customers with the aim of processing 10 million tons of polluting waste by 2027.

Innovate and combine our strengths to accelerate

Even though the priority of the Veolia boosters is to deploy and replicate our existing solutions to our customers and in other regions, Veolia is also speeding up the development of future solutions that will drive the Group's growth in the years to come.

Already a leading player in the research and development of environmental solutions, with over ten R&D centers worldwide and almost 5,000 patents, the Group will significantly boost its investments in innovation, doubling them with an additional €200 million.

Veolia is preparing to design tomorrow's technologies to address the future challenges of its customers, for example, decarbonizing by creating value from biogenic carbon or regenerating resources by working to recycle and recover strategic metals from used batteries or incorporating artificial intelligence in our operations to detect leaks or optimize energy production,

With GreenUp, Veolia is also seeking to capitalize on its unique international positioning to replicate its solutions from one country to another. The goal of expanding the Group's international coverage is governed by key principles: maintaining our presence if the Group has a Top 3 ranking in a given country and the diversification of capital employed (<5% in most countries where Veolia operates). During GreenUp, Veolia's growth will be stepped up in three zones: United States, Middle East and Australia.

Veolia also plans to boost the efficiency gains generated by digital technology and artificial intelligence as part of its annual savings plan, particularly to optimize the water and energy consumption of its customers, improve waste sorting and recycling and strengthen predictive maintenance.

Accelerate for greater ecological transformation impact

With GreenUp, Veolia confirms its ambition to combine activity growth while accelerating its ecological transformation impact with the following objectives for 2027:

- decarbonize by erasing 18 million metric tons of CO_2 equivalent through local decarbonizing energy and the circular economy;
- preserve and regenerate resources by reducing its footprint on drinking water resources abstracted by over 1,5 billion m3;
- combat pollution and preserve the health of populations, by processing 10 million metric tons of hazardous waste.

This ambition is supplemented by an activity decarbonization trajectory, in accordance with the Paris agreements, for both its own operations and the assets of its customers. Veolia undertakes to:

- reduce its scope 1 & 2 emissions by 50% by 2032 while stepping up its investments mainly to phase-out coal in Europe and capture biogas in landfills;
- increase scope 4 erased emissions by 50% by 2030;
- achieve Net Zero in 2050.

At the end of 2023, this accelerated plan was submitted to the approval of the SBTI. Veolia will achieve this reduction in emissions by:

- reducing the emissions of its Energy activities by phasing out the use of coal in Europe (investment plan of €1.6 billion between 2018 and 2030), while relying more on green energies and capitalizing on its expertise in energy efficiency;
- reducing the emissions of its Waste activities mainly by capturing biogas, using low-emission vehicles and removing plastics in its waste-to-energy facilities;
- the Water activity will also contribute by increasing the use of green energies.

Rigorous management based on a multifaceted performance

From creation to implementation, Veolia's Purpose has been supported and steered at the Company's highest level. It is widely distributed and shared throughout the Group. The Board of Directors validated the text of the Purpose and the multifaceted performance objectives and related indicators and controls its proper performance. To this end it calls on the Purpose Committee, a Board committee which monitors progress achieved by the Group and directs choices relating to the Purpose and multifaceted performance.

[3] *Including energy revenues from water and waste.*

The Group Executive Committee and Management Committee directly monitor its implementation. They are assisted by a Purpose steering committee which monitors progress and difficulties encountered and proposes new lines of action. The opinion of the Critical Friends Committee of independent experts is regularly sought, with the aim of challenging the Company and helping it stay on course.

The Strategy and Innovation Department steers Veolia's strategy with a multifaceted performance perspective, aligned with the Group's Purpose.

A member of the Executive Committee was tasked specifically with stakeholder issues. The aim is to find an innovative approach to Group relations with stakeholders and support Group Business Units in this area, as well as to strengthen the relationship of trust and cooperation with stakeholders. The creation of partnership ecosystems offers a means to deploy Group solutions sustainably. A network of Purpose Officers in the Business Units and head office support functions seeks to mobilize and support local teams with the roll-out of the Purpose. Finally, employees are mobilized by their managers through internal networks and during special events, to make them the leading players in their Company's Purpose.

To steer this new program, Veolia will focus on its multifaceted performance guided by its purpose. A veritable tool to monitor all aspects of performance (employees, society, planet, customers, shareholders), the multifaceted performance indicators were reviewed and simplified. An Executive Committee member was appointed as sponsor to support each objective and ensure their achievement. Fifteen new indicators will be taken into account in the remuneration of at least 16,000 Group managers to unite all employees around this ambition.

Each indicator relating to the objectives is measured and published regularly during the course of the program to monitor progress. These indicators are verified by an independent third-party.

Profitable growth

Veolia is committed to financial targets during the GreenUp program:

- solid and resilient revenue growth[4];
- efficiency generating €350 million of savings per year;
- EBITDA equal to or more than €8 billion in 2027;
- current net income with a CAGR of around 10% over 2023-2027[5];
- net debt/EBITDA below or equal to 3x EBITDA;
- dividend growth in line with that of NEPS.

1.2.2 RECAP OF IMPACT 2023 PROGRAM GUIDELINES

Impact 2023, Veolia's strategic program for the period 2020-2023, breaks down as follows:

- **a particular context**: the environmental priority has never been higher;
- **a high ambition**: to be the benchmark company and leading global contributor for ecological transformation;
- **a priority**: maximizing the Group's positive impact for each of its business lines, be it environmental, societal or financial;
- **a consequence**: clear priorities and choices among Veolia's businesses, with a strong acceleration of the activities with the highest positive impact on the planet and a portfolio rotation of around 20%;
- **a plan preparing the future**: increased human and financial resources to reinvent and strengthen the historical businesses and create new solutions to address the global environmental challenges of today and tomorrow;
- **a highly rigorous execution**: a four-year €1 billion cost savings plan and target net financial debt below 3x EBITDA until the end of the plan;
- **a plan providing the proof of commitments**, with a set of performance indicators to track our impact on all stakeholders and provide a basis for the compensation of Group senior executives.

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(4) *Excluding the energy price impact.*
(5) *At constant exchange rates.*

1.2.3 IMPACT 2023 PROGRAM ASSESSMENT

2023 was the last year of the Impact 2023 program. It was a record year for Veolia, with excellent results from a trailblazing position in the ecological transformation market and ongoing strict operational management. The Impact 2023 financial targets were achieved and this would have been the case even without the Suez merger. Growth, creating value with controlled leverage, is the best illustration of this program's financial success.

Furthermore, 17/19 multifaceted performance targets (see a breakdown of the indicators in Chapter 0, Multifaceted performance in the Impact 2023 program) were also achieved or even surpassed including:

- employee engagement rate of 89%, for a target of over 80%, with 7.5% of the Group's share capital held by employees, who are now our leading shareholder;
- 15.4 million metric tons of avoided CO_2;
- 2023 current net income of €1,335 million (for a €1 billion target), i.e. a twofold increase since 2018;
- 400 million m^3 of water saved due to an improvement in water network performance to 76% in 2023.

The integration of the Suez teams is already effective and synergy objectives are ahead of schedule. This merger has significantly increased the Group's commercial potential, thanks to an extended portfolio of solutions and references and a unique global positioning.

Veolia began 2024 with considerable confidence. A perfect start for a new year with a new GreenUp program.

1.2.4 BUSINESS MODEL

OUR VALUE CREATION MODEL

OUR FOUNDATIONS

Local presence

- A worldwide geographical footprint in **57 countries**, expressed in a strong local presence
- A flexible organization with strong regional networks

The combination of businesses

- Expertise in each business area creating added value by combining **3 businesses** of water, energy, and waste

Geographical reproducibility

- GreenPath: **100 solutions** to reduce its customers' carbon footprint across their entire value chain
- **8 specialized local hubs** to industrialize innovation where it is needed

Financial discipline

- Revenue divided between **3 businesses: 41%** from water, **32%** from waste, and **27%** from energy
- Municipal customers **(57%)** and industrial and commercial customers **(43%)**
- Financial strength: net debt/EBITDA ratio of **2.7**

Operational excellence

- Solutions to deal with complex environmental problems (hazardous waste treatment, decontamination of soil and industrial water, etc.)
- An integrated risk management system
- A 2050 net zero roadmap organized operationally with an emissions reduction plan

Employee commitment

- **87%** of employees are proud to work at Veolia
- **82%** of employees are confident in the Group's capacity to achieve its goal of becoming the champion of ecological transformation
- Veolia employees are the Group's leading shareholder with **7.5%** of its capital (as at December 31, 2023)

A CLEAR STRATEGIC DIRECTION

Risks and opportunities

To reconcile human progress and environmental protection

Our ambition

Strong positions to optimize and develop

- Municipal water
- District heating and cooling networks
- Solid waste

Acceleration boosters

- Low-carbon local energy
- Water technologies and new solutions
- Hazardous waste treatment

Positive-impact solutions for our municipal and industrial customers

- **"+1" collective:** a panel of stakeholders working to identify concrete actions for energy transition across eight business units
- **Critical Friends Committee:** a space for collective reflection to observe and challenge elements of Veolia's company strategy and its impacts on society

In the fast-growing ecological transformation markets, Veolia is operating its three essential services businesses (water, waste and energy) to meet three major ecological challenges: decarbonization, depollution, and resource preservation and regeneration. The Group is leveraging its strong position in municipal water, district heating and cooling networks, and solid waste management, and its three boosters (low-carbon local energy, water technologies and new solutions, and hazardous waste treatment), into which it intends to channel half its investments, to target accelerated development potential for all its stakeholders.

Issues such as climate change, scarcity of resources, pollution, threats to biodiversity, health and safety, and consumer protection are driving growing demand from our stakeholders for solutions to protect their health and preserve the planet, its climate and resources.

Our purpose

To be the global champion of ecological transformation

Our strategic pillars

DECARBONIZE, REGENERATE, DEPOLLUTE

2027 targets:

- 18 million metric tons of CO_2 eq. erased
- 1.5 billion m³ of fresh water saved
- 10 million metric tons of hazardous waste and pollutants waste treated

Regular and structured dialogue with our stakeholders

VALUE CREATION FOR OUR STAKEHOLDERS

PLANET, EMPLOYEES, SOCIETY, SHAREHOLDERS, CUSTOMERS

ENVIRONMENTAL PERFORMANCE

- **42%** progress on the investment plan to phase out coal in Europe by 2030
- **15.5 million metric tons CO_2 eq.** annual contribution to avoided GHG emissions
- **465,000 metric tons** of plastics recycled in Veolia's transformation plants
- **76.4%** efficiency rate in drinking water networks
- **85%** progress on action plans aimed at improving the impact on environments and biodiversity at sensitive sites

HUMAN RESOURCES PERFORMANCE

- **89%** employee commitment rate, measured by an independent survey
- **4.95** lost time injury frequency rate
- **29 hours** of training per employee on average per year
- **30.7%** women appointed among the Group's Executive Resourcers since 2020
- **1,713** collective agreements signed with 40 countries regarding labor relations

SOCIAL PERFORMANCE

- **88%** positive answers to the engagement survey question: "Are Veolia's values and ethics applied in my entity?"
- **7.27 million** people benefited from inclusive solutions to access water or sanitation services under Veolia contracts
- **1,561,629 jobs** supported worldwide and **€77.5 billion** of wealth created in 58 countries (contribution to GDP)
- **90.2%** of spending reinvested locally
- **89%** of active contracts in the supplier contract base include the Group CSR clause

ECONOMIC AND FINANCIAL PERFORMANCE

- Revenue of **€45,351 million**
- **Current net** income Group share: **€1,335 million**
- Post-tax **ROCE: 8.3%**
- **Free cash flow** before discretionary investment: **€1,683 million**
- EBITDA of **€6,543 million**
- Dividend of **€1.25** per share for fiscal year 2023[1]
- Five-year TSR: **99.89%** (as at end of 2023)
- **€107 million** of profit-sharing and incentive scheme payments to employees for fiscal year 2022

COMMERCIAL PERFORMANCE

- Consolidated revenue of **€4.2 billion** in the "Liquid and hazardous waste processing and recovery" segment
- **17 innovations** included in at least 10 contracts signed
- Customer **satisfaction rate** calculated using the Net Promoter Score methodology **= 53 with 82%** of revenue covered

CONTRIBUTIONS TO THE SDGs

› *Multifaceted performance indicators*

(1) Subject to approval by the Shareholders' General Meeting on April 25, 2024.

1.3 Business lines AFR

1.3.1 DESCRIPTION

Veolia has three main business lines (Water, Waste and Energy) and operates in two key markets (the municipal market and the industrial market, which includes the service sector).

Business line	2023	Group revenue
WATER	113 million people supplied with drinking water 103 million people connected to sanitation systems 3,809 drinking water production plants managed 3,222 wastewater treatment plants managed	€18,409 million 40.6%
WASTE	43 million people provided with collection services on behalf of public authorities 63 million metric tons of processed waste 865 waste processing facilities operated 562,828 business customers	€14,683 million 32.4%
ENERGY	42 million MWh produced 48,745 thermal installations managed 708 heating and cooling networks managed more than 2,118 industrial sites managed	€12,260 million 27.0%

1.3.1.1 Water

Thanks to its entities and subsidiaries located around the world, Veolia is a leading expert in water cycle management, enabling it to respond to the numerous demands of municipalities and industrial companies: **resource management; production and transport of drinking water and industrial process water; collection, treatment and recovery of wastewater from all sources and treatment of by products (organic materials, salts, metals, complex molecules and energy); customer relationship management; design and construction of treatment infrastructure and networks**. This expertise enables Veolia to assist its customers implement an integrated and sustained water resource management approach, with solutions incorporating climate change challenges and promoting the circular economy.

Sustainable management of water resources

Veolia is active in all stages of the water cycle, from abstraction through to returning it to the natural environment. The Group has several decades' experience of managing all of these key phases, thanks to which it has acquired specialized knowledge and expertise in managing this resource.

The Group is committed on a daily basis to optimizing how the water cycle is managed, as well as to saving this increasingly scarce resource, guaranteeing its quality and ensuring that it is replenished. It helps its customers develop holistic, integrated policies for managing water resources that emphasize the need to preserve ecosystems and biodiversity. Around the world, Veolia is providing solutions such as desalinating seawater, recycling and reusing wastewater and developing piping systems that help to optimize how this precious resource is managed.

Collection and transport of water

Veolia offers a range of solutions for the collection and transport of drinking water and wastewater, including:

- designing and building water and sanitation networks;
- operating and maintaining water and wastewater treatment networks;
- distributing drinking water;
- collecting wastewater.

At each stage of the water cycle, Veolia:

- ensures water traceability to guarantee that the quality of drinking water is preserved from the moment it leaves the plant to the point at which it reaches the consumer;
- monitors and measures the quality of effluents collected to ensure that the treatments carried out at the wastewater treatment plants operated by the Group are as effective as possible;
- provides asset management services for networks to ensure that they deliver outstanding performance and that money spent on them delivers optimal value (replacement and operating costs).

Water treatment

As a water treatment expert, Veolia has significant expertise in monitoring water quality at every stage of the process, from abstraction through to returning it to the natural environment and develops solutions that respond to the needs of public authorities and industrial companies:

- engineering and designing treatment plants;
- producing drinking and industrial process water;
- decontaminating wastewater;
- recycling wastewater and industrial effluents;
- operating, maintaining and optimizing treatment plants;
- producing "green" energy from wastewater and sludge (e.g. through anaerobic digestion, cogeneration and micro turbines).

Innovation is central to the Group's strategy and new processes are therefore being developed in the field of process intensification (MABR) and process modularity (membranes), for use in the following areas: reuse of wastewater, salt recycling, energy savings, "green" energy production (e.g. using heat pumps to capture the calories found in wastewater and producing biogas from the anaerobic digestion of wastewater sludge) and material recovery for use in fertilizers.

Customer service

Customer satisfaction is extremely important to Veolia and it implements solutions enabling it to guarantee a high level of service and develop a close relationship. These solutions call on a range of multichannel customer relationship management tools, including:

- customer service centers, where Veolia can respond to a range of consumer inquiries;
- local and mobile branches;
- web portals;
- mobile applications that customers can download onto a smartphone and use to carry out key transactions relating to their water service;
- a range of payment and social support solutions.

Water treatment equipment, technologies and facilities

The Group has a portfolio of more than 550 proprietary technologies (including physicochemical, biological, thermal and hybrid treatments), enriched since the acquisition of Suez WTS to include ultra-filtration and nano-filtration membrane technologies, reverse osmosis, electro-separation, oxygen diffusion, ozone production and chemical formulations, enabling it to tackle the most complex water purification (PFAS, virus, micropollutants) and reuse challenges for all applications (drinking water, industrial process water, ultrapure water, wastewater and seawater).

Veolia Water Technologies (VWT), a subsidiary of Veolia Environnement, offers industrial companies and public authorities a comprehensive range of solutions and services designed to optimize their water usage, from supplying drinking and industrial process water to treating wastewater, managing wastewater sludge and recycling and reuse solutions (including the recovery of byproducts, raw materials and energy).

Veolia combines technology and engineering services to develop complete water treatment solutions, which may take the form of either packaged products or bespoke turnkey systems or sectors. VWT designs drinking water production and wastewater treatment plants around the world for a range of industrial and municipal customers. Through its subsidiaries, VWT also offers water treatment equipment and technology, as well as mobile operational response solutions.

VWT's sanitation services transform wastewater into a resource. Using all of the Group's technologies, it helps municipalities to produce reusable water, fertilizers, nutrients and thermal and electrical energy from wastewater.

The Company also works with mining, exploration, operating and engineering companies to respond to all their water needs, from producing drinking or desalinated water at remote sites to treating industrial process water and wastewater.

Digitalizing the business

Veolia uses and develops technologies using artificial intelligence as a lever to address environmental challenges, strengthen the performance of its installations and improve customer service. The ecosystem was strengthened by the integration of Agbar's expertise into the Group, accelerating the development of solutions. These solutions include:

- control centers integrated into operations, which monitor service levels in real time and communicate any anomalies to the customer service centers to program on-site visits;
- an energy management system, which closely monitors the consumption of water installations operated by the Group and identifies areas for optimization.

Veolia has also developed an e-monitoring service enabling private individuals, local authorities and industrial companies to better manage their consumption.

1.3.1.2 Waste

Veolia is one of the leading players in the management of liquid, solid, non-hazardous and hazardous waste.

The Group operates across the entire waste life cycle, **from collection to final processing and makes waste recycling and recovery a priority. Veolia plays a key role in the circular economy**, developing innovative solutions to increase rates of waste recycled and recovered as materials and energy.

Waste collection

Due to the wide range of waste categories (household waste, non-hazardous commercial and industrial waste, construction waste, green waste, hazardous industrial and service sector waste), waste collection is a major logistics challenge. Veolia provides door-to-door household waste collections, as well as collecting waste from communal disposal points, non-hazardous commercial and industrial waste and green waste (keeping green spaces clean). It also collects hazardous waste from industrial and service sector customers, including biomedical waste from hospitals and laboratories and waste oil (e.g. from ships and gas stations). In addition, it handles dispersed hazardous waste, which must be separated during collection, either in individual containers or mixed with other recyclable materials.

Waste of the same type is taken either to transfer stations, where it is picked up by larger trucks, or to sorting centers, where it is separated by type and then sorted before being sent to the appropriate processing center.

Veolia offers its customers a range of collection systems that can be adapted to suit their specific economic and regional requirements. New technologies have been developed in France, such as vehicles powered by biofuel, hybrid vehicles and alternative methods of transporting waste (e.g. by river or rail).

Recycling and recovering materials from waste

Veolia's goal is to process waste with a view to reintroducing it into the industrial production cycle and achieving the highest possible rate of recycling and material recovery.

Veolia works upstream in partnership with local regions and industrial companies to structure the sorting and recycling sectors. Veolia manages high-performance sorting centers for non-hazardous industrial waste and waste from selective collections, which guarantee recovery rates of over 50%. The Group's research and development center developed TSA2, a patented process for industrial application that enhances the performance of sorting facilities and enables the production of high-quality secondary raw materials. Thanks to a remotely operated sorting procedure, it is now possible to refine the sorting process even further to achieve recovery rates of over 95%.

Veolia works downstream, in partnership with industrial companies, to address ecological transition challenges by developing plastic recycling solutions (PET, PP, PE, etc.). Veolia is now a partner of choice for the production of recycled (or circular) polymers meeting the highest performance standards demanded by the market for mechanical recycling processes.

Veolia also provides recycling services for complex waste, such as electrical and electronic devices and fluorescent bulbs.

Recovery of organic waste

Wastewater treatment plant sludge and green waste as well as organic waste produced by households, restaurants, the food and beverage sector and agriculture, are recovered for use in specific biological sectors.

Processing involves either controlled composting or anaerobic digestion at anaerobic digestion plants. Compost produced is used as fertilizer in agriculture and methane generated by fermentation is recovered using the same process as for biogas at landfill sites.

Waste-to-energy recovery

Non-hazardous waste that cannot be recycled is transported to incineration plants or landfill sites. Veolia is also working on the transformation of non-hazardous waste that cannot be recycled into refuse-derived fuels for use by public authorities and industrial companies in combustion and energy production processes.

The incineration process produces energy in the form of steam that can either be used to power urban or industrial heating networks or converted to energy using turbines. The electricity produced is then fed into the national grid.

At landfill sites, Veolia captures biogas produced by the fermentation of organic waste. This biogas may then be fed directly into a distribution network, used to produce electricity with turbines or engines, or used as fuel for vehicles.

Decommissioning and decontamination

Veolia manages decommissioning projects for industrial facilities and end-of-life equipment, such as aircraft, ships, trains and oil platforms. The Group provides dismantling, asbestos removal, material recovery, final waste processing and site remediation services.

Veolia also participates in the rehabilitation of areas where the soil was previously contaminated. Its subsidiary, SARP Industries, rehabilitates brownfield sites, cleans up accidental spills and brings active industrial sites into line with applicable environmental regulation.

Processing of hazardous liquid waste

Through its specialist subsidiaries, Veolia is a world leader in processing, recycling and recovering hazardous waste and decontaminating land.

Depending on the source and composition of the hazardous waste it may be incinerated or processed using physiochemical or biological techniques at specialized facilities or stabilized and buried in special landfill sites.

For waste from nuclear activities, Veolia cleans up nuclear facilities and processes low and medium-level radioactive waste through the entity, Veolia Nuclear Solutions.

Urban and industrial cleaning services and sanitation

The cleanliness of streets and public areas is an important factor in cities' appeal and is a major public health and safety issue for citizens.

Veolia provides urban cleaning services 24/7 founded on performance commitments: upkeep and cleaning of public spaces, mechanical street and facade cleaning solutions.

Veolia offers industrial customers production line upkeep and maintenance services and a comprehensive range of specialist services to optimize the performance of the industrial tool and extend its life.

The Group has also developed emergency services to treat accidental pollution on public roads or at industrial sites.

Through its specialized subsidiary SARP, Veolia provides liquid waste management services that largely involve pumping and transporting sewer network liquids and oil industry residues to processing centers. The Group has developed a range of environmentally friendly procedures for managing liquid waste, including on-site collection and the recycling of water during processing. Used oil, which is hazardous for the environment, is collected before being processed and re-refined by SARP Industries, a specialist in managing hazardous waste.

1.3.1.3 Energy

In the energy sector, Veolia focuses its activities **on the energy performance of regions and industrial companies**: local energy loops (heating and cooling networks, local supply loops), energy services for buildings, energy services for industrial companies (industrial utilities). Veolia's value proposition seeks to guarantee the energy performance of the regions and industrial companies (i) by reducing end consumption, (ii) while optimizing local energy production, (iii) improving the energy mix by promoting renewable energies and recovering waste energy and (iv) developing and managing flexibility services to optimize and build the resilience of regional infrastructures.

This positioning allows the Group to respond to the challenges facing all customer segments, both municipal (energy optimization, development of renewable energies and network balance in developed countries, development of regional infrastructure and the need for autonomy in emerging countries) and service sector and industrial (energy optimization, security of supply, corporate social and environmental responsibility in developed countries, security of supply and need for autonomy in emerging countries).

Veolia supports ecological transition both in its own installations and in partnership with customers by implementing solutions aimed at eliminating the use of coal as the primary energy.

Heating and cooling networks

Veolia is one of Europe's leading companies for managing urban heating and cooling networks, particularly in Central and Eastern Europe. The operation and maintenance of heating and cooling networks enables the supply of heating, hot water and air conditioning to public and private facilities, including schools, health centers, office buildings and apartment blocks. Heating networks help improve air quality as the centralized units are equipped with better flue treatment systems. Cooling networks also help remove heat islands by centralizing production.

The heating and cooling networks enable the use of an energy mix favoring the use of renewable and recovered energies: geothermal, biomass, thermal solar, cogeneration or the recovery of heat produced by incineration of household waste, wastewater treatment plants, etc. They help reduce the carbon footprint of cities and enable heat and cold emitter and receiver sites to be linked and a region's overall energy position to be optimized.

Veolia uses its unique expertise to design, build, operate and maintain heating and cooling networks, manage energy supplies (particularly those from renewable sources) and deliver services to end customers.

Local supply loops

Local supply loops respond to an underlying trend tied to the integration of local renewable energies and the need for resilience in the electricity management system.

Veolia's offerings focus on the production (cogeneration, biomass, waste-to-energy recovery, biogas, hydraulic, etc.) and distribution of electricity (distribution voltage of 50 kV or less) at regional level (city, district, industrial park) and electricity distribution alone when operating together with another Veolia activity (waste or water), as in Morocco.

Energy services for buildings

Veolia develops energy services to reduce the energy consumption and CO_2 emissions of buildings while maintaining occupant comfort levels. Veolia carries out energy audits of buildings, which are then used to draft improvement plans encompassing the installation of more efficient energy equipment, tools for monitoring consumption and managing the building's performance and measures encouraging occupants to save energy. These services can also include local energy production.

Veolia is developing indoor air quality monitoring and improvement offerings for its customers (care facilities, leisure buildings, office buildings, etc.) for whom indoor air quality is becoming a major issue. These offerings are based on audits, improvement measures involving purifiers or the renovation of ventilation systems and the monitoring of performance indicators.

Veolia has created a hypervision system and management service to control the efficiency of buildings and infrastructures: Hubgrade. Designed as an integrated management platform, Hubgrade collects data real-time which is then analyzed by the Group's experts to optimize on-site visits. In terms of building energy efficiency, this tool generates up to 15% additional energy savings in comparison to existing energy efficiency services available on the market. Hubgrade also enables the centralized monitoring and improvement of other environmental indicators, such as water consumption, waste production or indoor air quality. Veolia currently manages 33 Hubgrade centers around the globe.

Industrial utilities

Veolia's energy solutions meet the reliability, quality, availability, and cost requirements of industrial companies for whom energy is an essential element of their competitiveness. The Group optimizes industrial utilities, whatever their nature (production of steam, cold, electricity, compressed air), as well as the use of process energy and the energy consumption of industrial buildings. Veolia thereby contributes to securing its customer's energy supply and reducing their energy and carbon footprint:

- optimizing industrial utilities: steam, electricity and compressed air;
- optimizing the use of process energy (aligning use with needs and identifying sources of waste energy and recoverable byproducts);
- optimizing the energy consumption of industrial buildings;
- reducing greenhouse gas emissions.

Veolia offers its customers:

- a secure supply and effective mix of energy in terms of quantity, quality and cost;
- industrial processes;
- a guarantee that their facilities will remain operable, in the form of specific service commitments.

Its Energy solutions encompass the entire conversion cycle, from purchasing energies entering a site (fuel oil, gas, biomass and biogas) to building new facilities or modernizing existing ones and selling the electricity produced on the market. Veolia works with its customers to help them optimize their energy procurement and upgrade their facilities to improve their energy efficiency, both in terms of cost and atmospheric emissions.

1.3.1.4 Multi-business contracts with industrial customers

Industrial outsourcing and integrated services

The main characteristics of the industrial outsourcing market are:

- increasing requests for integrated services from technical and multi-services business lines, often accompanied by a demand for environmental optimization services; and
- offerings that must be international, or at the very least continent-wide, with the industrial customers adopting increasingly multi-site and/or multi-country approaches.

From an operational standpoint, there are necessary changes to the customer relationship: the service provider becomes the industrial customer's sole point of contact and a dialogue develops to seek solutions which satisfy the interests of both parties. By outsourcing the management of technical and multi-services to a specialist, the customer can refocus on its core business and benefit from best practices for the services delegated. The combination of these two factors helps improve the performance and competitiveness of industrial sites.

By placing its business synergies, its know-how, its international spread and its solid reputation at the service of industrial customers, Veolia has established itself as the benchmark for multi-business integrated offerings in industrial markets.

Multi-business contracts

Multi-business operations have a significant international dimension, particularly when industrial customers invest in the construction of new plants abroad ("greenfield" plants).

Veolia has a unique position in the industrial outsourcing market and a wide range of references:

- the design, build and operation of the first automobile plant with zero carbon emissions and zero water discharges, for Renault in Tangier, which mobilized the expertise and know-how of the Group's various business lines;
- the ability to assist leading pharmaceutical customers throughout Europe applying the same standards, as demonstrated by contracts with Pfizer and Novartis.

1.3.1.5 Other businesses

Seureca hosts the Group's engineering consulting and operational and strategy assistance activities. It designs tailored solutions for challenges surrounding accessing essential services, sustainable resource management, environmental protection and performance improvement for municipalities, industrial companies and the service sector.

Its teams are involved in the water, waste recovery and processing and energy business, from the draft project phase through to operational implementation and provide a wide range of services including audits and studies, design and project management, strategic and operational assistance, training and skills transfer.

Active in over 70 countries across five continents, Seureca is supported by local offices, business synergies and an operational talent pool of over 300 engineers that can be mobilized to work on short-, medium- or long-term projects around the world.

Veolia also has a subsidiary specialized in the environmental and health performance of buildings and expertise in monitoring and improving air quality (OFIS).

1.3.2 FACTORS THAT COULD INFLUENCE THE GROUP'S BUSINESS LINES

The Group's main business lines can be influenced by key factors, certain of which are set out in Chapter 2, Section 2.2, Risk factors, below.

WATER

- changes to billed volumes (particularly changes in domestic water consumption as a result of weather variations);
- the ability to achieve, within the planned timeframe, rate increases in line with Group targets;
- the ability to implement cost-cutting programs;
- the pace of the projects of municipal customers and some larger industrial customers (for designing and building installations);
- the ability to meet service commitments negotiated with customers or regulators;
- continued technological leadership (for designing and building installations);
- a full grasp of the constraints and technical solutions in relation to contract performance;
- thoroughness in negotiation and performance (particularly as regards the ability to respect deadlines and cost budgets for designing and building installations);
- operational resilience of sites due to climate conditions (flood risk or water stress).

WASTE

- presence at all points of the waste value chain, from pre-collection through all aspects of processing and recovery, in a representative range of geographic zones, in order to identify and manage innovative, tailored solutions that set the Group apart from its competitors in the market;
- public policies supporting the circular economy and ecological transition;
- the quality of employee management in sectors that are often labor-intensive (limiting absenteeism and strikes, and developing skills and training);
- operating efficiency (procurement, sales, logistics and maintenance management) to optimize unit costs and the utilization rate of equipment, while ensuring the high level of quality required for the products and services delivered;
- management of economic and financial risks: in particular, volume fluctuations, reducing exposure to volatility in raw material prices (fuel, and secondary raw materials, such as paper and metals), see below;
- industrial risk management (fire, explosion, pollution, etc.), notably for the hazardous waste activity.

ENERGY

- public policies supporting energy transition (energy efficiency, the development of renewable energy sources, etc.) and the reduction of pollutant emissions;
- changes in the energy market, particularly in terms of the selling price of electricity and heating, the accessibility and production cost of fuels, and CO_2 allowances (see below);
- urbanization dynamics and weather variations from year to year, which can affect sales of heating and cooling;
- the economic environment and its influence on the activity levels of industrial sites.

Factors common to the three business lines:

- the ability to renew existing contracts under satisfactory conditions in a very competitive environment;
- the ability to propose innovative models;
- the ability to control costs and impose favorable conditions for sharing risks and profits;
- the management of risks relating to environmental protection, and to the safety of individuals and facilities;
- the ability to innovate using new technologies and innovative processes founded on an effective technology-, regulator- and competition-monitoring system;
- investment management in certain capital-intensive businesses (selectivity, risk analysis and facility size);
- the quality of contractual management for long-term contracts (major clauses, price review formula, guarantees and sureties, etc.);
- the diversity of regulatory frameworks and changes therein, particularly concerning environmental issues.

The **Water** and **Energy** business lines are subject to seasonal changes and weather uncertainty (see Chapter 2, Section 2.2.2.1, below).

Price variations in electricity and primary raw materials (particularly fuel, coal and natural gas) on the one hand, and of secondary raw materials (paper, cardboard, plastic, ferrous scrap and non-ferrous metals) on the other hand, can have varying effects on Veolia's businesses (see Chapter 2, Section 2.2.2.3, below).

Energy and raw material prices are heavily influenced by supply and demand, weather conditions, the geopolitical context and macroeconomic decisions. Raw material prices fell significantly on 2022 to close the year at levels observed prior to the Russian-Ukrainian conflict.

The drop in prices is due to a combination of factors impacting both supply and demand: comfortable European gas stock levels (88% as of December 20, 2023), better availability of the French nuclear park, strong renewable production, mild winter temperatures and an energy savings objective that has reduced demand.

- Natural gas:average prices for the main European interconnection points (PEG, TTF and THE) are down significantly by -64% on 2022.

  Events in 2022 led Europe to diversify its gas supply strategy and thereby reduce its dependence on Russian gas. In 2023, liquid natural gas (LNG) supply increased significantly and a steady flow from Norway accelerated the build-up of European stock, enabling the 90% security threshold set by the European Commission for the winter to be reached.

These factors reassured the European market and helped stabilize natural gas prices despite strikes at LNG production sites in Australia and the escalation of the conflict between Gaza and Israel. The price of natural gas therefore closed the year at around €30/MWh (vs €62/MWh on average in January 2023).

- Electricity: average prices in the German and French markets, among the most liquid in Europe, declined significantly by around -62% on 2022.

  The increased availability of the entire French nuclear park (+10 GW compared to winter 2022-2023 thanks to maintenance operations conducted in 2022), coupled with a robust renewables offer occupying an increasing share of the European energy mix (67.5% in the first-half of 2023 compared to 60.3% in 2022), helped reduce the average daily spot rate to approximately €90/MWh, with negative prices in the third quarter.
- CO_2: average prices in the European CO2 allowance market increased by around +3% on 2022.

  Emission allowance prices are highly volatile and driven by the collapse of the energy market, which fell sharply throughout the second half of the year to reach €66/metric ton mid-December.

  The approaching December 2023 settlement date combined with the closure of speculative positions propelled the spot rate to €77/metric ton in the final two weeks of the year.
- Fuel:average fuel prices decreased around -24% in 2023 compared to 2022.

  As a product derived from crude oil, fuel prices remain heavily influenced by the price of Brent and OPEC decisions. The daily spot rate increased in the third quarter, peaking in September at US$1,040/metric ton (Ultra Low Sulphur Diesel 10 ppm) following the announcement by OPEC of a reduction in production. Demand was therefore redirected to the United States where stocks were reduced to their lowest level.

  This fall in the average price in 2023 positively impacted the fuel purchases account in the Waste business by around +€39.63 million.

A portion of the revenue of the **Waste** business line is generated by its sorting/recycling and trading businesses, which can be sensitive to fluctuations in the price of recycled materials (paper, cardboard, plastic, ferrous scrap and non-ferrous metals).

- Recycled cardboard and paper (NFSI OCC 1.04): 2023 was marked by a progressive increase in prices, from €70/metric ton in January to €102/metric ton in December 2023;
- Ferrous scrap (E40 price benchmark): the 2023 annual average fell -19% compared to 2022.

  After a first quarter under pressure marked by rising prices, the trend reversed in the second quarter with a gradual increase in mining production, a drop in Chinese imports due to a slower than expected recovery following the exit from the zero-covid policy, and the slowdown in the global economy;
- Plastic: 2023 was marked by a fall in prices for the various resins due to the economic crisis and lower "virgin" material prices: -40% rPET (WE, Food Grade Pellets, WoodMackenzie), -24% HDPE (Natural Pellets, ICIS Europe), -17% PP (Mixed-Colored Pellets, ICIS Europe). Lower grade materials were most impacted by low demand for recycled materials, while demand for premium or food grade materials was the highest. It should also be noted that the decline in recycled plastic prices (pellets) was accompanied by a drop in plastic bales collected and sorted.

Waste revenue fell significantly by -€415 million in 2023, in a context of a slowdown in global activity, lower volumes collected and falling prices for recycled raw materials.

1.3.3 CONTRACTS TAILORED TO THE MARKETS

The variety of the business models implemented by the Group results in diverse contract forms tailored to suit local legal systems, and the type (public vs. private), requirements (in terms of financing and performance) and size of customers.

Veolia therefore strives to take its customers' expectations into account in its contract negotiations, building a partnership-based relationship that is attentive to the customer's concerns, and a shared approach to improvement and productivity. It sets out clearly defined commitments to performance and sharing the value created, while meeting regulators' transparency requirements, from the tendering stage and throughout performance of the contract.

1.3.3.1 Contractual relationships with public authorities

Contractual relationships with public authorities for services to local inhabitants ("public services" or "services of general economic interest", for which the municipality is responsible), vary with the level of involvement of the public authority and the contractor.

Most often, these public services fall under the responsibility of the competent public authorities, which are directly involved in their management in various ways. They may:

- **operate the service themselves** (direct or internal management by a state-owned enterprise) using their own resources or resources entrusted to a body that the public authority controls, similarly to the way it controls its own departments (or "in-house" under EU regulations);
- **engage the services of a private, part-public or public company**, which operates all or part of the service on their behalf (in its entirety, for support assignments related to the service, or within a limited scope) and for which they form the customer base;
- **transfer or delegate**, to a private, part-public or public company, responsibility for operating all or part of the service, allocating the human, material and financial resources and, where applicable, designing, building and financing the facilities needed to operate the service.

In certain cases, service users may directly form the customer base of the Group's entities.

The variety of approaches to managing "public services" thus gives rise to contractual mechanisms that Veolia adapts to suit each customer, depending on whether or not the company is made fully responsible for providing the service, how it is funded and the relationship with end-users.

Contracts generally fall into one of three categories:

- **public contracts**: the public entity charges the contractor with delivering supplies, work and/or services in exchange for payment by the former as the services are performed. These contracts may have a limited purpose (e.g. operating a heat production plant, a waste processing facility, a wastewater treatment plant, etc.). Increasingly, however, public authorities are turning to comprehensive public procurement contracts, whereby the Company is tasked with designing, building, operating and maintaining facilities; these may include remuneration mechanisms (particularly Design, Build, Operate, Maintain (DBOM) procurement contracts) or Design, Build, Operate (DBO) contracts for international markets, including design but no financing;
- **partnership contracts on the basis of Build, Operate, Transfer (BOT), or Build, Own, Operate (BOO)** contracts for international markets with financing: contracts whereby the public entity assigns the overall task of designing, building and/or operating facilities, which may include partial or total financing and an end-of-operations asset transfer clause. These contracts may be performed by Group companies acting alone or as part of a consortium with third parties or, where facilities are subject to financing, through ad hoc companies that enter into the contract and take on the debt, without the lenders being able to launch proceedings against the borrower's shareholders. In this type of contractual arrangement, it is also common to create an operating company to operate and maintain the facility. Group companies may, for a single project, invest to varying degrees in the construction consortium, in the capital of the ad hoc company awarded the main contract or in the capital of the operating company;
- **public service concession contract:** the public entity grants the contractor the concession to manage a public service, taking on all or part of the operating risk. It is most common for this to result in remuneration paid, in whole or in part, by the service user.

Although some established models still dominate, depending on the country and the operations carried out by the Group, contractual models may evolve to address new priorities faced by public authorities, providing them with innovative financing solutions and remuneration mechanisms based on the savings achieved and/or the performance of the service.

The term of these contracts varies with the task assigned: they are often medium or long-term contracts (average of eight to twenty years, public contracts generally having a shorter term). Long-term contracts may include a periodic review of financial terms and conditions.

1.3.3.2 Partnerships with industrial and service sector companies

Partnerships with industrial and service sector businesses can also take a variety of contractual forms; the minimum these include is a service of limited scope, but they can also cover the design, financing, construction and full operation of a facility. These contracts are customized because they seek to address exactly the specific issues facing each customer:

- **outsourcing a group of services** not included in its core business, such as site management (steam, compressed air, electricity, cooling towers, cooling unit, heating, ventilation, air-conditioning, etc.), the water cycle (drinking water, process water and effluents) and waste management. More broadly, the Group can manage the full range of production support services at industrial sites: building maintenance, lifting equipment, fire detection, mechanical and electrical maintenance, calibration, instrumentation, etc.
- **exploring and implementing innovative or hi-tech solutions** to address complex problems: e.g. in the fields of remediation, hazardous waste recovery, greenhouse gas emission reductions through projects with a significant environmental component (biomass or solar facilities), purification of water used in the customer's industrial process, and the treatment or reuse of industrial wastewater by zero wastewater discharge projects.

In most cases, the contracts set performance targets, on which Veolia's remuneration is partly based.

As with public authorities, the term of contracts with industrial companies varies and is on average three to ten years.

The Group is also very careful to strive for economic balance in its contract portfolio, particularly when investments need to be financed. The contracts managed are complex and long-term, so the Group is skilled in analyzing and monitoring contracts. The content of tenders is approved by Veolia Environnement's Investment Committee (for the most important ones), or by the regional or country Investment Approval Committees. The Group's central operational departments are involved in the process of negotiating and drawing up tenders for major contracts, launched by the operational companies. Controls are put in place covering the implementation of tenders and contracts. Each year, the Veolia Environnement Internal Audit Department's schedule includes a review of the contractual and financial challenges of the most significant new contracts.

1.3.4 MARKETS AND COMPETITION

1.3.4.1 Markets

Environmental management services provided by Veolia include drinking water treatment and distribution, wastewater and sanitation services, and waste management and energy services: production and/or distribution of heat, cold, gas or electricity; energy efficiency of buildings and industrial sites. This market also encompasses the design, construction and, where applicable, financing of necessary facilities to supply such services.

These services are intended for:

- public authorities and private individuals (municipal market);
- industrial or service companies and establishments (industrial market).

Environmental services are a growing market, driven by:

- population growth and increasing urbanization (70% of the world population will live in cities by 2050) [6];
- still-significant requirements worldwide to access drinking water and sanitation systems (some 700 million people still do not have access to drinking water and over 2 billion have no access to sanitation systems) [1]
- increased awareness of the need to take steps to protect the environment, with a regulatory framework that is becoming more stringent;
- cost constraints for services coupled with performance requirements, which encourage the outsourcing of services to specialists;

(6) *According to a United Nations report dated March 31, 2015.*

- a change in consumer behavior: increasingly knowledgeable about health, environmental protection and lifestyle changes aimed at a higher standard of living; increasingly sensitive to the roles of recycling and the collaborative economy; and wanting greater transparency in service governance.

1.3.4.1.1 Municipal market

For Veolia, the municipal market encompasses services aimed at users, performed under contracts with local public authorities and groups of local public authorities, or regional or national governments: distribution of drinking water, collection and treatment of wastewater, waste management, management of energy networks (electricity, heating, cooling).
Global warming, natural disasters, pollution, economic appeal, social inequality, rocketing populations, increased mobility, accelerating urbanization (particularly in coastal zones), stress on resources and infrastructure, digitalization, and the vulnerability of information systems are some of the challenges to which cities must respond.

Cities' planning policies have to take into account three factors: the public (health, well-being and social justice), regional development (creation of economic value) and the planet (environmental protection).

The cities are required to manage water, energy and waste management services - as cheaply as possible, yet in a smart and innovative way - with solutions adopted to whether they are located in a developed or emerging country.

Veolia deploys solutions meeting the various needs of cities:

- **Resilient cities**: cities more resistant to shocks and risks.

In every city in the world, resilience is a key concern and is becoming a major issue for a large number of stakeholders (institutions, public authorities, non-profits, etc.). Hurricanes Harvey and Irma that hit the United States and the West Indies in 2017, the drought and extreme fires in Australia in 2019 and the floods that devastated the Roya valley in France in October 2020, further strengthened the collective awareness of the need for regional resilience. Veolia assists regional public authorities with decision-making, adopting a long-term vision to anticipate crisis situations, guarantee the performance of critical equipment and accelerate the return to normal after a crisis. Together with Swiss Re, the Group has implemented a unique risk assessment system with preventive and strengthening measures to guarantee the resilience of cities. New Orleans in the United States is the first city in the world to benefit from this system.

- **Attractive cities to live**: improving quality of life to attract people and companies.

Veolia provides attractive cities to live with innovative solutions to preserve the quality of life of their citizens, the environment and urban infrastructures. To this end, the Group mobilizes its expertise in waste collection and management, drinking water management, wastewater treatment and the production and distribution of renewable energies. Attractive cities to live are also particularly attentive to biodiversity and reduce their environmental footprint by using renewable energies (biomass, biogas, etc.). They are vigilant about the cleanliness of areas, air and water quality and reducing noise pollution.

- **Smart cities**: digital solutions are revolutionizing cities.

More connected and better managed, smart cities optimize the operation of their infrastructures, increasing their competitiveness, appeal and sustainability. More efficient and transparent, they meet the new expectations of citizens wishing to participate more in the management of their cities. By combining new technology, its business expertise and its relationship with innovative regional companies, Veolia contributes to improving the level of service offered by cities to their citizens with four maxims: speed of deployment, cost control, cybersecurity and reliability. Examples include Veolia's Hubgrade hypervision centers that enable public authorities to optimize the management of their water and energy networks, aim for better environmental performance and improve the quality of life of citizens. Nova Veolia's subsidiary, Birdz (created by the merger of Homerider and m2ocity, remote meter reading pioneers) is yet another example. This specialist in the design of connected things and the transmission, analysis and enhancement of data (water, energy, waste, temperature, pollution, noise, public lighting) serves smart cities and the urban environment.

- **Inclusive cities**: creating economic, social and regional cohesion.

Inclusive cities are cities where no population category is excluded from urban development. They promote access to essential services for the greatest number and, in particular, the most vulnerable populations. They also encourage the involvement of citizens and all stakeholders in their operation. Through its presence and knowledge of local players, Veolia accompanies economic and social initiatives promoting access to essential services for the greatest number. In Bangladesh, Veolia and Grameen Bank managed by Muhammad Yunus set up a social business project in conjunction with the local population and authorities, providing 6,000 inhabitants of the Goalmari and Padua districts with access to drinking water. Veolia deployed unprecedented social and financial engineering resources to implement this initiative. In Lille, in addition to a strong community involvement, Veolia has developed a personalized service tailored to each type of user, with an environmentally responsible pricing policy and a reduction in standing charges for domestic customers.

- **Circular cities**: creating local loops to generate regional value.

Veolia implements operating solutions and new business models to promote the development of the circular economy at a regional level. This approach is at the heart of its strategic ambition and vision "Resourcing the world". Renewing resources is, for example, recycling materials (plastic, paper, glass, precious metals), developing renewable energies and energy recovery (biomass, biogas, waste energy) and transforming waste into compost and energy. Preserving resources is, for example, reducing consumption and developing energy efficiency and holistic approaches (product-service system, industrial ecology, eco-design). As a development model and growth driver, the circular economy is a source of regional job creation.

The deployment strategy for these solutions differs between developed and emerging countries.

Cities in developed countries

Cities in developed countries are a mature market where customer needs are now turning towards:

- more efficient services (lower costs, lower prices, improved service quality) in the face of pressure on public finances and increased public pressure;
- making cities more attractive and finding solutions that differentiate them from other cities in the same region (e.g. "smart cities");

- increased demand for transparency;
- social solutions for vulnerable groups;
- sustainable development environmental solutions (circular economy, reducing the carbon footprint of cities, eliminating pollution, biodiversity, etc.);
- improving resilience to combat the risk of natural disasters.

In these countries, Veolia asserts its role as a catalyst for the appeal of cities and their economic and social development, in particular by reinforcing its unique factors and changing its contractual models. Therefore, in addition to its traditional contractual models (concessions, leases, etc.) Veolia proposes:

- **contracts that include the sharing of the value created with the customer**, whether that is based on financial or environmental performance (resource or energy savings, improved performance of facilities, etc.), on the creation of new revenues (pooling of facilities, resale of electricity to the grid for cogeneration, recovery of byproducts, etc.) or on risk reduction (partnerships with insurers). A proportion of Veolia's remuneration is linked to achieving the expected results. The contract can include operating utilities (e.g. energy performance or resources contracts) or simply consultancy and management services;
- **financial partnerships** (AssetCo/OpCo models): contracts that include a third-party investor financing the investments necessary for optimizing the public authority's utilities, with Veolia guaranteeing the performance of the facilities over the amortization period;
- **provision of specialist services: customers** are offered the benefit of Veolia's expertise in targeted services (automatic meter reading, organization of service calls, help with billing recovery, operating data analysis and consultancy, etc.) traditionally incorporated into comprehensive contracts.

Cities in emerging countries

Cities in emerging countries (particularly those in Central and Eastern Europe, Asia, Latin America, Africa and the Middle East) offer many opportunities for growth. This is explained by, firstly, the rapid population growth seen in such cities and, secondly, the toughening of regulations designed to protect the environment. These countries have a growing need for new infrastructure and require support with operating and managing Water, Waste and Energy. As in developed countries, municipalities are also keen to improve the resilience of their area and in doing so combat the risks posed by natural disasters.

In these countries, Veolia's offerings seek to support the development of cities by:

- **adapting contractual models to take account of the risks posed by different countries,** with the aim of creating new models, partnerships and alliances that enable Veolia to operate in these countries without being exposed to risky concessionary models;
- developing Veolia's positioning in environmental solutions for sustainable development and making cities more resilient;
- capitalizing on the social dimension of Veolia's business lines and their role in supporting the economic and social development of cities.

1.3.4.1.2 Industrial market

For Veolia, the industrial market covers Water, Waste and Energy management services, offered to industrial or service sector customers.

Industrial companies are faced with challenges that are critical to their development: sustained growth objectives in an increasingly competitive context, increasingly stringent environmental regulations, carbon footprint reduction requirements, diminishing resources (water stress) in the zones where their production sites are located, the acceptability of their operations and social and media pressure on the right to operate, the need to control production costs (raw materials used in processes) and operating and reputation risks. They are seeking partners able to take charge of all of these issues and provide them with solutions for sustainable, profitable growth.

In the service sector, energy efficiency regulations for buildings are becoming tougher, for example Europe's "Fit for 55" package, which requires a strategy for mobilizing investment to renovate residential and commercial buildings, China's 12th Five-Year Plan, or Canada's National Energy Code for Buildings. Increasingly, customers demand sustainable initiatives.

Through its offerings, Veolia helps industrial and service sector customers anticipate and deal with these key issues of the right to operate, the drive for efficiency and maximum yield, corporate social and environmental responsibility, and risk reduction, by:

- **providing** industrial and service sector players with a global, comprehensive and expert approach for all environmental issues;
- **offering customers high impact offerings that help improve their environmental performance and efficiency and get the most from their assets**: solutions for optimal management of the water cycle, comprehensive waste management performance contracts based on reducing the carbon footprint, the circular economy and digitalization of services, low carbon energy solutions, energy performance services, multi-technical management services for industrial utilities; processing of difficult pollution and particularly hazardous waste, performance and value sharing models, etc.

Veolia therefore provides industrial and service customers with a full range of construction and/or service offerings to improve their competitiveness and their environmental and social impact, organized around 5 value creation drivers:

- **license to operate** (e.g. reusing process water, zero liquid discharge plants);
- **operating efficiency, reducing the carbon footprint and cost reduction** (e.g. optimizing water and energy consumption, recovering waste and by-products as alternative fuel, robotic tank cleaning, competitive waste disposal networks);
- **maximizing the yield of customer assets** (e.g. increasing equipment availability);
- **financial engineering** (e.g. investment planning and joint financing, financial arrangements, search for external financing);
- **brand image and social and environmental responsibility** (e.g. optimized management of water, energy and waste resources, design, build and operation of carbon neutral plants or carbon capture facilities, joint development of projects with the different stakeholders).

The Group has considerable strengths that enable it to provide unique solutions to industrial customers:

- a combination of technical expertise and operating skills, supported by an extensive technology portfolio and contractor know-how;
- the ability to guarantee long-term results;
- a global network serving global customers with strong local roots, primarily through municipal activities, offering industrial companies integrated solutions in the regions;

- the ability to consider water, waste and energy cycles simultaneously, enabling an integrated approach to industrial processes and a circular economy approach.

Veolia's main industrial markets are as follows:

Chemical, oil and gas industries

The oil and gas market covers both upstream activities (exploration/production) and downstream activities (refining, petrochemicals, chemicals).

In upstream exploration/production operations which are highly dependent on oil prices, industrial companies continue to explore and exploit new resources sustainably, seeking to extend the productive lives of mature sites and limit their environmental impact. Oil and gas production sometimes takes place in regions of water stress and unconventional extraction techniques consume large amounts of water.

Downstream, refining, petrochemical and chemical industries have growing needs for operational and environmental excellence and compliance with increasingly tough regulation of pollutant discharges.

Thus, the needs of customers in these industries are focused on the right to operate, reducing the carbon footprint, maximizing customer asset availability and output, reducing costs and risk, resource and water efficiency, and regulatory compliance. Veolia offers solutions that respond to this industry's major water, waste processing and performance needs by positioning itself as a long-term partner able to address all environmental and efficiency issues and proposing a range of offerings adapted to the needs of both market segments:

- **for the upstream market (exploration/production)**: the construction and operation of facilities for treating injection water and produced water, mobile water treatment solutions, management of waste, including hazardous waste, industrial services, and the decommissioning of oil rigs;
- **for the downstream market (refining, petrochemicals, chemicals)**: the treatment of process water, wastewater and cooling water, industrial services (surface treatments, robotic tank cleaning), treatment of hazardous waste, energy optimization of facilities, recovery of byproducts and hazardous waste (solvents, oily sludge, KOH, sulfuric acid, sulfuric gases produced during the refining process, etc.), the supply of decarbonized energy and financial engineering (e.g. takeover of assets).

The mining, metal and energy industries

Mining is the sector with the second-highest water consumption (equivalent each year to the domestic consumption of the United States), and it needs to expand its fields of exploration in zones of water stress (70% of the projects of the six largest mining companies) to compensate for the depletion of the most easily accessible ores. The tightening of environmental regulations and the desire to improve efficiency generates development opportunities for Veolia, with these industries now required to limit their environmental footprint and costs to guarantee the sustainability of their production.

In the power generation sector, investment criteria are dominated by the "3Ds": Decentralized production; Digitalization to optimize production and costs; Decarbonization for energy transition towards renewable energies.

The needs of the mining, metals and power industries are therefore focused on reducing costs (in particular, reducing energy bills, which account for 10-15% of average operating costs for mining and 20-40% for steel), increasing production yield, reducing their environmental footprint, controlling emissions, cutting decommissioning costs, and reducing environmental liability risk.

Veolia offers industrial companies in these sectors a full range of services:

- **design, build and operation** of water production plants (e.g. desalination) and wastewater and cooling water treatment and reclamation plants (zero liquid discharge plants), acid mine drainage treatment, waste recovery, etc.;
- **optimization of operational performance** thanks to a range of services for utility efficiency and waste recovery;
- soil **recovery and remediation**; site recovery;
- financial engineering.

Veolia offers customers its portfolio of technologies, operational experience and global network thanks to which it can deploy its best services around the world, coupled with its ability to operate at remote sites and to provide or propose funding:

The food and beverage and pharmaceutical/cosmetics industries

The food and beverage industry, which is the world's largest industrial sector, needs to respond to population growth, especially in high water stress regions, and the increasingly stringent demands of consumers and industry stakeholders in terms of environmental and societal responsibility. It is a highly fragmented industry with tens of millions of producers worldwide. On May 20, 2020, the European Commission published its "Farm to fork" strategy as part of the Green Deal. This strategy defines a new approach aimed at making the European food system more sustainable while delivering economic, social and health benefits. It provides for the publication of recommendations and legislative proposals in the coming years (by 2024) for the production of "green" food and to encourage the consumption of more healthy food. It will also help promote energy recovery from biowaste and the reuse of wastewater, facilitate recycling of food packaging through requirements covering recycling and the ability to recycle and support the development of innovative solutions for sustainable farming.

Growth in the pharmaceutical and cosmetics market is being driven, in particular, by access to medicine in emerging countries (where the main players in the sector are creating new production capabilities). In mature countries, the companies in the sector are subject to efficiency constraints and cost reductions because of the ramp-up of generic drugs. The pharmaceutical sector is undergoing major transformation: supply chain reorganization, moves to relocate production facilities in Europe or the United States, growing demand for waste processing and recycling, massive R&I expenditure on vaccines. For Veolia, these changes offer new commercial opportunities tied, for example, to higher waste volumes, the construction of new plants and the transformation or outsourcing of industrial utilities.

In mature countries, the needs of industrial food and beverage, and pharmaceutical/cosmetics firms are focused on overhauling and optimizing existing assets, complying with environmental requirements, improving the traceability and quality of products, limiting operational risk, and brand recognition and image. In growing markets, companies in these industries need support with their development through the construction of the associated production plants and treatment facilities, but also through the use of resources that do not put them in competition with the community they serve (right to operate), for example through minimal water usage (particularly in the beverage sector), recycling of packaging and organic waste-to-energy recovery.

Veolia enables industrial farming, food and beverage, and pharmaceutical and cosmetics firms to reduce their environmental impact **by improving their operational performance** for water and energy cycle management, and by recovering the byproducts of their operations. Veolia has a real competitive advantage in this market, thanks to its comprehensive, integrated offerings (combining water, waste and energy management and treatment solutions), and its proprietary technologies (such as water reuse technologies or organic waste anaerobic digestion enabling energy recovery). Veolia therefore supports the growth of companies in these sectors by offering solutions that enable them to use water, materials and energy more efficiently. It brings together cross-functional solutions that safeguard these companies' right to operate, performance and brand image. As with the other industries, Veolia's strategy is to work with its customers to co-develop innovative solutions that help create economic, social and environmental value.

The circular economy

The circular economy aims primarily to implement solutions to extend the life of resources (materials, water and energy). This is a key issue for customers and a source of high expectations due to the pressure on resources, increasingly favorable regulation (in Europe, with the end of landfill and the enforcement of extended producer responsibility; in the United States, where there is a noticeable increase in uptake of new value creation models; and in China, a country that is moving its regulation towards fostering a sustainable economy), and the shift in society towards a circular, sharing and functional economy. Veolia has set itself the aim of strengthening its leadership in this area by deploying existing technologies, innovating and positioning itself as a stakeholder that creates shared value.

Cities and industrial firms are thus becoming producers of alternative resources and local supply loops are emerging.

Veolia helps its customers to create value by:

- **supplying materials and manufactured goods produced from waste, wastewater and waste energy**: technical and special waste (e.g. plastics, paper, cardboard, rare earth metals from electrical and electronic equipment, solvents, etc.) organic matter (e.g. compost, fertilizers, etc.), refuse-derived fuels (RDF), biogas, biomass, etc.;
- offering **bespoke solutions for preserving and renewing resources** in a circular economy model: comprehensive resource management, pooling of multi-customer platforms (regional ecology, green district heating, industrial wastewater reuse, etc.), and energy and electricity efficiency for buildings and industrial sites.

In the plastics sector, where production and consumption are increasing steadily, regulation is progressively moving towards recycling and a ban on putting plastic in landfills. In Europe and Asia, in particular, the recycled plastics market is expected to increase around 6% annually to 2025. The Group aims to develop an industrial **plastic recycling and recovery** activity to offer an alternative to virgin materials. Veolia has therefore set-up a plastic recycling industrial platform with European locations in France, the United Kingdom, Germany, Benelux and Spain and Asian locations in China, South Korea, Japan and Indonesia. Veolia is also working in partnership with industrial companies on the implementation of solutions to develop plastic recycling loops. For example, in 2019-2020 Veolia built a plastic recycling plant in Indonesia, in partnership with Danone.

Hazardous waste processing and recovery

Some complex waste and effluent is hazardous to health and the environment, so it requires high levels of expertise and non-standard equipment. There is a general awareness of the risks (health, ecological, environmental, etc.) of difficult-to-treat pollutants, which are subject to increasingly restrictive regulation.

A limited number of operators are currently capable of **managing hazardous waste and complex effluent** (discharges and waste from the chemical, oil, metals and nuclear industries; electrical/electronic waste; hospital waste; soil remediation; etc.), and meeting customers' needs: cost optimization, reducing environmental liability risk, appropriate and complete processing facilities compliant with regulations, and improved ecological footprint.

The tightening of local regulations and the increase in the volumes of waste being produced (particularly waste produced by the chemical, oil, metallurgy and nuclear industries and electrical and electronic equipment waste) both support Veolia's decision to further **develop its position in processing difficult types of pollution and particularly hazardous waste,** a market with high growth potential. Veolia has a worldwide network of experts and resources that have been developed gradually over years and can be rapidly mobilized and a full range of technologies and services for processing difficult-to-treat effluents (Veolia Water Technologies) and hazardous waste, and for soil remediation (SARPI ThinkTech). They meet the highest standards and are supported by cutting-edge research.

The Group develops new facilities in developing countries (in Africa, the Middle East, Latin America and Asia) and consolidates its existing facilities (in Europe, the United States and China) by expanding its network of processing plants and saturating its assets.

Management of end-of-life industrial facilities and equipment

The increase in the number of industrial facilities and obsolete equipment that have either reached the end of their service life, sustained damage as a result of natural disasters or industrial accidents or pose a risk of contamination offers significant opportunities for growth for Veolia. Management of the end-of-life of these industrial assets (oil rigs, ships, trains, aircraft, power stations and brownfield sites) must comply with various restrictions or goals: preventing contamination risk (presence of asbestos, oil, chemicals, etc.), optimizing materials recycling and equipment reuse, and remediating polluted soil so the land can be put to new use.

The Group offers a full range of services, comprising waste processing (including hazardous waste), recycling to maximize asset value, soil remediation, minimizing safety and environmental risk (back fitting facilities), and turnkey management of projects to decommission facilities throughout the value chain (inventory and characterization of the elements to be decommissioned, demolition, and recovery or disposal of waste, including its traceability).

Industrial customers must prevent the risk of contamination, recycle materials and reuse equipment as much as possible, locally and at low cost and may even be required to decontaminate sites before new business activities can be started. Veolia is expanding its operations in this new area by focusing on key accounts and positioning itself throughout the entire value chain, from dismantling services to upgrading equipment to ensure that it complies with current regulations and materials recovery. The Group is renowned for its skills and cutting-edge technologies for soil decontamination, recycling waste and processing hazardous pollution (such as nuclear waste and asbestos), as well as for its ability to offer high-quality project management throughout the entire value chain, thereby guaranteeing, among other things, traceability and responsible waste management. In this area, Veolia is active in the dismantling of offshore oil platforms, trains and ships, as well as the characterization of nuclear waste.

1.3.4.2 Competition

Most markets for environmental services are very competitive and are characterized by increasing technological challenges due to changes in regulation, as well as by the presence of experienced competitors. The competitive landscape is very diverse, but there are few players that are comparable to Veolia at global level.

Veolia's competitors can be broken down into four broadly homogeneous categories, in terms of their geographic footprint and extent of their range of services.

1.3.4.2.1 Global multi-service companies

Global multi-service companies have both a global geographic footprint and an extensive range of services in the Water, Waste and Energy business lines. Veolia belongs to this category, as do Suez, FCC and Remondis, although none of these three have a presence outside Water and Waste. These different players share the same springboards for growth: emerging economies, industrial markets, the circular economy, new technologies and high value-added services. New players, primarily Chinese, are developing global activities in Water, Waste and Energy, through strategies founded on sustained external growth (Beijing Group, China EverBright Group). What sets Veolia apart are its larger geographic footprint; its more extensive range of services, including Energy; the synergies between its Water, Waste and Energy business lines; its portfolio of technologies enabling it to tackle all water treatment problems; and its huge portfolio of industrial customers.

1.3.4.2.2 Global specialists

Global specialists are companies that specialize in one of Veolia's business lines and have a worldwide geographic presence. This category includes, in particular, major players in the energy market, such as Engie and E.on, global equipment manufacturers, such as Doosan and Schneider Electric, oil and gas specialists, and specialists in energy efficiency and facility management (Vinci FM, Sodexo):

- in a context of energy sector transformation, particularly in Europe, energy companies have been repositioning themselves in the renewable energy sector in recent years, as well as in energy efficiency services. Moreover, these companies are professionalizing their approach through digital innovations (control centers, network optimization, the Internet of Things, etc.);
- the major equipment manufacturers and suppliers of water packaging products, such as Xylem, Ecolab, Kurita, Solenis, Itron and Doosan, have a presence in both the municipal and industrial markets. Their growth strategies are mainly based on developing digital offerings, such as control centers and the Internet of Things. In emerging countries, Veolia faces off against Spanish and Brazilian civil-engineering firms (ACS, Sacyr, Acciona, Odebrecht), particularly in seawater desalination projects, or Asian equipment manufacturers, such as Hyflux (based in Singapore) and Wabag (based in India), which are gradually moving into operations;
- in the field of oil and gas, the competition is relatively fragmented. In addition to the large equipment manufacturers cited above, the competition comprises engineering companies, service providers and equipment manufacturers (Ecosphere Environmental Services), as well as energy companies, especially in the United States, where we find oil service operators (Schlumberger, Halliburton, Fractech and Baker Hughes-GE) and engineering and construction companies (WorleyParsons, KBR, Wood Group, Bechtel, Technip, Aker Solutions);
- many companies operate in the decommissioning market, owing to the variety of industrial infrastructure reaching the end of its working life: oil rigs (Stork, Cape, Hertel and Bilfinger), petrochemical plants (Amec, AF Group, Aker Stord, Able UK), nuclear reactors (Framatome, Onet, Bouygues, Vinci, Westinghouse, Amec, Nukem, Iberdrola, Ansaldo, Tractebel), and transportation, such as ships, trains and aircrafts (Tarmac Aerosave);
- in the energy efficiency field for the services sector, competition takes many forms, and comes from both specialized companies (cleaning, food services, etc.) seeking to expand their offering into energy, as well as technical maintenance companies focusing on areas such as electrical facilities which are increasingly forming partnerships with major construction and public works groups (Vinci Energies, Bouygues-Equans, Spier) and groups specializing in facility management (Sodexo, JLL.), or equipment manufacturers diversifying in digital and services (Schneider Electric, Johnson Controls, Honeywell).

Veolia sets itself apart from all these companies through its very broad positioning on the value chains of the Water, Waste and Energy business lines, through synergies between these three, and through its ability to guarantee its customers long-term reliability and performance, thanks to its combined engineering/construction and operational capabilities.

1.3.4.2.3 Local or regional specialists

Unlike global specialists, local or regional specialists have a geographic footprint limited to one country or region of the world. They set the standard in their market, with a range of expert offerings positioned in specific business lines. This category remains perhaps the largest in the market. In fact, Veolia faces a multitude of local specialists in the various countries of the world, such as:

- in the United States, Veolia's main competitors in Waste are: Waste Management and Republic Services, which are developing circular economy offerings; Clean Harbors, which specializes in services to industrial firms and processing hazardous waste; Heritage, hazardous waste specialist; Stericycle, which specializes in hospital waste and Enviri which specializes in soil decontamination;
- in France, Idex and Dalkia (EDF group) are positioned in local energy loops and energy efficiency services; Saur concentrates on water activities; Paprec focuses on waste recycling and recovery;
- in the majority of countries, there are municipalities managing water, waste or energy within well-defined geographic boundaries.

An emerging category of new players is leveraging new digital technologies to optimize services to the end customer: broking platforms, advanced algorithm software solutions (e.g. Rubicon Global (United States), BH Technologies, Trinov (France), Takadu (Israel).

Veolia sets itself apart from these companies through the effects of scale linked to its size, its ability to offer comprehensive services (multi-site and multi-business), the synergies between its business lines, and its ability to integrate construction and operation, thereby guaranteeing long-term reliability.

1.3.4.2.4 Local/regional multi-service companies

In some developing countries, private or public/private companies have a large local footprint and are the leading players in local markets where Veolia also operates. Accordingly, the Singapore-based Sembcorp Group is a competitor of Veolia in the Water and Energy businesses and focuses on construction and operation in emerging countries.

Veolia sets itself apart from these companies through the effects of scale linked to its size, its ability to offer comprehensive services (multi-site and multi-business) and the synergies between its business lines.

1.4 Research and Innovation

Driving ecological innovation, with and for all our stakeholders, is Veolia's pathway to addressing the challenges of ecological transformation (climate change mitigation and adaptation, resource scarcity and regeneration, multiple pollutions, threats to biodiversity) and allowing everyone to meet their biological, human and social needs with the aim of improving quality and sustainability of life on our planet.

Veolia develops innovations and solutions meeting three different timescales:

- innovating to repair the consequences of ecological debt in the short term, such as treating pollution, adopting a circular economy approach to recycling waste and restoring biodiversity;
- innovating to adapt to extreme weather conditions in the medium term, while anticipating the future imbalances and disruptions that could potentially be caused by adaptation solutions, such as the soaring growth of the electric vehicle market;
- innovating to transform the Group's social and business models, and guarantee their "net zero impact" in the long term, including eco-design, bioconversion of waste, CO_2 capture and storage, etc.

Ecological innovation must be solutions-based in order to truly make a difference and positively impact the climate and the environment.

Innovation relies on dialogue and consultation with all stakeholders, including the Group's customers, industry professionals and local authorities, start-ups, scientific communities, partners and citizens, to create active collaboration ecosystems.

The innovation areas developed by Veolia comprise several dimensions, such as scientific, technological, commercial, social and societal (see Section 4.3 below) and the innovation of business model, to create the new services and markets required to move the ecological transformation forward.

For Veolia, innovation is everyone's concern. The Group counts on an internal innovation ecosystem which is not limited to research and development centers, but encompasses all Business Units. Veolia also relies on start-up external ecosystems to accelerate the development of innovative solutions meeting the challenges of ecological transformation.

1.4.1 RESEARCH AND INNOVATION SUPPORTING THE GROUP'S ECOLOGICAL TRANSFORMATION

Veolia relies on the scientific and technological expertise and skills of its Research and Innovation (R&I) teams to innovate in the following areas: water resource and cycle management; improvement of water treatment processes, wastewater treatment and recovery; detection and treatment of new pollutants (in water, waste and air); waste reduction, recycling and recovery; secondary raw materials; green energy production from water and waste; energy optimization of facilities; decarbonizing customer activities.

Research actions are coordinated by Veolia Recherche et Innovation (VERI), which is integrated into the Department of Scientific and Technological Expertise (S&TE) part of the Business Support and Performance Department (BS&P).

The research teams support all the Group's business lines, divided between three major areas of activity: Water, Waste, Energy.

Through their internationally recognized scientific and technological expertise, Veolia's R&I activities serve the operational excellence of both the Group and its customers, by offering innovative solutions which address their challenges and needs, helping in particular to improve economic and environmental performance.

At the end of 2023, Veolia has 14 research and development centers worldwide, with high-performance technical resources, to develop and experiment on its innovations:

- in France, four sites are dedicated to research on wastewater, drinking water, industrial water and pure water; on energy production and efficiency; and on waste management, including the sorting and characterization of secondary raw materials. These sites include 30 laboratories which specialize in analyzing solid, liquid and gas matrices;
- Veolia also has three centers in Spain (Barcelona, Andalusia and Galicia) and one in Chile. The research activities conducted there relate to: ecofactories, aimed at transforming wastewater treatment plants into bio-plants to recover resources (carbon, nutrients, by-products, precious metals, etc.) from wastewater; management of critical infrastructure and resilience; environmental, economic and social sustainability; management of water resources; water 4.0;
- finally, there are six additional research centers around the world (Canada, United States and Switzerland).

In addition, wide range of demonstration equipment make it possible to validate the technologies and ensure their reliability. These pilots are located at research sites and within Veolia operating sites.

To develop and facilitate innovation, the Group has deployed an operating model of Innovation Hubs led by the Strategy and Innovation Department (SID) since 2022.

Each of the innovation themes identified in the Impact 2023 strategic program (climate change adaptation, new energy services, new material loops, food chain, health and new pollutants) are dealt with by an Innovation Hub, involving a zone, and thereby capitalizing on the knowledge of the Group's local market.

The set-up of this community of Innovation Hubs enables the Group to allocate its strategic innovation priorities, while continuing to develop incremental innovation projects. This allocation of priorities and efforts makes it possible to accelerate innovation by industrializing innovative solutions, in close proximity to markets and customers.

In 2023, Veolia's R&I activities involved over 630 researchers and developers, as well as experts present in all Group entities.

The total budget for research and innovation was approximately €170 million in 2023.

1.4.2 SCIENTIFIC AND TECHNOLOGICAL SOLUTIONS - SUCCESS AND PROGRESS

The achievements presented below are concrete actions of Veolia Research and Innovation serving customers and Group growth and contributing to Veolia's ecological innovation.

1.4.2.1 Climate change adaptation

Reuse of treated wastewater: SmartFertiReuse innovation

In a context of increasingly scarce water resources and the search for alternatives to synthetic fertilizers, Veolia is developing fertigation solutions for agricultural crops using treated wastewater. Projects in this area have demonstrated water and fertilizer savings for arable crops. One of these projects, SmartFertiReuse, allowed to design a digital irrigation management tool for agricultural fields, using treated wastewater. It was developed and finalized by DEST teams, following the success of the experimental project for irrigation of agricultural fields using treated wastewater from the Aureilhan station in the Hautes-Pyrénées (France). The project's sponsor, Sede Environnement, is preparing to deploy this innovation widely in France.

Reuse of treated wastewater: an ultrafiltration pilot for the Jourdain program

The Jourdain demonstrator (2018-2027) is a pioneering program led by Vendée Eau (France) for the reuse of treated wastewater (REUT), to secure the supply of drinking water in France and Europe. It has received strong financial support from Vendée Eau partners: the Loire-Brittany Water Agency, the Pays-de-la-Loire Region, Europe through the ERDF and the Vendée Department. One of the components of this program – the refining unit, inaugurated on November 16, 2023, and whose construction and operation was awarded to Veolia until 2027 – will produce high-quality water from wastewater. The Jourdain program also includes a research program focusing on different indirect REUT solutions. It is in this context that the Design Engineering team designed, assembled and commissioned an ultrafiltration (UF) pilot to validate the UF membrane technology for these solutions.

Climate change adaptation: technological solutions

WTS presented zeeDENSE, a municipal wastewater intensification solution using WTS's zeeLung MABR technology, enabling the load to be increased by up to 50% and the hydraulic capacity of an existing wastewater treatment plant to be improved.

WTS also launched zeeNAMMOX, a technology that treats high ammonia wastewater produced by aerobic digestion of municipal water, at an optimised energy cost.

Climate change adaptation: nature-based solutions (NbS)

Veolia is involved in the resilient management of the large water cycle and has developed over 25 nature-based solutions (NbS) around the world in recent years, responding to the challenges of climate change adaptation. These solutions cover storm water management, flood prevention and protection, storage and treatment before reuse of treated wastewater, and groundwater recharge. In 2023, Veolia was involved in six European research and innovation projects in this area, aiming in particular to standardize performance monitoring of nature-based solutions and test new uses. Veolia shared its experience in nature-based solutions at a side event at the United Nations Water Conference in March 2023 and at the Aquatech Amsterdam trade fair in November 2023.

1.4.2.2 Decarbonization and new energy services

Heating and cooling networks of the future: so-called 5th generation networks

Veolia is committed to developing next-generation networks that meet the growing need for ambient heat loops and a decarbonized energy mix.

Veolia will support the development of the 5th generation exchange grid at the Paris-Saclay urban campus by strengthening production infrastructure and optimizing and diversifying its energy mix. Unique in Europe, the facility will enable the development of an ambitious energy mix combining deep geothermal energy, fatal heat recovered from the CNRS supercomputer and heat recovered from the cooling network. To promote these exchanges between cold and hot, the heat and cold is produced at decentralized substations that are connected to each other by an ambient heat loop.

Energy transition: meeting the hydrogen needs of territories

In its search for decarbonized energy solutions to meet collective urban mobility needs, Veolia maximizes the use of green hydrogen from renewable sources, such as the Group's waste-to-energy facilities. Veolia has formed partnerships in Hong Kong around the construction and operation of a biogas-to-hydrogen conversion facility. This facility is expected to have a production capacity of 250kg of green hydrogen per day. It will serve as a demonstrator to assess the potential of deploying this technology on a large scale at the Group's other landfill sites.

Electric vehicles: vehicle-to-grid

In a context of increasing adoption of electric vehicles, lower battery costs and the need to balance energy demand and production, Veolia is looking to develop models around electricity flexibility and vehicle batteries.

In the United Kingdom, Veolia contributes to the resilience of the electricity grid with the vehicle-to-grid (V2G) technology, by feeding energy stored by batteries installed in its waste collection vehicle fleet back into the grid – a first in the UK.

1.4.2.3 New material loops

Circularity in our societies

To limit the impact of human activity on natural resources, Veolia is paving the way for new materials loops, developing new circular activities for materials crucial to everyday life: batteries, clothing, packaging, electronic waste, etc.

Veolia has also started work to develop the recycling channels for new flows: electric vehicle batteries, wind turbine blade composites, precious metals or specific solvents used in microelectronics. In close connection with its industrial partners and public authorities, the Group is addressing sovereignty issues, by limiting our dependence on imports of virgin materials and strengthening the self-sufficiency of territories.

1.4.2.4 Food chain

Bioconversion by insects

Veolia Bioconversion Malaysia has obtained TRACES approval to export Entomeal™ insect meal and Entolipid insect oil to Europe for use in animal feed. This recognition ensures the safety and traceability of the production process with regard to European standards. At the same time, Veolia has launched a pilot bioconversion project in New Zealand to convert food industry by-products for animal and plant nutrition. This project is being conducted in collaboration with the New Zealand Institute for Plant and Food Research and Massey University, and is supported by the Ministry for Primary Industries through the Sustainable Food and Fibre Futures fund.

1.4.2.5 Health and new pollutants

Assessing drinking water quality: an innovative approach

A new analysis strategy combining chemical analysis of micropollutants and measuring potential toxic effects has been implemented and tested by S&TE. This strategy has been shown to be useful for monitoring the quality of water during the drinking water treatment process. With this expertise, S&TE is now able to offer this approach to all Business Units as part of study programs for advanced monitoring of water quality.

Measuring E.coli bacteria in drinking water: results in less than seven hours

The collaboration between Veolia and the start-up Redberry has demonstrated the performance of an innovative analytical method that reduces the time to quantify Escherichia coli (E.coli) bacteria in drinking water to less than seven hours, compared to traditional methods that require eighteen to forty-eight hours. The North America zone is assessing the potential of this technology through additional testing, analyzing total flora and E.coli in treated wastewater.

Microplastics: presentation of MEDITPLAST project results at Monaco Ocean Week 2023

In March 2023, at the request of the BeMed association (Beyond Plastic Med), supported by the Veolia Foundation, S&TE participated in a round table on microplastics in the ocean. The impact of microplastics on wastewater treatment systems and the results of the MEDITPLAST collaborative project conducted with Veolia Eau in the Mediterranean Region and funded by the Rhone Mediterranean Corsica Water Agency, were presented. This project aims to identify emission sources and the occurrence of microplastics in the water cycle in the coastal territory of the Toulon Provence Mediterranean Metropolitan area (France).

New wastewater solution: Veolia Foundation and S&TE joint project

From September to November 2023, the Limay (France) research center welcomed Veoliaforce experts from the Veolia Foundation for a series of tests designed to perfect a new wastewater solution developed by the Veolia Foundation. The objective is to provide the humanitarian sector with a reliable, low-energy solution, that is adaptable and can be easily dismantled, deployed and operated by local teams.

Per- and polyfluoroalkyl substances (PFAS): ongoing research and innovation efforts

PFAS are a major concern for Veolia in France and internationally. Veolia is vigilant and monitors regulatory and scientific developments to meet customer expectations and assist them where necessary. The important point is that PFAS must be considered globally, from production to possible degradation. The stakes are multiple. Veolia actively monitors both the potential to propose solutions to customers and the Group's own exposure to PFAS risk. The Group has mature treatment solutions with varying levels of efficiency. It is continuing its research and innovation efforts to strengthen the effectiveness of treatment and prevent pollution transfer. Research is focusing, in particular, on degradation conditions and the behavior of PFAS subjected to different heat treatment regimes, to improve treatment technology and the ability to detect and analyze these compounds. The field of investigation is vast and R&D work is carried out with public and private partners to monitor innovation.

Treatment systems: new technological solutions

WTS has launched a new generation of pressurized UF membranes for the municipal drinking water and industrial process water market, as well as two new nanofiltration membranes to address the global challenge of micropollutants in municipal drinking water.

WTS also presented EDI eCell ME-5 Pico, an electro-deionization technology that removes ions from ultrapure water for the high-end microelectronics industry which requires an ionic concentration of less than 1 ppb (parts per billion).

Project STOPP: making plastic food packaging use more circular

Project STOPP (Strategies TO prevent and reduce Plastic Packaging pollution from the food system) aims to develop strategies to make the use of plastic food packaging more circular. Coordinated by the Technical Research Center of Finland (VTT), it brings together 14 partners from seven European countries.

The project will rely on technological developments, business strategies and consumer behavior studies. S&TE teams, in conjunction with the National Institute of Chemistry in Slovenia and VTT, will focus on analyzing potentially toxic pollutants in food plastics and will be involved in the design of new value chains and associated business models.

Indoor air quality: deployment of Hubgrade Air solution

In 2023, Veolia deployed the innovative Hubgrade Air solution for monitoring and optimizing indoor air quality. In three months, the solution was deployed in 350 buildings across nine different countries. This innovation has reached maturity and is being rolled out in the Business Units.

1.4.2.6 Scientific outreach

Scientific conferences organized by the "Mathematical Modeling and Biodiversity" Chair

Partners since 2009, the École Polytechnique, the École Polytechnique Foundation, the French National Museum of Natural History and Veolia regularly organize scientific conferences. In February 2023, some 60 participants gathered to discuss the development of solutions to address the interrelated issues of climate change ecology and health.

Veolia participates in the “Tuesdays of Innovation” conference cycle

Veolia representatives spoke at a series of conferences: “Access to drinking water, a constant public health challenge”, “Responsible water management, a fundamental challenge for sustainable development” and “Towards a circular water economy". Organized by the Paris Club of Innovation Directors and the European Institute for Creative Strategies and Innovation, these conferences present in-depth scientific analyzes and testimonies from committed actors on the ground. They are aimed at professionals in innovation, sustainable development and CSR.

Patronage Veolia and the Foundation of the French Academy of Medicine: presentation to the French National Assembly

Closed in June 2023, this patronage, which began in 2020, allowed Veolia and the Foundation of the French Academy of Medicine to discuss environmental and health issues with a strong shared ambition: raise awareness, inform and communicate with all stakeholders (citizens, authorities, media, industry, scientists) on the risks to human health of exposure to chemical pollutants in the environment. A white paper, summarizing the closing session, and a glossary, popularizing the main concepts associated with exposome and chemical risks, were published.

First edition of the Veolia Institute and S&TE scientific talks

In November 2023, more than 300 participants attended this event devoted to the fundamentals of health and of the environment. These talks aim to make scientific knowledge accessible to as many employees as possible, to inform the Group on the issues at stake and to prepare for the future. After defining the concept of environmental health, the assessment and consideration of the impact of chemical pollutants on human health and the environment were discussed.

Symposium of Veolia’s 300 analysis laboratories

Neomab Symposium is an event open to all Veolia laboratories. In June 2023, this event, organized by S&TE, was dedicated to laboratories in French-speaking Africa and brought together participants from Morocco, Niger, Côte d’Ivoire, Reunion Island and Ghana. The success of this symposium highlights the value of having a forum to discuss a common issue – the domain of scientific measurement.

Showcase for Veolia’s scientific and technological know-how: publications and visits

The scientific publications written by the S&TE teams and based on projects conducted in conjunction with the Business Units have been compiled in a flipbook. Scientific publications and visits to research centers are a powerful lever for promoting the Group’s scientific and technological excellence. They also promote innovation to Veolia’s customers.

1.4.3 INNOVATIONS TO MEET THE GROUP'S CHALLENGES

The development of innovative solutions is one of Veolia’s key multifaceted performance indicators. The associated indicator - the number of innovative solutions included in at least ten contracts during the year - is intended to measure the Group’s ability to disseminate priority innovative solutions in a structured manner.

In 2023, the target was exceeded: 17 innovations were included in at least ten contracts signed by the Group:

- Water reuse technologies: applications that increase the capacity of wastewater treatment plants to reuse treated water to create more sustainable water supplies;
- REUT Box: compact water recycling unit that produces recycled water to replace the drinking water needed for the operation and maintenance of wastewater treatment plants. Depending on the case and subject to obtaining the necessary authorizations, its use could be extended to irrigation, with the aim of reducing drinking water consumption;
- Mobile solutions: mobile solutions that provide access to environmental services and features, resource management or other services or areas, directly from mobile devices such as smartphones or tablets;
- EnEffCo®: a digital solution for energy efficiency analysis, optimization and reporting;
- Electrical flexibility: solutions to manage and optimize electrical flexibility, and particularly storage, regulating demand and managing sources of renewable energy;
- Kapta™: monitoring and management solution for drinking water networks, optimizing water distribution, consumption and quality;
- Leko: biodiversity urban monitoring system using bioacoustics;
- Odor control: solutions to detect, monitor and eliminate bad odors in different environments, such as plants, wastewater treatment facilities or landfills;
- Air Quality Solutions: solutions to monitor and optimize indoor air quality in confined spaces, such as buildings and offices;
- Legionella: solutions for the prevention, detection and treatment of Legionella bacteria, responsible for Legionnaires' disease, an infectious lung disease;
- Emerging contaminants: sampling and analysis of micropollutants in water (medical substances, microplastics, PFAS, pesticides, etc.);
- Anita™ Mox: wastewater treatment solution using the anammox process (anaerobic ammonium oxidation), that effectively reduces ammonia nitrogen concentration;
- Bioconversion: an innovative biological conversion solution transforming food industry by-products to animal and plant nutrition, often using microorganisms or enzymes;
- Hubgrade: operations optimization digital solutions, to manage the production and consumption of water, energy and waste and help cities and industrial companies optimize the management of their resources and preserve them (see Section 1.4.4 below);

- Water digital solutions: digital solutions to improve the management and optimization of water resources, particularly in terms of data monitoring, control and analysis;
- GreenPath: digital platform designed to support customers in monitoring their decarbonization plan (see Section 1.4.4 below);
- PREDIRE: autonomous inspection and diagnosis of wastewater networks using drones and robots.

1.4.4 DIGITAL INNOVATIONS

The "Digital@Veolia" digital transformation project launched as part of the Impact 2023 strategic program has laid the foundations for a global governance of digital transformation serving four priorities: digital employees, digital customers, digital operations, digital offers.

1.4.4.1 Digital employees

The Digital Academy: spreading the culture of innovation and digital transformation

This academy comprises talent programs and e-learning content. The talent programs use a variety of formats and have all been designed to develop the digital culture and skills of participants and foster engagement by involving participants in concrete digital applications within Veolia:

- *Explore Tomorrow* for leaders: a week combining customer visits, meetings with partners, inspiration sessions and brainstorming workshops;
- *Accelerate* for middle management: a blended program combining face-to-face and online learning over several months;
- *Disrupt* for young talent: a three-day hackathon to collectively respond to a concrete problem faced by Veolia.

Veolia contextual e-learning content:

- "Keys": short video segments introducing digital fundamentals at Veolia;
- "Passports": in-depth training pathways.

Through a partnership with LinkedIn, employees can also access the LinkedIn Learning training catalog: over 15,000 online courses created by expert trainers, accessible from the Learning@Veolia training platform.

Veolia Secure GPT: generative artificial intelligence (AI) serving ecological transformation

Veolia Secure GPT marks a significant shift in how Veolia leverages technology to improve its operations and services. Developed in record time by the Digital Business & Technology Department and its global partners, this technology equips Veolia employees with a secure tool to optimize the writing, translation, research and information synthesis processes. It represents a major step forward in leveraging AI at scale, while strengthening security, privacy and risk management. With this bold choice to launch Veolia Secure GPT, Veolia has established itself as a pioneer in innovation and digitalization in the CAC 40. It underlines the Group's unwavering commitment to innovation and its willingness to invest in cutting-edge technological solutions for its employees.

Integrated into the solutions developed by the Group, AI contributes to its ecological transformation actions: by fostering innovation in resource management, it optimizes energy use, helps minimize the carbon footprint through accurate predictive models, and stimulates the design of solutions, offering more environmentally-friendly alternatives to traditional practices.

1.4.4.2 Digital customers

2023 saw the dissemination of digital marketing best practices, placing the identification of customer needs and usage at the heart of the development of new services and new offers by the Group.

Several initiatives have been implemented by different Business Units with the support of the Business Support and Performance Department, notably in Morocco, the United Arab Emirates, Australia and in Waste Solutions France. Digital marketing strategies have been implemented to promote recycling and waste management services, to launch a new service offering or to increase material flows to one of the Group's plants.

The use of Adwords and LinkedIn has helped to acquire new customers, contributing for example to the launch of the medical waste business in Morocco. In the United Arab Emirates, a comprehensive digital campaign for a recycling solutions eshop combined search engine optimization (SEO), emailing and social media techniques. In Australia, Veolia used LinkedIn Sales Navigator, a tool for prospecting and lead generation linked to the LinkedIn platform. All of these digital marketing strategies achieved proven results in terms of the number of new connections, qualified leads, sales pipeline or revenue.

Other successful initiatives have also been carried out with VWT in the United Kingdom, with Water France for the treated wastewater reuse offer or with Waste Solutions France for biowaste. Waster Solutions France also generated nearly 10,000 quotes mainly thanks to SEO techniques across all material flows and throughout France.

2023 saw the roll-out of best practices for the customer portal, a modular digital application for Business Units which can be used to present the Group's services and offers and contract key performance indicators, as well as allowing transactions to be recorded online. In addition to Japan, India, the United States and Hong Kong, the Group's customer portal was deployed in 2023 at VIGS, in Canada, as well as in other zones and Business Units (United Kingdom, Iberia and Latin America, VWT, WTS, etc.) already equipped with their own digital portal offering online services to their customers.

1.4.4.3 Digital operations

Veolia's range of digital services for municipalities, industrial and commercial sectors' customers, under the umbrella brand Hubgrade by Veolia, covers all of the Group's historical businesses (Water, Waste, Energy). Its launch at the Smart City Expo World Congress in Barcelona in November 2023 was an opportunity to highlight several customer references.

Hubgrade: digital solutions, artificial intelligence (AI) and human expertise

- Hubgrade Services for Water covers the entire water cycle (drinking, wastewater, industrial) and includes the following services:
  - *Water Resource Advisor*: better management of water resources in infrastructure;
  - *Water Loss Management*: reduce water losses in network sectors;
  - *Network Hypervision*: real-time monitoring of network events (incidents and maintenance).

The solutions have been deployed for Water France, Agbar and the North America zone, with first pilots launched for the unregulated water activity.

- Hubgrade Services for Waste
  - Factor: digitalization of the operator's logbook, mainly deployed in drinking water production plants in 18 Group subsidiaries (3,000 users).
  - Hermod: an incinerator user-friendly digital twin, promoting optimization and performance improvement, deployed in five Business Units (75 users).
- Hubgrade Carbon Footprint
  - GreenPath: this digital platform has been developed to improve the online experience and application handling by Veolia's sales teams, to support customers in monitoring their decarbonization plan. It now covers more than 3,000 decarbonization studies worldwide, has been deployed in 35 Business Units and is used by 340 users every year.
- Hubgrade Asset Management
  - Amaas: digitalization of industrial maintenance and life cycle management for plants.

In addition, Veolia has more than 60 Hubgrade control centers around the world, bringing together a community of business experts and data scientists connected to plant data and in touch with operators allowing them to propose and coordinate actions intended to improve the performance of activities.

1.4.4.4 Digital offers

A global catalog of Hubgrade digital services for Group customers was consolidated in 2023, thanks to the combined work of the Group's digital, marketing and communication teams. It is intended to help the Business Unit marketing and sales networks better highlight the value of digital in Veolia's offers: operational efficiency, operation security, preventive and predictive maintenance, transparency with customers, automatic publication of activity reports, support for customers in reducing the carbon and water footprint of their activities, etc.

A prospective monitoring project of digital use cases and global market trends was also launched in 2023 to fuel innovation in the Hubgrade service catalog.

1.4.5 PRIVILEGED ACCESS TO AN INNOVATION ECOSYSTEM

To become the champion of ecological transformation and accelerate innovation processes in a constantly changing environment, Veolia relies not only on its internal expertise, but also on an ecosystem of players working together to promote innovation.

This ecosystem includes a network of more than 600 partners around the world: academics recognized for their scientific excellence, industrial customers, associations and public authorities at the forefront of their areas of activity.

The Open Innovation team, which implements the open innovation approach, is at the crossroads of the Department of Scientific and Technological Expertise and the Strategy and Innovation Department.

It serves the Group's functional departments and Business Units, proposing options and recommendations to support decision-making and problem-solving in the face of operational and commercial challenges and the development of innovations.

This team conducts in-depth studies to monitor technological advances, identify potential technological partnerships and understand the competitive landscape on innovation topics. The studies cover different areas, including:

- seeking and identifying innovative and emerging technologies in response to an identified need when no internal solution is available;
- comparing and analyzing technologies to enable the most appropriate technologies to be selected with the assistance of the Group's experts;
- assessing technology to determine the effectiveness and efficiency of a given technology;
- Market & Innovation intelligence to understand specific market dynamics and identify potential innovation opportunities, before business commitments are given;
- intelligence bulletins to monitor scientific advances, technical innovations and industry developments.

1.4.6 DEVELOPMENT OF THE INNOVATION CULTURE

The aim of the Innov'Academy is to develop a common mindset for the entire Group to foster innovation, develop skills and innovation capacity and contribute to the development of a powerful and impactful innovation community.

The three educational pathways that make up the Innov'Academy were created and tested in 2023:

- training sessions to mobilize the Business Unit Executive Committees and Management Committees to create conditions conducive to innovation. The training course develops a common understanding of innovation, explores the four key behaviors, and allows action promoting innovation to be taken;
- training in the Design Thinking method for innovation managers and project leaders. These courses apply the four steps of this method to Veolia use cases;
- "Passport Innovation" e-learning course consisting of 10 short modules for all Veolia managers and employees. This e-learning course will be available in 13 languages for deployment in all Business Units to develop a culture of innovation.

Explore Tomorrow and Disrupt talent programs (see Section 1.4.4 above) are also part of the Innov'Academy.

1.5 Organization of the Group and other information relating to its operations

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1.5.1 ORGANIZATIONAL CHART

The following organizational chart is a simplified chart of the main subsidiaries owned by Veolia Environnement, directly and/or indirectly, on December 31, 2023, categorized by geographic zone.

Its purpose is to present the organization of the Group by geographic zone through the main subsidiaries controlled directly and/or indirectly by Veolia Environnement, and not to reflect the Group's organizational structure in legal terms.

The list of the main companies included in the 2023 consolidated financial statements is presented in Chapter 6, Section 6.1, Note 16 below.

The main changes in the consolidation scope and Group structure in 2023 are presented in Chapter 5, Section 5.2.3 below.

Companies are included in the geographic zone where the majority of their activities are conducted.

VEOLIA ENVIRONNEMENT

Other French Holdings	* Veolia Énergie International 99,9%	* Vigie Groupe 100%							
France and Europe Special Waste	* Veolia Eau-Compagnie Générale des Eaux 100%	* Veolia Propreté 100%	* Veolia Industries Global Solutions 100%	* Veolia Énergie France 99.9%	* SARP 99.7%	* SARP Industries 99.9%	* Veolia Nuclear Solutions Europe 99.86%	* SEDE Environnement 100%	* SADE Compagnie Générale de Travaux d'Hyraulique 99.4%
Central and Eastern Europe	* Veolia Central & Eastern Europe 100%	Veolia Energia Polska 59.9% (Poland)	Veolia Energie CR 83.05% (Czech Republic)	Veolia Deutschland GmbH 100% (Germany)	Veolia Umweltservice GmbH 100% (Germany)	Veolia Energy Hungary 98.97% (Hungary)			
Northen Europe	Veolia Water UK Ltd 100%	Veolia Environmental Services UK Plc 100%	Veolia Energy UK Plc 99.99%	Veolia NV 100 % (Belgium)	Veolia Nederland BV 99.99%	Veolia Nordic AB 99.9% (Sweden)			
Asia/Pacific	Veolia China Holding 100% (Hong Kong)	Veolia Environmental Services Asia 100% (Singapore)	Veolia Energy Asia 99.9% (Singapore)	Veolia Environmental Services Australia 100%	Veolia Water Australia 100%	Veolia Recycling & Recovery Holdings ANZ 100%			
Iberia and Latin America	Agbar 100% (Spain)	Veolia España 99.9%	Veolia Portugal 99.9%	Veolia Holding America Latina 100%					
Italy and Africa/ Middle East	Siram SpA 99.9% (Italy)	* Veolia Middle East 100%	* Veolia Africa 100%						
North America	Veolia North America Operating Services 100%	Veolia Environmental Services North America 100%	Veolia North America Paramus 100%						
Water Technologies	* Veolia Water Technologies 100%	* Veolia Water Technologies and Solutions 70%							

Key:

* Company with its registered office in France

% Veolia Environnement's direct and indirect percentage holding as of December 31, 2023

1.5.2 GEOGRAPHICAL ORGANIZATION

The following table sets out the geographic spread of Veolia's 2023 revenue by operating segment.

Following the application of IFRS 10, 11 and 12, the Group's joint ventures are consolidated using the equity method. Therefore, their revenue (and particularly the revenue of the main joint ventures, that is, the Chinese Water concessions) are not included in the table below.

2023 revenue

(€ million)	Total
France & Special Waste Europe	**9,726**
France Water	3,006
Waste Solutions (Recyclage et Valorisation des Déchets)	2,909
Other	3,811
Europe, excluding France	**19,000**
Central and Eastern Europe	11,360
United Kingdom and Ireland	2,822
Northern Europe	1,221
Iberia	2,603
Other Europe excluding France	994
Rest of the world	**11,907**
North America	3,347
Latin America	1,832
Asia	2,540
Pacific	1,975
Africa/Middle East	2,213
Water Technologies	**4,707**
Other	**12**
TOTAL GROUP	45,351

Comments on revenue trends and results for the various segments may be found in Chapter 5, Section 5.3.2 below.

1.5.2.1 France and Special Waste Europe

This segment groups together three delegated zones (France Water, Waste Solutions and MIB) and four Business Units specializing in hazardous waste (SARPI & IWS, VNS, SEDE and SADE).

As of December 31, 2023

Revenue *(€ million)*	**% Group revenue**	**EBITDA** *(€ million)*	**% Group EBITDA**
9,726	21.5%	1,338	20.4%

France Water

The Water France activity:

- is conducted by Veolia Eau - Compagnie Générale des Eaux and certain of its French subsidiaries;
- is the leading French operator in water services[1];
- supplies drinking water to around 23 million people and wastewater services to 21 million people;
- reported revenue of €3,006 million in 2023[2], i.e. 6.6% of Group revenue for the year ended December 31, 2023.

In France, Veolia is a major player in the management of water and wastewater services on behalf of public authorities. Veolia Water teams in France have significant expertise in the treatment and monitoring of water quality at all stages of the water cycle, from abstraction of the natural resource to discharge into the environment.

In addition to this expertise, Veolia Water in France innovates daily to improve the performance of services, treatment processes and installations and ensure a high quality of water and wastewater.

Through its various missions, Veolia Water in France assists local authorities and companies with regional development that respects all and the environment.

A range of integrated services also allows Water France to meet every requirement of the large water cycle:

- the resource and its conservation;
- large-scale management and operation of water production and treatment plants;
- recovery of materials or products contained in effluents;
- reuse of treated effluents;
- environment conservation.

(1) *According to the BIPE 2019 report.*
(2) *Comments on revenue trends and results for the various segments may be found in Chapter 5, Section 5.3.2 below.*

The water sector undergoes major changes that modify the activities of all regional development and large water cycle players (drought, flooding, etc.). To meet requirements for reactivity, transparency, performance and innovation, Veolia Water in France wishes to continue to build jointly, through partnerships, new public-private models.

Veolia Water in France rolled out its strategy, which seeks to give Water its rightful place in ecological transformation. It aims to be the uncontested trusted partner of public authorities and support them with their ecological transformation plans. Its local roots are reflected by its presence in all business regions, placing responsibility and decision-making as close as possible to field level. Water France's corporate project aims to sustainably create value and preserve resources.

Revenue generated by the main municipal contracts in France to be renewed or renegotiated during the period 2024-2025:

City	Estimated annual revenue *(€ million)*	Contract expiry date
Communauté d'agglomération de Lens-Lievin (drinking water)	60	2024

Main contracts signed in 2023 by the France Water delegated zone:

Municipality or company and location therefor	Month of signature of contract	New contract, or extension or renewal	Contract term *(years)*	Estimated cumulative revenue[1] *(€ million)*	Services provided
France Water					
Strasbourg Metropolitan Area	May	New contract	8	154	Wastewater treatment
Lille European Metropolitan Area	May	Renewal	10	745	Drinking water production and distribution
Perpignan Mediterranean Metropolitan Area and Urban Community	July	New contract	12	530	Water production and distribution and wastewater treatment
Toulon Provence Mediterranean Metropolitan Area	August	Renewal	10	236	Wastewater treatment
Garrigues-Campagne Joint Authority	August	Renewal	11	53	Drinking water production and distribution
Cœur Côte Fleurie Intercommunal Authority	October	Renewal	12	57	Wastewater treatment
Melun Val de Seine Urban Community	December	Renewal	8	82	Wastewater treatment

(1) Revenue from the contracts indicated represents the portion due to Veolia under these contracts. Accordingly, the sums indicated may differ from the figures provided in the press releases issued by the Group.

Waste Solutions

The Waste Solutions activity:

- is conducted by Veolia Propreté and certain of its French subsidiaries;
- reported revenue of €2,909 million in 2023[3],i.e. 6,4% of Group revenue for the year ended December 31, 2023.

In a mature French waste market, legal and regulatory developments offer a favorable framework for the transition to a circular economy.

The circular economy roadmap and the law for energy transition and green growth establish ambitious goals for reducing the tonnage of waste taken to landfills (-50% between 2010 and 2050) and replacing it with recycling and the use of waste as a resource and a source of energy.

In addition, in France, the law on the new territorial organization of the French Republic (the "NOTRe" law) led to the regrouping of public authorities and the overhaul of the scope of waste collection and processing (public administrative area groupings (EPIC), metropolitan areas, urban communities, joint agencies, etc.). Law no. 2020-105 of February 10, 2020 on fighting waste and the circular economy seeks to accelerate the change in the production and consumption model in order to limit waste and preserve natural resources, biodiversity and the climate. Therefore, while looking for economically-efficient collection and recovery services, market players (local authorities and industrial companies) commit to production and consumption methods using less non-renewable resources.

The Waste Solutions business is implementing a new customer strategy to give effect to ecological transformation. It is prioritizing the development of recycling and the production of renewable energy, by placing collection activities at their service. This approach focuses on three defining objectives:

- Strengthening support to our customers to help them increase recycling and recovery and thereby reduce landfill waste: development of new eco-design services and full circular loops and strengthening of industrial management of material flows to improve traceability, produce higher quality recycled materials and promote the reuse of these materials in production cycles;
- Developing the production of green energy from waste that cannot be recycled, in particular through strengthening the industrial performance of installations and developing new energy production facilities powered by refuse-derived fuel with majority biogenic content;
- Developing new waste collection systems for our customers. Rail or water transport, or even more virtuous road transport could therefore meet industrial and municipal customer requirements depending on their region. New technologies, new performance-based contractual terms and innovative partnerships will renew collection services.

(3) *Comments on revenue trends and results of this business unit may be found in Chapter 5, Section 5.2 below.*

This strategy is reflected in the organizational structure, which aims to offer customers a local service and expertise. Veolia's Waste Solutions activities are organized into eight regions, each with business departments serving the three strategic objectives detailed above: Hauts-de-France, Greater Paris, Normandy, Center-West, Grand-East, Burgundy-Auvergne-Rhône Alpes, South-West, South PACA.

Main contracts signed in 2023 for the Waste Solutions delegated zone:

Municipality or company and location therefor	Month of signature of contract	New contract, or extension or renewal	Contract term *(years)*	Estimated cumulative revenue (1) *(€ million)*	Services provided
Waste Solutions					
Montpellier Mediterranean Metropolitan Area	May	New contract	4	69	Incineration
Lagny Region Household Waste Collection and Treatment Joint Authority	June	Renewal	5	69	Waste collection
Aix-Marseille-Provence Metropolitan Area	September	Renewal	8	82	Waste collection
Pévèle-Carembault Intercommunal Authority	October	Renewal	7	77	Waste collection
Joint Authority on Studies for the Coordination of Integrated Household Waste Treatment in the Centre Ouest Seine Marnais region	November	Renewal	19	168	Waste-to product recovery

(1) Revenue from the contracts indicated represents the portion due to Veolia under these contracts. Accordingly, the sums indicated may differ from the figures provided in the press releases issued by the Group.

SARP Industries

SARP Industries (SARPI) specializes in the processing and recovery of hazardous waste, landfilling and soil remediation.

A European leader operating in 10 countries through a network of more than 110 sites, comprising waste treatment platforms and sites, SARPI manages over the long term the sanitary and environmental risks arising from hazardous waste to sustain industrial activity and the growth of territories.

SARPI possesses the technologies, know-how and unique organization necessary to drive its growth in the treatment of hazardous waste.

Hazardous waste treatment is a high growth potential market. A new kiln at the Evonik Chemical Park in Germany will be completed in 2024 to enable SARPI to strengthen its ambitions in the country.

A pioneer in hazardous waste treatment, SARPI continues to innovate to address the technological, economic and environmental challenges of its clients and partners.

In 2024, SARPI commissioned in Amnéville, in the Grand Est region, the first industrial extraction and purification facility using a black mass hydrometallurgy process for electric vehicle battery recycling to produce industrial grade nickel, cobalt and lithium.

SARP

SARP, specializing in liquid waste management, conducts its business in wastewater treatment, building and air hygiene, waste collection and recovery and industrial maintenance.

With 6,500 employees across a network of 250 agencies in France, and specialized subsidiaries such as Sodi, Telerep, or SHB, SARP proposes a full range of high-quality local services and rolls out solutions to prevent pollution, improve public health and guarantee the economic and environmental performance of the assets of its public, tertiary and industrial clients.

With its strong local roots, SARP aims to be the reference in the performance and maintenance of wastewater networks and industrial facilities in the regions, in conjunction with the ecological transformation pillars: decarbonization, preservation and regeneration of resources, and depollution.

SARP's activities are organized into five key segments:

- performance and asset management services for public service wastewater facilities: this segment aims to preserve and anticipate optimal operation of local authority public wastewater networks,
- performance and asset management services for non-public service wastewater facilities: this segment groups together private wastewater networks for which it conducts routine maintenance, repair and preventive management services,
- building hygiene and asset management services: maintenance and rehabilitation of wastewater facilities for collective, individual or tertiary housing, also including hygiene, air or water quality services,
- hazardous and non-hazardous waste depollution, collection and recovery: SARP's historical business, which capitalizes on a logistically optimized geographical and national network, from collection to processing. SARP's expertise in tracking waste extends from private individual fuel tanks or septic tanks, to the hydrocarbon separators of garage owners, from industrial process hazardous waste to the grease trays of restaurants,
- performance of industrial infrastructure and facilities: SARP has developed, through its subsidiary SODI, specific expertise in the petrochemical, metallurgy and nuclear industries, both in plant shutdowns and the environmental and energy optimization of customer processes.

Veolia Energy and Decarbonization

Veolia Energy and Decarbonization offers its tertiary and industrial clients and public authorities a comprehensive solution to decarbonize local energy focusing on three primary activities:

- networks and building energy performance: management of heating/cooling networks using low carbon solutions to assist public authorities in decarbonizing their territories (biomass, geothermal energy, heat recovery from wastewater , etc.) and overall management solutions for building energy performance. For example, since 2023 Veolia has operated the 5th generation heat and cold exchange network at the Paris-Saclay (Essonne) urban campus, the only one in Europe;
- management of energy utilities and decarbonization of industrial sites: maintenance and management of industrial building electrical facility performance as well as maintenance of generators and solar power plants. Veolia will operate and maintain a biomass cogeneration facility to help decarbonize and reduce dependency on natural gas at the Norske Skog Golbey paper-making site in the Vosges region;
- development of renewable energy production and electricity/gas flow management projects, particularly to ensure that Veolia water and waste services in France are energy self-sufficient with the production over 5 years of more than 2 terawatt hours (TWh) of local energy to fully cover its current consumption equivalent. This is equal to the consumption of 430,000 French households. Veolia also develops photovoltaic panel installation projects at its post-operation landfills.

SEDE Environnement

SEDE Environnement is the leading producer of organic fertilizers and soil improvers in France (over one million metric tons).

Derived from the circular economy (bio-waste, sludge, by-products from the food industries), these fertilizers contribute to solutions for a sustainable food model.

It creates a link between cities and fields through the recovery of municipal waste for use in fields to ultimately produce food.

In the same spirit of circularity in the territories and to meet decarbonization and energy self-sufficiency challenges, SEDE also offers a complete agricultural anaerobic digestion solution based on supply to facilities by returning digestate to the soil and capital-based partnerships.

SEDE Environnement confirms its role as a key partner in the farming world by supporting the ecological transformation of agriculture while helping it to address the dual challenge of food supply and decarbonization.

In 2024, to better embody its dimensions, SEDE Environnement will be renamed Veolia Agriculture France.

VIGS

Veolia Industries Global Solutions (VIGS) proposes multi-technical services for industrial utility facilities. This subsidiary also offers solutions for the optimal management of the water cycle and comprehensive waste management performance contracts based on reducing the carbon footprint, the circular economy and digitalization of services. VIGS proposes integrated offerings to industrial companies to support them in improving the environmental performance and competitiveness of their sites. These offerings have been adapted to different industrial sectors and particularly the automobile, pharmaceutical, defence and aeronautics, steel, food and beverage and chemical sectors. VIGS performs a wide range of services covering over 30 different business lines.

Veolia Nuclear Solutions (VNS)

Veolia grouped together its service activities in the nuclear sector in a Business Unit: Veolia Nuclear Solutions. This entity notably includes Kurion, Veolia ES Alaron and Veolia Nuclear Solutions Europe (formerly Asteralis).

A specialist in nuclear measurement, VNS is now able to provide all existing solutions and notably characterization, robotics, the separation of radioactive components, decontamination and stabilization by vitrification or cementation, as well as know-how in both nuclear facility clean-up and the processing of low and medium-level radioactive waste.

In 2023, the EDF Group chose the technological solution developed by VNS to set up mobile facilities to treat contaminated water in the event of a nuclear accident. This new system forms part of the roll-out of safety modifications to enable the 900 MWe reactors to obtain the safety level required for new EPR reactors.

SADE-CGTH

SADE-CGTH, specializing in the construction and restoration of water and infrastructure networks, was sold by Veolia to NGE, an independent engineering group, in March 2024. SADE-CGTH's activities represented an annual revenue of around €1.1 billion in 2022 and a workforce of around 6,900 employees.

1.5.2.2 Europe excluding France

The Europe excluding France segment consists of two zones: Central and Eastern Europe, and Northern Europe. Spain, Portugal and Italy are included in "Other European countries".

As of December 31, 2023

Revenue *(€ million)*	**% Group revenue**	**EBITDA** *(€ million)*	**% Group EBITDA**
19,000	41.9%	2,599	39.7%

Central and Eastern Europe

For over twenty years, Veolia has been present in several Central and Eastern European countries, where its businesses have enjoyed steady and sustained growth.

The Central and Eastern Europe zone includes the following former Suez activities: packaging recycling (Belland Vision environmental body) in Germany, non-hazardous and hazardous waste collection, recovery, processing and incineration in the Czech Republic, municipal waste in Serbia and a 5.5% stake in Eyath (Thessalonique water company) in Greece.

Mainly present in the water and energy markets, the Group manages municipal drinking water and/or wastewater systems for major cities including the capital cities Prague, Sofia, Budapest and Bucharest. Veolia teams also manage all water distribution activities in Armenia. In the energy market, the Group has a strong presence in the operation of heating networks (production and/or distribution), in particular in Poland (dominant position due to its presence in Warsaw, Poznan and Lodz), the Czech Republic (Prague and Ostrava), Slovakia (Bratislava and Levice) and Hungary (Budapest, Dorog, Pecs and Szakoly).

In Germany, the Group is present in the three business lines - Water, Waste and Energy - through partnerships with public authorities, industrial customers and service companies. Veolia actively participates in reducing CO_2 emissions in Germany, particularly through its subsidiary BS Energy, with the commissioning of a biomass and coal power plant in Braunschweig as part of the transformation of the Group's European coal assets. In 2023, Veolia acquired Schraden Biogas, specializing in biogas from waste.

In Poland and the Czech Republic, the number of connections to urban heating networks increased in a context of higher energy prices, notably for industrial and service customers. In Uzbekistan, the Tashkent urban heating network management contract commenced in 2022.

Most of Veolia's activities are public service concessions for local authorities carried out under concession contracts, infrastructure leasing/operation contracts or institutionalized public/private partnerships at prices regulated by local authorities. Veolia also provides services to industrial companies in Central and Eastern European countries. For all customers, Veolia's involvement accelerates the improvement and modernization of services and infrastructures, notably through the development of digital solutions and the Internet of Things.

In Central Europe, the Group's actions are driven by European policies and associated regulations relating to the environment and energy (energy efficiency, support for renewable energies and high-efficiency cogeneration) and climate change mitigation or adaptation solutions.

Northern Europe

Following the Suez merger, the Northern Europe zone (United Kingdom, Belgium, Luxembourg, Netherlands, Ireland, Nordic countries) integrated municipal and industrial waste collection, recovery and processing activities in Belgium.

In the United Kingdom, despite budgetary pressure on local authorities (investment cut by 40% between 2010 and 2018), the 25-year environmental plan and the 2020 environmental law offer a favorable framework for the development of Veolia's activities. These texts define ambitious objectives to move towards a more circular economy and reduce CO_2 emissions in order to attain carbon neutrality by 2050.

As a long-term partner of UK local authorities, Veolia proposes bespoke waste processing solutions aimed at optimizing the use of resources and reducing waste. Under household waste infrastructure contracts (PPP - PFI), Veolia develops and operates innovative sorting and recycling facilities for recyclable household waste, waste-to-energy facilities producing electricity and heat from residual household waste and facilities transforming organic matter to compost to be applied to land. Veolia also provides waste collection services on behalf of local authorities as well as commercial customers, developing bespoke collection solutions aimed at minimizing waste sent to landfill.

Veolia offers a comprehensive range of innovative solutions to develop the circular economy and transform recycled materials into resources. These recovery activities generate high quality secondary raw materials from recycled plastic and glass.

Veolia also provides services to regulated water companies to reduce their water consumption and produce energy from wastewater.

Veolia provides industrial customers in the United Kingdom and Ireland with integrated energy, water and waste solutions, aimed at reducing resource consumption and CO_2 emissions, while securing supply in the context of demanding industrial processes. To achieve this, Veolia develops bespoke solutions focusing on resource efficiency, low carbon emissions and circular processes. Veolia also proposes industrial cleaning, decontamination and dismantling services, as well as the collection, processing and recovery of hazardous waste through a major network of dedicated infrastructure.

In Benelux, Veolia is active in the Energy and Waste business lines as well as industrial services, particularly at the Antwerp petrochemical site. The Group is actively involved in the implementation of innovative solutions for energy management in buildings and local heating distribution networks, thereby contributing significantly to CO_2 emission reductions by its customers and partners.

In the Netherlands, Veolia's activities are divided equally between managing heating networks and utilities at industrial sites and plastic and paper recycling.

In Nordic countries, Veolia is primarily present in Finland through industrial ecology contracts: supply of steam and electricity to the Neste refinery and the Borealis petrochemical plant in Porvoo; construction and operation of a trigeneration plant (steam, water and compressed air) to deliver industrial utilities to the Harjavalta industrial park, where BASF has established a cluster to produce raw materials for electric vehicle batteries.

In Northern Europe, Veolia proposes a wide and varied range of offerings relating to the circular economy - recycling, waste-to-energy recovery, sludge recovery, biogas, Water and Energy performance contracts (e.g. building energy efficiency), multi-business line contracts for municipalities or industrial sites intended to reduce their environmental footprint. Veolia's regional coverage enables the combination of the three businesses associated with Veolia Water Technologies' global businesses, which have a strong presence in the countries in this zone.

Other European countries

Veolia's activities in Portugal and Spain are managed by the Iberia and Latin America zone.

Veolia has operated in Portugal since 1992. It is a major environmental services player, present in water, waste and energy. In the Water business, Veolia Portugal provides solutions and services that help guarantee the quality and safety of the water supply intended for consumption, optimize its industrial use, process and reuse wastewater and recover by-products. In the Energy segment, Veolia Portugal provides solutions and services for industries to produce less polluting and more efficient energy, improve the environmental impact and reduce the energy bill. In the Waste business, Veolia Portugal offers services covering collection, municipal cleaning, general waste management, sorting and traceability and processing and recovery of a wide range of materials for municipal and industrial clients. In Healthcare, Veolia manages via ACE Such-Veolia the energy efficiency of hospitals and public health services, particularly through cogeneration and all the technical services relating to facilities and equipment.

In Spain, Veolia operates in 3 Group business lines. Veolia is a leading player in water activities (Agbar). Agbar operates across the entire water cycle: abstraction, transport, treatment and distribution of drinking water, collection, treatment and reuse of wastewater, recovery of wastewater sludge, customer relationship management as well as the design and construction of treatment networks and infrastructures. The company's main customers are local public authorities and industrial clients. In the Waste business, Veolia Spain offers integrated services to manage all types of hazardous and non-hazardous liquid and solid waste. Veolia operates across the entire value chain covering waste collection, recycling and final recovery. In the Energy segment, Veolia is the energy efficiency leader in Spain. Veolia offers an extensive portfolio of services and solutions: operation of heating and cooling networks, building energy efficiency, green energy production, waste-to-energy or waste-to-material recovery. To guarantee its industrial and municipal customers the best possible performance, Veolia opened an energy management center in Spain, Hubgrade, from which it can remotely control all its facilities on a real time basis. Veolia develops renewable energy solutions in Spain through its subsidiaries Veolia Solar (specialist in the installation and maintenance of solar panels) and Veolia Biomasse (specialist in the preparation of woodchips for biomass boilers).

Activities in Italy are managed by the Italy and Africa/Middle East zone.

In Italy, Veolia is active, through its subsidiary SIRAM, in energy efficiency integrated management services, water operation and waste management (sludge and medical waste) contracts. SIRAM manages over 5,000 thermal plants for public and private customers. Veolia offers energy performance and multi-service contracts for the service sector with a strong market presence in hospitals (e.g.: Bergamo, Udine, Florence Careggi hospitals), public administration (e.g. the University of Parma, public buildings in Milan) and the industrial sector (e.g. multi-technical contracts with Hitachi and Leonardo, EPC contracts with Leonardo, Marelli, Bolton Food). In the Water segment, Veolia manages 200 wastewater plants. In the waste segment, SIRAM manages hospital waste for around 100 customers (e.g. hospitals in Bergamo and Venice). It has also developed a decarbonization offering mainly integrating bioenergy (photovoltaic, biomass, hydrogen), water and waste services.

Main contracts signed in 2023 in Europe excluding France:

Municipality or company and location thereof	Month of signature of contract	New contract, or extension or renewal	Contract term (years)	Estimated cumulative revenue[(1)(2)] (€ million)	Services provided
Hammersmith & Fulham United Kingdom	February	New contract	9	184	Waste collection
Ay. Granollers Spain	March	Renewal	20	112	Water production and distribution
ASL Alessandria Italy	March	New contract	16	59	Energy services for buildings
Ay. Arona Spain	May	Renewal	5	74	Water production and distribution
London Borough of Brent United Kingdom	May	New contract	8	160	Waste collection
ITEA - Istituto Trentino per l'Edilizia Abitativa Italy	July	New contract	9	87	Energy services for buildings
The Municipality of Sofia Bulgaria	August	Renewal	33	1,252	Drinking water production and distribution
MIDEWA Germany	September	Renewal	5	600	Drinking water production and distribution
Ay. Jumilla Spain	November	Renewal	25	66	Water production and distribution
PKP POLSKIE LINIE KOLEJOWE S.A. Poland	November	New contract	2	115	Local energy loop
Westminster United Kingdom	November	Renewal and extension	3	200	Waste collection and treatment.
OSAKIDETZA-SERVICIO VASCO DE SALUD Spain	November	Renewal	2	91	Energy services for buildings
OSAKIDETZA-SERVICIO VASCO DE SALUD Spain	November	Renewal	2	60	Energy services for buildings

(1) Revenue from the contracts indicated represents the portion due to Veolia under these contracts. Accordingly, the sums indicated may differ from the figures provided in the press releases issued by the Group.
(2) Aggregate revenue is estimated based on the contract amount translated into euro at the 2023 average exchange rate.

1.5.2.3 Rest of the world

The Rest of the world segment consists of four zones or delegated zones: North America, Latin America, Asia, Pacific, Africa/Middle East.

As of December 31, 2023

Revenue *(€ million)*	**% Group revenue**	**EBITDA** *(€ million)*	**% Group EBITDA**
11,907	26.3%	1,925	29.4%

North America

Veolia is active in water, energy and waste management in North America, serving agglomerations, cities, public authorities, hospitals, university campuses and industry. In the North America Zone (United States, Canada) the Group's activity scope was extended in 2022 mainly to include Suez's regulated and unregulated water activities in the United States and hazardous and non-hazardous waste activities in Canada (Alberta and Quebec), The Suez Advanced Solutions activity was sold at the end of 2023.

The Group is a leading provider of operations management and maintenance services for drinking water and wastewater networks and plants in the North American sector via public-private partnerships with agglomerations, cities and public bodies. Capital Project Management (CPM) activities are high-growth complementary services proposed by Veolia North America to its municipal water customers.

For industrial customers, Veolia is primarily involved in the Water and Waste business lines, in the oil and gas industry (primarily refineries: regeneration services, processing of oil sludge, hazardous waste processing, etc.), chemicals, mining and metals and the pharmaceutical industry. Veolia turns industrial customers' environmental challenges into circular economy solutions, by viewing waste disposal as an opportunity to create an energy source or making new products through industrial by-product reclamation processes and beneficial reuse programs.

These solutions, and particularly resource recovery and regeneration activities, are some of Veolia's primary areas of development in North America following its recent success in potash recovery and the treatment and recycling of wastewater. With the expansion of its regeneration offerings, elemental sulfur, spent sulfuric acid and sulfur gases are now used to produce clean fuming and non-fuming sulfuric acids and other high-value sulfur derivative (HVSD) products for use in a wide range of industrial activities across the United States.

Veolia also has a strong presence in the hazardous waste market in North America and notably accompanies pharmaceutical and petrochemical companies, electronic companies for semi-conductors, as well as companies in the defense and health sectors and universities and public authorities. In particular, the Company operates four incineration facilities at two sites in Texas and Illinois.

In addition, Veolia took over Alcoa USA Corporation's hazardous waste processing site in 2020, located in Gum Springs, Arkansas. With this acquisition, Veolia continues the global expansion of its hazardous waste processing and recycling activity and adds a flagship site to its existing portfolio.

To boost its even further in the hazardous waste market, at the end of 2023 Veolia acquired United States Industrial Technologies based in Michigan.

Veolia offers operation and maintenance solutions in the energy sector to service sector customers, as well as energy efficiency services and consulting solutions.

Latin America

In Latin America, Veolia operates its Water, Waste (including hazardous waste) and Energy business lines in Brazil, Argentina, Uruguay, Chile, Colombia, Peru, Mexico, Ecuador and Panama. Business in these countries was initially geared towards public authorities. Since its total takeover of Proactiva in 2013, Veolia's aim has been to roll out high added-value solutions, such as hazardous waste management in Mexico, Colombia, Ecuador, Peru and Chile. In 2019, Veolia acquired companies operating in the hazardous waste sector, and particularly medical waste, in Ecuador and Chile.

The delegated zone was strengthened by regulated water activities in Chile (Aguas Andinas, the country's leading water distribution and wastewater treatment operator), as well as municipal water contracts and services for the mining and petroleum industries in Columbia, Mexico and Peru.

The confirmed intent for "green" growth on the part of many countries in the zone has meant a tightening of environmental restrictions, leading industrial companies to implement recycling and recovery solutions, control their environmental footprint more effectively and use decarbonization solutions. In addition, Latin American metropolitan authorities are working to support urban growth by developing high-performing, efficient and sustainable public services. The main focus areas for progress are: optimizing public services, creating waste recovery solutions, rational water resource management and protecting the natural environment.

The current portfolio of activities provides an excellent basis for development, to continue supplying the Group's traditional offerings to public authorities and industrial clients (particularly agro-food, chemicals and oil) by providing offerings with significant added value. Veolia is also rolling-out its energy efficiency offerings, particularly for the industrial sector and buildings, such as hotels or hospitals.

Asia Pacific

Asia

In Asia, Veolia operates in its three major business lines. The main drivers of development in Asia are the growth of urban populations and support for traditional or emerging industrial channels in a long-term approach with regard to carbon and water footprints, the circular economy and pollution treatment.

In Japan, Veolia is primarily focused on concession-model water services and performance contracts, energy production from renewable resources and the production of recycled plastic. Since 2021, Veolia has also been a decisive player in hazardous waste, a very fragmented sector in the country.

In China, the Group holds traditional concession contracts through joint ventures for drinking water production and wastewater services (e.g. Shanghai Pudong, Kunming, Changzhou). In the Waste segment, Veolia is one of the leading players in hazardous waste management throughout the territory and has been developing emerging plastic, electronic waste and battery recycling activities over the past few years. The Group is also highly involved in the energy sector through heating networks (Harbin, Jamusi) and industrial utilities contracts as well as energy services for buildings.

In Hong Kong, the Group is historically present in waste processing (landfills, sludge, organic and hazardous waste treatment) and more recently in optimizing energy services for buildings.

In Taiwan, Veolia operates in waste processing (incineration), soil decontamination and more recently industrial services, particularly in the pharmaceuticals sector via its joint venture Framosa with the Taiwanese group SCI.

In South Korea, Veolia is primarily focused on the industrial services market, historically on water treatment and supply and more recently on the processing of industrial waste (plastic, organic and hazardous waste recycling). Veolia also performs services for buildings.

In Singapore and South East Asia, Veolia mainly develops hazardous and non-hazardous waste processing activities (incineration) and industrial client services (process water and effluents, plastic recycling).

In India, Veolia is present in municipal water and industrial services, and notably hazardous waste processing.

Veolia's markets in Asia are driven by the growth of advanced export industries (microelectronics, pharmaceuticals, automobile) as well as the greening of high water impact traditional industries that still depend on a highly carbonized energy mix in a context threatened by climate emergency and water stress.

Australia and New Zealand

In Australia and New Zealand, around 70% of Veolia's activities are in waste management, primarily for commercial and industrial customers, with the remaining 30% split between municipal water and industrial and energy services. The Suez merger contributed additional waste collection, landfill and waste-to-energy activities, through the recycling and recovery of municipal and industrial waste.

In Australia, the adoption of ambitious targets for energy transition, waste recovery and secure water supplies has created new opportunities in our business lines. The main growth markets are water and waste treatment and recovery, oil and gas industries, mining, particularly lithium, and the emerging renewable energies sector, including hydrogen.

In New Zealand, Veolia is present in municipal water and is developing industrial contracts with new services.

Veolia offers solutions meeting the growing needs of this region and new policies and regulations by focusing, in particular, on waste-to-energy recovery to supply recycling channels and decarbonize the local energy mix as well as the preservation of water resources mainly through desalination to combat water stress.

Africa/Middle East

Africa and the Middle East are dynamic regions driven by very strong demographic growth, rapid urbanization and growing environmental awareness.

Improving the coverage of essential services remains necessary to the development of the African continent and therefore significantly structures the municipal market. Veolia's presence in Africa is focused in Morocco and two regional clusters, one in Western Africa (Côte d'Ivoire and Ghana), and the other in Southern Africa (South Africa, Namibia and Botswana). In Morocco, Veolia provides electricity and water distribution services and wastewater treatment services for the agglomerations of Rabat, Tangier and Tetouan through three concession contracts. It is also developing solutions for reusing treated waste water. In Ghana, the mining company AngloGold Ashanti renewed its confidence in Veolia to treat wastewater from its activities in the Obuasi region.

The mining industry offers potential for diversifying Veolia's activities in this region, where it intends to replicate its first references in Ghana in on-site services.

In Niger, political events in the summer of 2023 resulted in the renationalization of the country's drinking water services and therefore Veolia's lease contract was not renewed. Throughout this crisis, Veolia managed to ensure service continuity and preserve the health of Nigerians. In Namibia, Veolia supplies water to the city of Windhoek from wastewater made fit for human consumption. In South Africa, our activities include the supply of water to public authorities and industrial clients, hazardous waste management and on site services for industrial clients.

The Group is also particularly attentive to the emergence on the continent of new methods of accessing basic services, alongside traditional centralized network solutions.

In the Middle East, the Group is present in its three business lines in all Gulf States, with municipalities, industrial companies and the service sector.

Following the Suez merger, the scope was strengthened by the addition of activities in Saudi Arabia (hazardous waste processing), the United Arab Emirates (commercial, industrial and medical waste collection, urban cleaning services and industrial sites), Jordan (drinking water conveyance and wastewater treatment in Amman), Oman (construction/operation of landfills, seawater desalination), Qatar (water and waste management), Lebanon (operation of wastewater treatment plants) and Turkey (municipal waste management).

Pressure on water demand remains high in the region, where desalination projects continue and are often for extremely high-capacity plants. The same is true for wastewater treatment plants. Sustainable operation and maintenance contracts for waste and wastewater services are also emerging. Veolia has a historical presence in these market segments and recently strengthened its position as co-leader, notably in the United Arab Emirates, with the signature in 2022 of a historic agreement with ADNOC Refining, a leading industrial group, for industrial hazardous waste processing services as part of a consortium.

At the same time, Veolia continues to penetrate the industrial market targeting leading local petrochemical players, which call on the Group for the treatment of their effluents and hazardous waste, as well as the supply of process water.

The service sector accounts for over half Veolia's activities in the Middle East through its subsidiary ENOVA, a joint venture with Majid-Al-Futtaim.

Main contracts signed in 202 in the Rest of the world:

Municipality or company and location therefor	Month of signature of contract	New contract, or extension or renewal	Contract term *(years)*	Estimated cumulative revenue (1)(2) *(€ million)*	Services provided
EMPAS E.S.P Colombia	January	Renewal	20	618	Wastewater treatment
Servicio De Agua Potable Y Alcantarillado De Lima-Sedapal Peru	April	New contract	5	143	Water production and distribution
EMPRESA OFICIAL DE ACUEDUCTO Y SANEAMIENTO BASICO DE COROZAL Colombia	August	Renewal	20	77	Water production and distribution and wastewater treatment
Environmental Protection Department (EPD) Hong Kong	September	New contract	60	1,325	Solid waste landfill

(1) Revenue from the contracts indicated represents the portion due to Veolia under these contracts. Accordingly, the sums indicated may differ from the figures provided in the press releases issued by the Group.
(2) Aggregate revenue is estimated based on the contract amount translated into euro at the 2023 average exchange rate.

1.5.2.4 Water technologies

This segment brings together the activities of Veolia Water Technologies and Water Technologies & Solutions following the Suez merger.

As of December 31, 2023

Revenue *(€ million)*	% Group revenue	EBITDA *(€ million)*	% Group EBITDA
4,707	10.4%	534	8.2%

Veolia Water Technologies

Veolia Water Technologies (VWT) is responsible for the Group's design and execution offerings dealing with water treatment. The subsidiary develops technology and designs drinking water production and wastewater treatment plants around the world for a range of industrial and municipal customers. VWT also offers solutions and services, equipment and technologies tailored to water treatment, as well as services including after-sales services for the installed equipment base, the supply of chemical products, mobile intervention solutions and digital monitoring solutions for water treatment equipment or installations.

Under the Impact 2023 strategic program, Veolia Water Technologies is focusing its development on the sale of technologies and related recurring services and significantly reducing its exposure to construction risk.

Water Technologies & Solutions

WTS has a strong global presence with an extensive network of production and service centers and a wide portfolio of technologies, equipment and services covering all industrial customer needs in the water sector.

WTS generates recurring revenues with a balanced split between its two complementary divisions:

- the Chemical & Monitoring Solutions (CMS) division provides integrated chemical treatment solutions for industrial water and process infrastructures;
- the Engineering Systems (ES) division is a major supplier of technological solutions and equipment used in water and wastewater treatment, water reuse and service outsourcing.

Main contracts signed in 2023 in the Water technologies segment:

Municipality or company and location therefor	Month of signature of contract	New contract, or extension or renewal	Contract term *(years)*	Estimated cumulative revenue (1)(2) *(€ million)*	Services provided
Mirfa International Power and Water Company Abu Dhabi	February	New contract	2	290	Desalination

(1) Revenue from the contracts indicated represents the portion due to Veolia under these contracts. Accordingly, the sums indicated may differ from the figures provided in the press releases issued by the Group.
(2) Aggregate revenue is estimated based on the contract amount translated into euro at the 2023 average exchange rate.

1.5.3 OTHER ACTIVITIES

1.5.3.1 Intellectual property

The Group is committed to protecting its intellectual property rights - particularly trademarks and patents - and its know-how, as they set it apart from the competition and contribute to its ambition of making Veolia a benchmark for ecological transformation.

The Company owns a number of trademarks including the **"Veolia" brand, which is protected in France and internationally**. The Group applies a brand strategy that brings together the Water, Waste and Energy businesses under a common brand name, "Veolia".

Innovation is a key factor in the growth and profitability of Veolia. Veolia capitalizes on its know-how by **developing innovative technologies, processes and devices, as well as creating tools combining the expertise of the Group's businesses and new technologies**. Veolia seeks to protect these innovations by appropriate means.

Patented inventions demonstrate the Group's capacity for technological innovation and help differentiate its offerings. At the end of 2023, the **Group's global portfolio comprised more than 5,000 patents and patent applications worldwide**.

In Veolia's opinion, its business is not dependent on the existence or validity of one or more of these patents, or on any contract covering one or more intellectual property right(s).

1.6 Environmental regulation

The Group's activities are subject to extensive, evolving and increasingly stringent environmental regulations. These regulations are generally technical and complex and impose significant constraints, the most important of which are presented below.

The majority of the Group's activities require operating permits or authorizations that define the rules governing the operation of facilities. These operating permits are issued by public authorities pursuant to authorization procedures encompassing the performance of specific studies presenting, in particular, the environmental footprint of the facilities.

1.6.1 INTERNATIONAL REGULATIONS

At international level, there are no binding general environmental regulations applicable to all countries, but rather a great many international agreements that are often sector-based as well as statements of principles. It was in this context that the draft Global Pact for the environment was proposed in 2017, seeking to assemble the principles of environmental law within a single regulation.

World Health Organization Directives on health and water are issued for countries to help them draft internal regulations governing water quality. They set guidelines for the quality of drinking water and emphasize the importance of the preventive management of health risks. The fourth edition of the Guidelines for drinking-water quality was published in March 2022. In September 2021, WHO published new air quality guidelines.

The right of access to water is recognized by the majority of countries, and access to clean water and sanitation was recognized by the United Nations as a human right on July 28, 2010.

1.6.2 EUROPEAN REGULATIONS

Environmental regulation in European Union (EU) countries is primarily tied to European Directives and regulations.

On December 11, 2019, the European Commission presented the European Green Deal in its communication to the European Parliament and the Council (ref. COM [2019] 640 final). This European Green Deal represents the new sustainable growth strategy in all EU areas of action, aimed at guaranteeing a fair and inclusive transition. It provides a roadmap of actions aimed at promoting the efficient use of resources notably by moving to a circular economy, and reducing greenhouse gas emissions, biodiversity loss and air, water and soil pollution. It details the investment necessary and the financing instruments available.

The European Green Deal represents a new transversal framework for the adoption of concrete measures in the short to medium term. It will lead to the revision of numerous European directives and regulations.

Regulations common to the three business lines

- **Assessment of the effects of certain public and private projects on the environment:** Directive 2011/92/EU of December 13, 2011 revised. It introduced minimum requirements with regard to the type of projects subject to assessment, the main obligations of developers, the content of the assessment and the participation of the competent authorities and the public;
- **reducing pollution:** Directive 2010/75/EU of November 24, 2010 on industrial emissions (known as the IED Directive). This directive recast the 1996 integrated pollution prevention and control directive (IPPC) and six sector-based directives. The scope of this directive was extended to new activities, and administrative permits should be issued based on the implementation of “best available techniques” (BAT) for reducing pollution and on an integrated approach, taking into account emissions into air, water and soil, waste management and energy efficiency. Obligations to monitor emissions likely to contaminate soil and groundwater have been introduced (new emission limit values). The IED Directive also provides for the preparation of a “baseline report” on the state of the site before the commissioning of the facilities or before a permit for facilities is updated for the first time, and redefines the requirements to restore the site once activities cease;
- **chemical products:** Regulation (EC) 1907/2006 of December 18, 2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). This regulation seeks to reduce the health and environmental risks associated with the manufacture and use of chemical substances and improve the management of these risks throughout the life cycle of the chemicals, in order to ensure better health, safety and environmental protection. For the Group, as a user and producer of such substances, this involves greater cooperation and a better exchange of information with suppliers and customers. With the same purpose as the REACH regulation, Regulation (EC) 1272/2008 of December 16, 2008 on Classification, Labeling and Packaging (CLP), harmonized the existing provisions and criteria concerning the classification, packaging and labeling of hazardous substances taking account of the adoption of the United Nations’ Globally Harmonized System (GHS); The relevant legal entities are in compliance with the schedule set by the REACH Regulation for chemicals requiring registration within the Group. After the systematic pre-registration of all substances that may be concerned, various deadlines are being monitored along with changes to the regulation and updates to its annexes. The regulations on persistent organic pollutants (POPs) (Stockholm Convention and Regulation (EU) 2019/1021 of June 20, 2019) also have an impact on the Group’s activities;
- **biocides:** Regulation (EU) 528/2012 of May 22, 2012 concerning the making available on the market and use of biocidal products. This regulation strengthened the control of biocides and harmonized authorization procedures;
- **biodiversity:** the Rio Convention (1992) on Biological Diversity sought to protect the diversity and wealth of ecosystems. In 2010, the 10th Conference of Parties (COP) to this convention adopted the Nagoya Protocol. This protocol provides for the adoption of a strategic plan covering the 2011-2020 period and an agreement to create the IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services). In order to guarantee the application of this protocol at European level, Regulation 511/2014 of April 16, 2014 established new rules governing compliance with obligations concerning access to genetic resources and the sharing of benefits arising from their utilization.; Hosted by Canada and chaired by China at the end of 2022, COP15 saw the adoption of a Global Biodiversity Framework for the period 2020-2030. This global framework is based on four objectives (enhanced integrity of ecosystems, species and genetic diversity; contribution by nature to development goals; sharing of genetic resources; financial means) accompanied by 23 targets to be achieved by 2030;
- **major risks:** Directive 2012/18/EU of July 4, 2012 on the control of major accident hazards involving dangerous substances (Seveso 3). This directive repeals the Seveso 2 Directive and establishes new prevention rules primarily integrating the changes introduced by the Classification, Labelling & Packaging (CLP) regulation;
- **fight against atmospheric pollution:** Directive 2016/2284 of December 14, 2016. The directive sets emission reduction commitments for sulfur dioxide, nitrogen oxides, non-methane volatile organic compounds, ammonia and fine particulate matter;
- **greenhouse gases (GHG) in the atmosphere:** their increase has led certain countries, as well as the international community, to implement regulatory measures in order to limit this trend;
  - the Kyoto Protocol set a 2008-2012 greenhouse gas reduction target of 8% for the European Union, based on 1990 emission levels. Directive 2003/87/EC of October 13, 2003 created a community-wide emissions trading system (EU ETS) that came into force in 2005 and resulted in the creation of national allowance allocation plans (NQAPs) for the period 2005-2007 and then 2008-2012, corresponding to the commitment period of the Kyoto Protocol. Directive 2009/29/EC of April 26, 2009 extended the EU ETS to cover a third period (2013-2020), with a gradual reduction in allowances allocated and new allocation procedures in order to achieve a 20% reduction in greenhouse gas emissions by 2020 (compared with 1990 levels). The Kyoto Protocol was not extended by recent COPs (Conference of the Parties), with only an obligation to limit global warming to 2°C included in the 2015 Paris Agreement,

- Directive 2018/410/EU of March 14, 2018 extends and redefines European Union emission trading system rules for a fourth period (2021-2030 - phase IV). Combustion facilities with a thermal output greater than 20 MW and certain industrial companies falling within the scope of the directive are subject to the European Union emission trading system and registered in the national allowance allocation plans introduced since 2005 in all EU Member States. As from 2021, the allowances available in the European Union emission trading system will be reduced on a linear basis by 2.2% per year and Member States shall auction at least 57% of allowances. The free allocations stipulated for the heating sector will also be gradually reduced, except for district heating networks which will still receive free allocations of 30% of their allowances until 2030. The calculation and benchmark methodologies for estimating required allowances based on past pollution levels were also adjusted for phase IV. A cross-sector correction factor may also be applied by the European Union to adjust any over or under allocation of allowances,
- to support a robust price signal, a stability reserve was implemented in early January 2019 in accordance with decision 2015/1814 and the revision of phase IV. This withdrew the surplus accumulated in previous periods that resulted in an excess supply in the European Union emission trading system. Between 2014 and 2020, 900 million allowances were also withdrawn from the market through a backloading scheme. The arrival of phase 4 and the reserve had a major impact on the European Union emission trading system, with early January 2020 prices of up to €25/t CO_2 and the participation of new speculative players,
- December 2020: the EU Member States agreed to a greenhouse gas emissions reduction target of 55% by 2030 (compared with 1990 levels), as opposed to 40% previously (it is recalled that Europe aims to achieve carbon neutrality by 2050). Following this agreement, a consultation was launched by the European Commission to revise the European CO_2 allowance market with the aim of attaining the new GHG emissions reduction target. The market price for CO_2 allowances increased significantly to €35/metric ton in January 2021,
- July 2021: the European Commission presented its plan to reduce CO_2 emissions by at least 55% by 2030 as compared to 1990 levels ("Fit for 55 package"). This plan provides for the phasing-out of free allowances by 2036, the implementation of a carbon tax at the EU's borders and the extension of ETS mechanisms to the land transport and building sectors,
- December 2022: the Council and European Parliament reached a provisional political deal on ETS reform, agreeing:
  - to increase the overall ambition for emission reductions by 2030 to 62% compared to 2005 levels;
  - to increase the annual reduction rate of the emission cap by 4.3% per year from 2024 to 2027 and 4.4% from 2028 to 2030 ("linear reduction factor");
  - and to strengthen the Market Stability Reserve (MSR) by setting a threshold of 400 million allowances, with the surplus eliminated

With regard to the waste business, the Commission will assess the possibility of including the municipal waste incinerator sector in the ETS, with a view to including it from 2028 and the need for a possible opt out until December 31, 2030. A report on this issue will be presented no later than July 31, 2026.

- following the repeal of Regulation (EC) 2037/2000, Regulation (EC) 1005/2009 of September 16, 2009 requires the strict management of substances that destroy the ozone layer and, in particular, CFC and HCFC **refrigerating fluids** used in cooling plants. It sets, inter alia, rules for the recovery and destruction of fluids and a timetable for the elimination of certain substances;
  - as a result of the Kyoto Protocol, Regulation 842/2006/EC of May 17, 2006 introduced strict management and traceability measures for fluorinated greenhouse gases for both HFC refrigerating liquids and SF6 electrical insulation. Regulation 517/2014 of April 16, 2014 reformed this provision by repealing Regulation 842/2006 with effect from January 1, 2015. This regulation seeks to reduce fluorinated greenhouse gas emissions by two-thirds by 2030, as compared with current levels. Three regulations were issued on November 17, 2015 in application of this regulation, setting new labeling, training and certification requirements for these gases;
  - **pressure equipment:** Directive 97/23/EC of May 29, 1997 (DESP) establishes design and manufacturing requirements for pressure equipment and imposes an inspection of the compliance of this equipment and their housing units;
  - **European Climate law:** Regulation (EU) 2021/1119 of June 30, 2021 establishes the European Union framework for reducing GHG emissions for the Union by 2050. It establishes two binding objectives: climate neutrality in the Union by 2050, with a view to achieving the long-term temperature objective set by the Paris agreement and reducing net greenhouse gas emissions in the Union by at least 55% by 2030 as compared to 1990;
  - **Fit for 55 package:** presented by the Commission on July 14, 2021, it contains proposals aimed at attaining the objectives set in the European Climate law. These proposals will lead to the amendment of many directives and regulations;
  - in addition, the **REpowerEu plan** presented by the Commission on May 18, 2022 aims to raise the targets proposed in the Fit for 55 package to increase Europe's independence from Russian fossil fuels. This plan aims to achieve energy savings, produce clean energy and diversify energy supply sources. The accelerated roll-out of renewable energies is one of the pillars of this plan.

Regulations specific to each business line

WATER

The objective underlying regulation is the availability of drinking water which complies with directives, and a satisfactory chemical, ecological and quantitative status for groundwater and surface water, and a wastewater treatment system that protects the receiving environment.

The objective of attaining a satisfactory chemical state of water is the result of several European legislative texts, particularly Directive 2000/60/EC of October 23, 2000, which establishes a framework for community action in the field of water policy (the "**Water Framework Directive")** that concerns the quality of water (surface and groundwater) more generally. Directive 2006/118/EC of December 12, 2006 on the protection of groundwater (daughter directive of the framework directive) sets up oversight and restrictions on chemical substances in water by 2015.

The framework directive set objectives for 2015 but the implementation timetable covers the period to 2027.

Directive 2008/105/EC of December 16, 2008, amended by Directive 2013/39 of August 12, 2013, sets out environmental quality standards for 45 priority substances, including priority dangerous substances that present a major risk to the environment or to public health in the water sector. These texts provide for the elimination of priority dangerous substances in 2021 and other dangerous substances in 2028 from continental and coastal surface water.

To protect the receiving environment, the collection, treatment and discharge of urban, industrial and commercial wastewater is governed by Directive 91/271 of May 21, 1991, as amended, concerning **the treatment of urban wastewater.**

The objectives of this directive were confirmed and extended by the Water Framework Directive. The treatment of wastewater is also directly affected by Directive 2008/56/EC of June 17, 2008, which establishes a framework for community action in the field of marine environmental policy and Directive 2006/7/EC of February 15, 2006 concerning "bathing water" which imposes new restrictions on the monitoring and management of bathing water and information provided to the general public.

Regarding flood risks, Directive 2007/60/EC of October 23, 2007 on the assessment and management of flood risks requires Member States to identify and map high-risk river basins and coastal areas and to produce management plans.

WASTE

Directive 2008/98/EC of November 19, 2008 (the "**Waste Framework Directive**") establishes a hierarchy of different waste management measures and favors (i) the prevention of production, primarily by requiring Member States to draft national programs, (ii) re-use, (iii) recycling, by defining new objectives to be achieved by Member States by 2020, (iv) other forms of recovery and (v) safe disposal.

It also clarifies the concepts of recovery, elimination, end-of-waste status and byproducts. The aim of this directive is to promote recycling, composting and waste-to-energy recovery of household waste.

With respect to ship recycling, Regulation (EU) 1257/2013 of November 20, 2013 seeks to better monitor their recycling in accordance with hazardous waste standards.

With respect to the **cross-border transportation of waste,** Regulation 1013/2006 of June 14, 2006 sets out conditions for monitoring and inspecting waste transfers and clarifies current procedures for monitoring the transfer of non-hazardous waste for recycling. It was amended by the Regulation of May 15, 2014, which required Member States to implement inspection plans by January 1, 2017 at the latest, with a view to ensuring more effective inspections.

In December 2015, the European Commission published the **Circular Economy Package** comprising (i) an action plan of measures aimed at "closing the loop" of product life cycles, from production and consumption to waste management and the development of a market for secondary raw materials, and (ii) proposed revisions to waste legislation.

Four directives of May 30, 2018 (2018/851, 2018/850, 2018/852 and 2018/849) amended the Waste Framework Directive, the Landfill Directive, the Packaging and Packaging Waste Directive, the End-Of-Life Vehicle Directive, the Waste Batteries and Accumulators Directive and the Waste Electrical and Electronic Equipment Directive. The new regulations seek to prevent waste production and its adverse impacts, promote waste reuse, recycling and recovery and gradually reduce landfill waste.

In August 2018, the best available techniques conclusions for the waste management sector were published. These were obtained following a review of the Best Available Techniques reference documents on waste processing.

ENERGY

Large combustion plants (with a thermal output of 50 MW or more) are governed since January 1, 2016 by the **IED Directive** of November 24, 2010 on industrial emissions, which imposes, inter alia, the systematic application of best available techniques. Directive 2015/2193 of November 25, 2015 regulating **medium combustion plants** (i.e. with a thermal output of between 1 and 50 MW) set emission caps for certain atmospheric pollutants.

In December 2018, the European Commission voted a **Clean Energy Package** revising European regulations on renewable energy, energy efficiency, the energy performance of buildings, electricity markets and consumer rights. It prioritizes energy efficiency and the development of renewable energy and promotes a fair deal for electricity consumers and flexible conditions.

With regard to **energy efficiency**, Directive 2012/27/EU of October 25, 2012 was recently revised by Directive (EU) 2018/2002 of December 11, 2018, which defines the EU energy saving targets for 2030 (32.5%).

With regard to **renewable energy,** a target of 32% renewable energy in the European energy mix by 2030 was set (with a clause for an upwards revision by 2023). Directive 2018/2001/EU of December 11, 2018 is the primary legislative framework governing heating networks and recognizing waste heat. This review of renewable energy regulations enabled the adoption of a harmonized framework for biomass sustainability criteria.

Likewise, Regulation (EU) 2018/1999 on the Governance of the Energy Union of December 11, 2018 defines for member countries the ways and means of achieving the targets set for 2030 in the previous directives and requires them to draw up National Energy and Climate Plans (NECPs).

These developments supplement the agreements reached in December 2017 which resulted in the revision of the Building Energy Efficiency Directive by Directive (EU) 2018/844 of May 30, 2018.

In December 2021, the best available techniques conclusions for large combustion plants were published, extending, for procedural reasons the conclusions of July 31, 2017.

WATER (continued)

In the face of increasing pressure on water resources leading to scarcity and a deterioration in quality, the reuse of treated water is a solution consistent with circular economy principles. Regulation (EU) 2020/741 of May 25, 2020 therefore seeks to promote the reuse of treated urban wastewater for agricultural irrigation.

The 1998 Directive on the quality of water intended for human consumption was revised and replaced by Directive (EU) 2020/2181 of December 16, 2020. This directive:

- confirms the right to access drinking water for all in all territories;
- revises the parameters to be monitored in water and includes new parameters, such as perfluorinated compounds;
- revises the quality requirements associated with these parameters;
- establishes water safety management plans, from abstraction to the consumer's tap, for all relevant stakeholders;
- provides for better information on the quality of drinking water for all users.

WASTE (continued)

2018 was marked by discussions on **plastic**: the Commission published its plastic strategy in January 2018 and Directive 2019/904/EU of June 5, 2019 on the reduction of the impact of certain plastic products on the environment imposed bans on the commercialization of certain single use plastics.

In December 2019, the decision establishing best available techniques for waste incineration was published.

In December 2021, the best available techniques conclusions for large combustion plants were published, extending, for procedural reasons the conclusions of July 31, 2017.

ENERGY (continued)

In addition to the **REpowerEU plan**, the Commission proposed and adopted an emergency regulation establishing a framework to accelerate the deployment of energy from renewable sources (Regulation (EU) 2022/2577 of December 22, 2022). This regulation is of temporary application for a period of 18 months, from December 30, 2022, may be re-evaluated and contains administrative simplification measures to speed-up the deployment of renewable energies.

In 2023, Directive (EU) 2023/2413 of the European Parliament and of the Council of October 18, 2023 amended Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources.

1.6.3 FRENCH REGULATIONS

European regulations significantly influence French law. They are enacted into law through legislative texts and regulations, codified in particular in the French Environmental Code, the French Public Health Code, the French Energy Code and the French General Local Authorities Code.

French regulations are constantly being reformed due to the enactment of European laws and the roll-out of national environmental policy.

In France, the administrative authorities (DREAL - Regional Departments for the Environment, Planning and Housing) are responsible for the monitoring and control of facilities.

For all the areas presented below, violation of most of these laws is punishable under both administrative and criminal law and a company may even be found criminally liable.

To strengthen the criminal justice response to environmental crimes, Law no. 2020-1672 of December 24, 2020 on the European public prosecutor's office, environmental justice and specialized criminal justice, set-up specialized environmental regional divisions, created an environmental public interest judicial convention and strengthened the powers of environmental inspectors.

In 2021, the Council of State (July 1, 2021, "Grande-Synthe" case) and the Paris Administrative Court (October 14, 2021, "Affaire du Siècle") issued major and unprecedented decisions ordering the French government to reduce GHG emissions by two different deadlines (March 31, 2022 and December 31, 2022, respectively). The "Climate and Resilience" law of August 22, 2021 was notably presented as a response to these injunctions.

Regulations common to the three business lines

- **Environment Charter**: promulgated by Constitutional law 2005-205 of March 1, 2005, this charter has constitutional standing. It forms part of the body of constitutional rules of French law, acknowledging the fundamental rights and duties relating to the protection of the environment;
- **Grenelle 1 law** (August 3, 2009) **and Grenelle 2 law** (July 12, 2010): the first is a planning law aimed at implementing the Grenelle de l'environnement decisions, supplemented by the second law comprising national environmental commitments. These laws seek to implement six major projects, which have significant implications for each of the Group's business line (construction, transport, health, waste, water and biodiversity, energy, environmental governance and information transparency);
- **law of August 17, 2015 on energy transition for green growth**: significantly amends French environmental legislation and seeks to enable France to contribute more efficiently to the fight against climate change and to strengthen its energy independence through a better balance between supply sources. The eight chapters cover the main energy transition objectives: renovating buildings to save energy, clean and sustainable transport to reduce air pollution, waste recycling and the circular economy, renewable energies, nuclear energy, simplifying and clarifying procedures and empowering citizens, businesses, regions and the government;
- in application of this law, the National Low-Carbon Strategy (NLCS) contains guidelines for the implementation of the greenhouse gas emissions reduction policy. These documents apply to the government, local authorities and legal entities under public law which must take account of the NLCS in their planning and scheduling documents having a material impact on greenhouse gas emissions. Carbon budgets are national greenhouse gas emission caps set for the periods 2019-2023, 2024-2028 and 2029-2033. The objectives of the NLCS are presented by major sector (transport, construction, agriculture, industry, energy, waste);
- Energy Multi-Annual Planning Document (EMAPD), another major energy policy document: defines priority actions for public authorities covering the management of different types of energy and sets objectives for the period 2019-2028;
- new **EMAPD, NLCS and national carbon budgets**: adopted by two decrees on April 21, 2020, these documents were revised with the aim of achieving carbon neutrality in 2050;
- **Energy-Climate law of November 8, 2019**: raises France's ambitions by including a carbon neutrality objective by 2050. (i) target decrease of 30% to 40% in fossil energy consumption compared with 2012 by 2030, (ii) ban on electricity production using coal by 2022, (iii) framework more favorable to the development of renewable energies and own use. In addition, it modifies the system introduced by the law of 2015 by providing for the adoption of a five-year law that will set the objectives and priority actions of the national energy policy and with which the EMAPD and NLCS will have to be compatible. Finally, the law institutionalizes the existence of the High Council for the Climate, which has a significant institutional role;
- **Biodiversity, Nature and Landscape law (August 8, 2016)**: amendment of environmental law and biodiversity protection principles (introducing principles of ecological solidarity and non-regression) and inclusion of compensation for ecological prejudice into the French Civil Code. It introduced a mechanism governing access to genetic resources and the fair and equitable sharing of benefits (in accordance with the Nagoya protocol) and a new compensation system for damage to biodiversity. The main change at institutional level after the creation of the French Agency for Biodiversity, was the merger of this agency with the National Agency for Hunting and Wildlife to create the French Office for Biodiversity on January 1, 2020. This agency contributes, in land, aquatic and marine environments, to the oversight, protection, management and restoration of biodiversity and to the balanced and sustainable management of water in coordination with the national policy to combat global warming;
- national plan to reduce emissions of atmospheric pollutants **(PREPA)** (Decree of May 10, 2017 and Order of December 8, 2022 for the period 2022-2025): these texts set the national emission reduction targets for 2020, 2025 and 2030 and the actions to be taken; the majority of facilities operated by the Group fall under the scope of the **"ICPE" regime (Facilities Classified for Environmental Protection**).

This central regime for environmental law lists facilities that are likely to present disadvantages or dangers to the environment as a result of their activities or the substances handled and subjects them to a range of different requirements (such as declarations, registration and authorizations);

- after environmental assessment reforms (impact study) and public information and consultation initiatives (public inquiry) launched in 2016 and implemented in 2017, the single environmental permit reform (Order no. 2017-80 and Decrees of January 26, 2017) substantially changed ICPE legislation; it merged the different environmental procedures and decisions concerning projects requiring permits pursuant to ICPE regulations or the Water Act (IOTA see below); the environmental assessment procedure is regularly revised to comply with European law;
- to learn the lessons of the Lubrizol fire in September 2019, a series of two decrees and five orders were issued on September 24, 2020 strengthening the regulations applicable to Seveso sites, as well those applicable to ICPE facilities with regards to the state of stored materials, warehouses and the storage of combustible materials and inflammable and combustible liquids. These measures were supplemented and strengthened by three orders issued on September 22, 2021;
- **ASAP** law (Law 2020-1525 of December 7, 2020 on **accelerating and simplifying public action**): polluted soil and cessation of activity measures were overhauled by Decree 2021-1096 of August 19, 2021: a certified research office will now be required to attest to the implementation of safety control measures and the cessation of activities is redefined. Decree 2021-1000 of July 30, 2021 reduces environmental authorization procedures by making the public inquiry procedure exceptional and public participation by electronic vote the standard;
- “**Climate and Resilience**” law no. 2021-1104 of August 22, 2021: draws from the work of the Citizen Climate Convention and supplements provisions already introduced by the 2019 “Energy Climate” law and the 2020 “AGEC” law. It seeks to change lifestyles through its titles (consumption, production and work, transport, housing and food). It also introduces advances relating to the fight against soil artificialization and numerous measures to promote energy efficiency and creates new criminal offenses in the environment code: environmental endangerment, violation of natural environments and ecocide. The implementing texts for this law were published in 2022 (fight against soil artificialization, mining code reforms, regional development of areas exposed to shoreline retreat, etc.). With regard to polluted sites and soils, Decree 2022-1588 of December 19, 2022 defines types of use in the management of polluted sites and soils and defines a change of use, making it possible to qualify future use(s) when activity ceases;
- the management of the risk of Legionnaires’ disease is governed at global level by the WHO, as well as at European level and within several countries. In France, for example, prevention primarily involves the regulation of cooling towers;
- “**PACTE**” law no. 2019-486 of May 22, 2019 on **company growth and transformation**: this law modifies the French Civil Code by establishing that “the company is managed in its corporate interest, taking account of the social and environmental issues of its business”;
- it also introduces the ability for a company to adopt a purpose, with the objective of rethinking the place of companies in society. The Group has adopted a Purpose (see Chapter 1.1.2 above).
- The production and sale of biogas are strictly regulated by numerous texts. Law no. 2022-1158 of August 16, 2022 on **emergency measures for the protection of purchasing power** made changes enabling the development of the biogas sector.
- law on **accelerating the production of renewable energy** (n °2023-175 of March 10, 2023): first legal text wholly dedicated to renewable energies;
- law on **green industry** (2021/973 of October 23, 2023): sets 3 major objectives: finance green industry, facilitate and accelerate the installation of industrial companies and strengthen the inclusion of environmental issues in public procurement.

Regulations specific to each business line:

WATER

Many laws and regulations govern the production of drinking water, wastewater treatment and water pollution.

Certain discharges, disposals and other actions with a potentially negative impact on the quality of surface or groundwater sources require administrative authorization or notification. This is known as the "IOTA" (facilities, structures, works and activities) system and is subject to the water policy. For instance, public authorities must be notified of any facility that pumps groundwater in amounts that exceed specified volumes and of the release of certain substances into water.

Law no. 2006-1772 of December 30, 2006 on water and aquatic environments (LEMA) addressed EU requirements for high-quality water and significantly amended French water legislation. In addition, water development and management plans (SDAGE) take specific account of this water quality objective and the administrative order of January 25, 2010, as amended, sets out a water quality oversight program.

The Grenelle 2 law confirmed the responsibilities of municipalities with regard to the distribution of drinking water and sought to improve knowledge of networks and reduce network losses. The law on the modernization of territorial public action and affirmation of metropolitan areas of January 27, 2014 (known as the "MAPAM" law) gave municipalities and EPCIs (public establishments for cooperation between local authorities) new powers in relation to the management of aquatic environments and the prevention of flooding (known as "GEMAPI"), while providing them with new tools (taxes and easements). The law on the new territorial organization of the French Republic of August 7, 2015 (the "NOTRE" law) extends the responsibilities of inter-communal associations: from January 1, 2020, water and wastewater treatment are a mandatory responsibility of all EPCIs. The GEMAPI law no. 2017-1838 of December 30, 2017 introduces a number of adjustments to this obligation. Likewise, under law no. 2018-702 of August 3, 2018, this obligation may be postponed from 2020 to 2026.

The Law no. 2019-1461 of December 27, 2019 on commitment to local life and proximity to public action, introduces social tariffs for water, relaxes the implementation of GEMAPI responsibilities and organizes the transfer of water and wastewater responsibilities to the EPCIs.

WASTE

The majority of hazardous and non-hazardous waste processing facilities are subject to the regulations governing facilities classified for the protection of the environment (ICPE). A number of decrees and ministerial and administrative orders establish rules applicable to these sites (design, construction, operation, etc.).

Hazardous and non-hazardous waste is subject to strict monitoring (waste monitoring slips, BSD) and tracking (chronological waste register).

Waste-to-energy plants are subject to numerous restrictions, including limits on pollutant emission levels.

Ministerial orders clarify the technical requirements applicable to the various waste processing facilities.

The Grenelle 2 law strengthened and widened the Extended Producer Responsibility (EPR) scheme and specific recovery and associated processing sectors. Finally, it provided for the planning of construction and public works waste management and the performance of a pre-demolition appraisal.

The Waste Framework Directive of November 19, 2008 was enacted by Order 2010-1579 of December 17, 2010. This enactment clarified certain definitions, introduced a hierarchy of waste processing methods (reuse, recycling, recovery and disposal) and clarified the responsibilities of producers and holders of waste.

Chapter 4 of the law of August 17, 2015 on energy transition for green growth focuses on combating wastage and promoting the circular economy: it amends waste law principles by introducing new objectives with quantified targets into the national waste policy and enshrines the definition of the circular economy in the major principles of environmental law.

It amends the law governing environmental bodies and creates new Extended Producer Responsibility (ERP) sectors. The application texts for these new provisions, and particularly those concerning the ERP sectors, were subsequently published.

ENERGY

The French Energy Code and the French Environmental Code define the regulatory framework governing energy policy.

The majority of installations are subject to the regulations governing facilities classified for the protection of the environment (ICPE) set out in the French Environment Code.

The Grenelle 2 law boosted the development of energy efficiency and renewable energies. This continued with the law of August 17, 2015 on energy transition for green growth which seeks to balance the different energy supply sources in France. Chapter 5 of this law on renewable energies introduces a new purchase contract regime for electricity produced by facilities using renewable energies, while slightly modifying the regime governing anaerobic digestion plants and the law governing hydroelectric concessions. Chapter 8 introduces two major documents for the energy policy: the National Low-Carbon Strategy and the energy multi-annual planning document. It modifies the steering and production of electricity and covers energy transition in the territories. Numerous application texts for these new measures were subsequently published.

Ministerial orders clarify the technical requirements applicable to combustion facilities according to their size.

Veolia also contributes to the French capacity market via its electricity production facilities in line with Decree 2012/1405 of December 14, 2012. Certain facilities are also impacted by Decree 2016/682 on the power purchase obligation and the market-based premium for renewable energies.

Similarly, the conditions for marketing, using, recovering and destroying substances used as refrigerating fluids in refrigerating and air-conditioning equipment are also regulated.

The legal arsenal of French regulations is completed by numerous other orders clarifying the means of quantifying and handling fluids and the set-up of training and recovery sectors.

WATER (continued)

Law no. 2022-217 of February 21, 2022, the so-called“3DS”, on differentiation, decentralization, deconcentration and various measures to simplify local public action confirms the deadline of January 1, 2026 for the transfer of this responsibility to communities of municipalities and facilitates the financing thereof by the communes and EPCIs with their own taxation, with the possibility of some adjustments.

Special attention is paid to protecting catchment areas and regulation covers pollutants such as nitrates, pesticides and micro-pollutants.

Autonomous wastewater treatment is subject to strict regulation to protect the quality of the receiving environment, sanitary conditions and public health.

Depending on their size, treatment plants are subject to increasing requirements and, particularly for the largest plants, reporting obligations such as an annual declaration of polluting emissions and waste.

The reuse of treated wastewater was regulated to a limited extent and only with respect to the irrigation of crops and green areas (Order of August 2, 2010, as amended). Decree no. 2022-336 of March 10, 2022 defines the rules regulating new uses of treated wastewater and introduces an authorization procedure for the use of this wastewater (the information required in authorization requests is specified in the Order of July 28, 2022).

To be used in agriculture, sludge produced at wastewater treatment plants must comply with strict traceability regulations in respect of the organic materials and trace metals it is likely to contain (heavy metals such as cadmium, mercury or lead). To be recovered as biogas that is likely to be injected into natural gas networks, it must also comply with a list of authorized inputs.

Decree no. 2020-828 of June 30, 2020 introduced major reforms concerning IOTA wastewater installations.

The December 2020 European drinking water directive was enacted by Order no. 2022-1611 of December 22, 2022, Decrees no. 2022-1720 and 2022-1721 of December 29, 2022 as well as 13 orders issued on December 30, 2022 and 2 orders issued in January 2023.

WASTE (continued)

Law no. 2020-105 of February 10, 2020 on fighting waste and the circular economy (the “AGEC law”) seeks to accelerate the change in production and consumption models in order to limit waste and preserve natural resources, biodiversity and the climate. The AGEC law is a product of the circular economy roadmap published on April 23, 2018 and is part of a European framework strengthened by the adoption, on May 30, 2018, of Circular Economy Package directives.

It focuses on several objectives: (i) reducing waste and the end of disposable plastic, (ii) better consumer information, (iii) fighting waste and inclusive reuse, (iv) producer responsibility and (v) fighting fly-tipping.

Order no. 2020-920 of July 29, 2020 on waste prevention and management further enacts the Circular Economy Package in French law and implements certain provisions of the circular economy roadmap.

The AGEC law focuses specifically on strengthening the traceability of waste, excavated soil and sediment. This gave rise to changes set out in Decree no. 2021-321 of March 25, 2021: dematerialization of waste monitoring slips, extension of the obligation to keep chronological registers and obligation to communicate the content of chronological registers.

As the AGEC law significantly modified the extended producer responsibility system and waste prevention and management provisions, numerous implementation decrees were published in 2020, 2021 and 2022.

ENERGY (continued)

Order no. 2020-866 of July 15, 2020 together with three decrees and six orders enact the energy efficiency, renewable energy and energy performance of buildings directives and group together building and heating and cooling network issues.

Three orders issued on March 3, 2021 (no. 2021-235, no. 2021-236 and no. 2021-237) enacted Directive 2018-2001 (known as “RED II”) into French law by setting sustainability and GHG emission reduction requirements for bioenergy sectors and imposing provisions relating to guarantees of origin and self-consumption and setting new rules for the domestic electricity market.

The production and sale of biogas are strictly regulated by numerous texts.

Finally, with regard to the production of domestic hot water, the Group is particularly concerned by European Directive 2020/2181 of December 16, 2020 on the quality of water intended for human consumption, which now includes obligations regarding legionnaires’ disease.

1.6.4 AMERICAN, AUSTRALIAN AND CHINESE REGULATIONS

Outside Europe, the United States, Australia and China report the highest revenue. The relevant environmental regulations are therefore presented below.

United States

With regard to **water,** the main federal laws concerning water and wastewater quality are the Water Pollution Control Act of 1972, the Safe Drinking Water Act of 1974 and related rules and regulations promulgated by the Environmental Protection Agency (EPA). These laws and regulations establish standards for drinking water and liquid discharges. Most US states have the right to introduce criteria and standards that are stricter than those set by the EPA, and a number of them have done so. The majority of new major regulations in the United States in recent years were adopted by States rather than by the EPA, in particular the regulations on per- and polyfluoroalkylated substances (PFAS), lead and copper, and minimal disinfectant residual. In 2022, the EPA (i) prepared a proposal to regulate two of the most widely-used PFAS, (ii) proceeded with additional revisions to the federal Lead and Copper Rules Revisions (LCRR), and (iii) continued to examen the rule on microbes, disinfection and disinfection by-products for potential future revisions. This dichotomy raises conformity issues, since State environmental laws do not always align with each other and probably will not align with future EPA regulations.

In recent years, contamination of drinking water by PFAS has become a major concern for public health. The EPA has launched a multifaceted approach to combat exposure to certain PFAS and will regulate specific PFAS in consumer products, wastewater and drinking water. This more global approach should reduce the likelihood of these PFAS getting into drinking water, but it also creates the risk that treatment residuals may end up being classified and regulated as materials containing hazardous substances. In the meantime, many States have adopted a different approach and regulate PFAS only in drinking water. These States have adopted a stricter maximum content of contaminants for specific PFAS, based mainly on the risk of adverse effects on health, even though there are treatment feasibility and profitability considerations.

The main statutes governing **waste** management activities are the 1976 Resource Conservation and Recovery Act, the Clean Water Act, the Toxic Substances Control Act, the 1980 Comprehensive Environmental Response, Compensation and Liability Act, as amended (also known as CERCLA or Superfund law), and the Clean Air Act, all of which are administered either by the EPA, or State agencies to which the EPA delegates enforcement powers. Each State in which the Group operates also has its own laws and regulations governing the production, collection and processing of waste, including, in most cases, the design, operation, maintenance, closure and post-closure maintenance of landfill sites and other hazardous and non-hazardous waste management facilities.

In September 2022, the EPA proposed the designation of two types of PFAS - perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS) - as "hazardous substances" under CERCLA. Under CERCLA, the federal government has statutory authority to investigate, monitor and respond to hazardous substances that have been released, or are under threat of release, into the environment. CERCLA also provides an enforcement mechanism for the government and private entities to hold parties responsible for clean-up costs if they are found to be liable for the release of substances (i) specifically designated as hazardous substances under CERCLA or (ii) determined to present an “imminent and substantial danger to the public health or welfare." The EPA anticipates publishing a final designation in the summer of 2023. The EPA is also considering multiple disposal techniques, including incineration, to effectively treat and dispose of PFAS waste. The final designation will impact waste management activities in the United States.

With regard to **energy,** the federal government has jurisdiction over inter-state commercial activities (involving parties from different federal states), including in the electricity wholesale market. Accordingly, as an owner of electricity production facilities, the Group is subject to Federal Energy Regulatory Commission (FERC) regulations pursuant to the Federal Power Act, the Public Utility Regulatory Policies Act of 1978 and the Public Utility Holding Company Act of 2005. With regard to its US thermal energy activities, the Group is subject to the laws of the several states in which it operates, including regulations issued by certain public service local commissions. Applicable local law varies from State to State and may comprise no specific regulations related to thermal energy or, conversely, set-out a precise regime including the setting of rates. Finally, energy activities involve atmospheric emissions and the consumption of water for industrial purposes and as such require the Group to comply with the majority of the above water and waste regulations.

Australia

Federal, State and local governments jointly administer environmental protection laws through bilateral agreements.

The 1999 Environment Protection and Biodiversity Conservation (EPBC) Act is the keystone of the Australian government’s environmental legislation. It provides a legal framework protecting and controlling plants, wildlife and the environment in the widest sense, at national and international level. Nonetheless, the most critical environmental regulations are administered at State level by the Environmental Protection Authorities. State and Territory laws apply to specific economic activities and are administered by the State and local authorities through licenses and permits.

Overall, Australia has more than 300 laws (and numerous associated application regulations) governing environmental issues. Environmental legislation regulates the way land may be acquired and used. Federal and State legislation also requires the performance of an environmental impact assessment for all major projects. The construction of buildings, pollution, contamination and waste production and tracking is also regulated. The authorities ensure compliance with legislation by applying fines and penalties or by imposing the strict liability of companies or management at a personal level.

Each State and territory has legislation establishing an Environmental Protection Authority (EPA) which is the statutory decision-maker for environmental regulations and policy issues. The EPA administers legislation covering air and water quality, waste, contaminated land, noise, pesticides and hazardous waste. The EPA and industrial companies also play a role in the drafting of voluntary codes of practice concerning the impact of industry on the environment.

The 2007 **Water** Act, enacted at federal level, is the keystone of legislation governing the treatment of water and wastewater. However, in terms of controls on the quality of water, it is the EPA in each State or territory that is responsible for enforcing water quality regulations. In New South Wales, for example, the 1997 Protection of the Environment Operations (POEO) Act defines the legal framework for the management of water pollution and quality. It is supplemented by the 2009 Protection of the Environment Operations Regulation, which among other things, lays down certain points for the definition of water pollution.

The EPA of each State and territory is responsible for **waste** and landfill regulations. In New South Wales, waste is regulated by the Environment Protection Authority (NSW EPA) using tools and programs to prevent pollution, reduce the use of resources, improve material recovery from waste flows and ensure the appropriate elimination of waste. The NSW EPA also controls the regulatory framework which establishes a level playing field for waste and recycling operators. This framework includes the obligation to hold an environment protection license, if certain thresholds are reached and the obligation to register and inform the EPA of the type and quantity of waste that transits via the facilities.

The National Greenhouse and **Energy** Reporting Act 2007 (NGER) established the legal framework of the NGER scheme, a national framework for the reporting of greenhouse gas emissions and projects as well as energy consumption and production by Australian companies.

China

China has passed several environmental protection texts and particularly:

- the 1989 Environmental Protection law (EPL) (amended in 2014);
- the 1984 Water Pollution law (amended most recently in 2017);
- the 2002 Impact Study law (amended most recently in 2018);
- the 1987 Air Pollution law (amended most recently in 2018);
- the 2018 Soil Pollution Prevention and Control law;
- the 1995 Solid Waste law (amended most recently in 2020);
- and the 1996 Noise Prevention and Control law (amended most recently in 2021).

The Chinese Ministry for the Environment and its counterparts at provincial and city level and the environmental protection offices are responsible for applying and administering environmental regulations.

In 2016, China implemented a pollution **discharge permit system** which sets specific limits on the amount and the concentration of each pollutant that may be emitted.

In China, mitigation and adaptation are two major strategic measures for tackling climate change. To implement mitigation strategies which highlight cutting greenhouse gas emissions, China established **local carbon emission rights trading schemes** starting with eight pilot provinces and cities from 2013 to 2020. In 2021, China moved forward in improving the national carbon emission rights trading scheme by (i) opening a nation level trading market; ii) issuing an administrative measure for carbon emission right trading, and (iii) adopting three administrative rules to govern the registration of carbon emission rights, the trading of carbon emission rights, and the settlement of carbon emission rights respectively. While for adaptation strategies, China released the **National Strategy on Climate Adaptation 2035** in 2022. This new strategy specified finance, energy, transport and other sectors as susceptible industries to climate change, and set goals for them to adapt to the new environmental circumstances.

The Administrative Sanctions law amended in 2021 would have a great impact on the penalty imposed on environmental violations. New kinds of penalties such as qualification downgrade and shut down have been added in the amendment.

2

RISK FACTORS AND CONTROL AFR

Information from the Annual Financial Report is clearly identified in the table of contents by the pictogram AFR

As a major player in the development, preservation and renewal of resources through the diverse nature of its activities, sites and development, Veolia is exposed to various types of risk (see Section 2.2 below).

The Group operates in constantly changing environments, potentially generating exogenous risks with an impact on Veolia's risk profile.

The main risks presented below and developed in Section 2.2 are those identified by Veolia, at the date of this Universal Registration Document, as capable of materially impacting the Group's business activities, financial position or results or of generating a significant drop in the Company's share price.

However, other risks not considered material or as yet unidentified could also impact the Group, its financial position, reputation, outlook or the Company's share price.

Investors are therefore invited to closely consider the risks presented below before making their investment decision.

Category	Risk factors	Sections
Risks relating to the business environment in which the Group operates	Geopolitical and political risks; risks relating to climate change and natural disasters; risks relating to market changes; economic risks; seasonality risks.	2.2.2.1
Operational risks	Risks relating to employee health and safety: environmental and industrial risks; risks related to tangible and intangible property, and information systems; risks relating to changes in business lines; risks of skills availability; purchasing, supply and logistics risks; personal security risks; transformation risks related to multifaceted performance; risks relating to the selection and integration of acquisitions.	2.2.2.2
Financial risks	Risk of fluctuations in the price of energy, consumables and commodities; counterparty risks relating to operating activities; liquidity risks; risks relating to tax developments; foreign exchange risk.	2.2.2.3
Regulatory, ethical and legal risks	Risks relating to regulatory changes, particularly in the areas of health or the environment; corruption and business integrity risks; human rights risks.	2.2.2.4

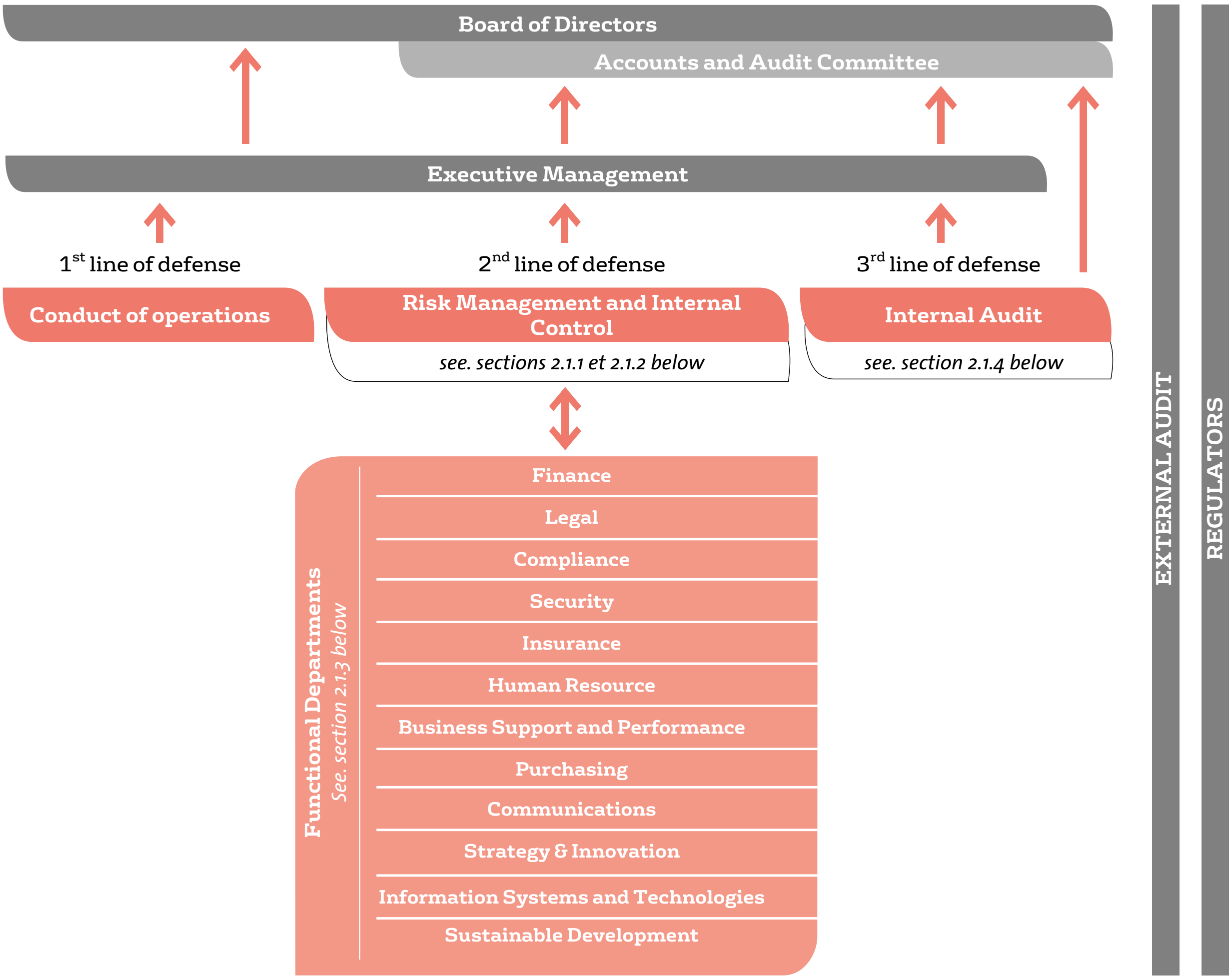
These risks are managed within the Group in accordance with the three lines of defense model (see Section 2.1 below), through a coordinated risk management (see Section 2.1.1 below) and internal control (see Section 2.1.2 below) process and internal audit (see Section 2.1.4 below). Special attention is also given to compliance with ethical rules, which are constantly strengthened within the Group and the roll-out of compliance programs (see Chapter 4, Section 4.6 below).

In 2023, the Group identified six priority actions in line with its strategy:

- final year of implementation of the Impact 2023 strategic program;
- creation of the world champion in ecological transformation;
- transformation of the Company to achieve multifaceted performance objectives;
- commercial performance efficiency;
- specific actions to strengthen information systems;
- updating and strengthening of compliance programs in view of regulatory changes (see Chapter 4, Section 4.6 below).

2.1 Risk management, internal control and internal audit

The various parties involved in managing and controlling Group risks are presented below and can be illustrated using the three lines of defense model defined by IFACI (French Institute of Auditors and Internal Controllers).



Systems supervision	• The Board of Directors defines the composition, roles and operating methods of the Accounts and Audit Committee and approves the information required by Article L.225-100-1 of the French Commercial Code and contained in the management report. • The Accounts and Audit Committee is notably responsible for monitoring the efficiency of the Company's risk management and internal control systems, in accordance with Article L.823-19 of the French Commercial Code. • Executive Management implements the Group's strategic direction and ensures the roll-out of risk management and internal control systems.
1st line of defense: conduct of operations	Consisting of operational managers, this first line of defense is responsible for assessing, preventing and controlling risks, notably by implementing an appropriate control system covering processes under their responsibility. The operating managers control activities and operations on a daily basis, by implementing the most effective risk management practices at process level.
2nd line of defense: risk management and internal control	Coordinated by the risk management and internal control system (see Sections 2.1.1. and 2.1.2 below) and the functional departments (see Section 2.1.3 below), responsible for their areas of expertise. Its goal is to structure and maintain the system controlling the organization's activities, particularly by: • assisting operating staff in the identification and assessment of the main risks within their scope of expertise; • proposing Group policies and procedures by area of activity; • contributing, with operating staff, to designing the most relevant controls; • developing exchanges on best practice, by observing and reporting on the effectiveness of processes.
3rd line of defense: internal audit	The independent internal audit function is certified since 2006 and reports to the General Counsel while having access, as necessary, to the highest level of the organization. This third line of defense provides the Company's Board of Directors and Executive Management with reasonable assurance, through a risk-based approach (see Section 2.1.4 below).

2.1.1 COORDINATED RISK MANAGEMENT SYSTEM

Objectives

The Group has established an integrated risk management policy aimed at providing a comprehensive overview of the risk portfolio, using the same tools and methodologies across all Business Units and functional departments. Veolia also builds long-lasting relationships with its customers based, in particular, on its ability to manage risks delegated by them. The Group responds to this challenge, which is of fundamental importance to its development, by setting up a coordinated risk prevention and management system.

The risk management system has the following objectives:

- **identify and anticipate:** ensure the constant oversight of the Group's major risks so that no risk is overlooked or underestimated, understand and monitor the environments in which the Group operates and anticipate changes in the nature or intensity of those risks;
- **organize:** ensure that the main identified risks are effectively addressed at the most appropriate level within the Group. Numerous operational risks are managed at Business Unit level. Others, which require specific expertise or are of a primarily transversal or strategic nature, are handled directly at head office;
- **process:** ensure that the structure and resources employed are effective so as to control as best as possible the identified risks, in line with the Group's values and strategy;
- **raise awareness and inform:** communicate on risks to the various financial and non-financial stakeholders.

Organization

Within the Risk and Insurance Department that reports to the Group's General Counsel, the Risk Department coordinates and serves as the entry point for the Group's strategic risks and facilitates the risk management system through its network of risk managers in the zones and Business Units. Since 20220, the Risk Department has organized monthly meetings with its network of risk managers in the zones and Business Units. The aim of these meetings was to communicate key Group information, share feedback and consider issues in greater depth by setting up working groups on specific topics. In 2023, the network of risk managers also met during the annual risk seminar.

The Risk Committee is responsible for validating and monitoring the effectiveness of the action plans covering the major risks identified in the risk mapping. It ensures and supports the proper functioning of the risk management systems and may also decide on which risks are unacceptable within the context of the business. The Risk Committee brings together members of the Veolia Executive Committee, establishing a direct link between the Group's strategy and the risk management process. It is facilitated by the Chief Risk and Insurance Officer and chaired by the Group's General Counsel.

The Group Risk Committee meets to examine the Group's risk mapping and the management systems to mitigate these risks. Risk Committees by zone and/or country meet to monitor and approve the risk mappings for their scope of activities and the implementation of the related action plans.

The Risk Department works with all functional departments and more particularly with:

- the Internal Control Department, to link up the identified risks and Veolia's organizational rules, processes and principles, and propose changes where appropriate (see Section 2.1.2 below);

- the Compliance Department, to strengthen the Group's compliance programs (see Chapter 4, Section 4.6 below);
- the Internal Audit Department, to contribute to defining its annual audit program. Audits carried out serve to enhance the risk assessments already conducted within the Group. By verifying the Company's key processes, the Internal Audit Department provides assurance that internal control and risk management procedures have been implemented and are effective. These procedures are regularly assessed within the Group to ensure that the Group has the appropriate risk management tools and processes: risk identification, implementation of action plans, updated risk mapping and deployment of the risk management function throughout the Group.

Main programs

Veolia's Risk Department has implemented an integrated risk management system covering far-reaching issues regarding (i) strategy, (ii) performance and (iii) compliance. It is supported by a network of risk managers and deploys its risks management system in the functional departments and special-purpose committees, as well as in the zones and Business Units.

In 2023, the Risk Department primarily worked on:

- the ongoing roll-out of the common methodology to the network and with the functional departments, and in particular:
  - integrating new entities and supporting new risk managers in the mapping of local risks,
  - continued awareness-raising and support for the network of risk managers on the Group's major risks, primarily during monthly meetings,
  - enriching the list of Group risks (Veolia Risk Universe) which enables the use of a common language for risks and their description. The contract management, health and safety and biodiversity sections of the Veolia Risk Universe were reviewed in particular this year following the analysis by TNFD (Taskforce on Nature-related Financial Disclosures);
- specific risk analyses for the Group, to support the completion of the Impact 2023 strategic plan and the construction of the new GreenUp plan;
- assisting the network with updating analyses of corruption risks, in conjunction with the Financial Internal Control Department and the Compliance Department.

Finally, in 2023, the Risk Department also contributed to the work of the Sustainable Finance and Sustainable Development Departments and the Governance division on implementing the new European sustainability reporting requirements set out in the Corporate Sustainability Reporting Directive (CSRD), applicable from 2024.

The main activities of the Risk Department and its network are:

Risk mapping

Together with its network, the Risk Department has developed a common process designed to identify and prioritize events that may prevent the Group from reaching its objectives. It is founded on a common methodology and a Governance Risk and Control (GRC) digital tool, enabling the consolidation of major risks by zone and Business Unit. After consolidating the risks, interviews are held with head office functional departments to complete the identification and assessment of Group risks. Members of the Board of Directors also participate in the risk mapping, providing an external perspective of Veolia's risks.

The Group's risk mapping is updated each year in accordance with this methodology.

Zones and Business Units have a risk mapping, prepared in compliance with the main market benchmarks (notably COSO - Committee of Sponsorship Organizations of the Treadway Commission) and in accordance with ISO 31000 on risk management. The identified risks are assessed in terms of their impact and frequency, taking account of risk control measures. The "risk owners" are in charge of designing and implementing action plans in liaison with the risk managers for their zone and/or country and/or head office, so as to limit and manage risk exposure. The network of risk managers contributes to defining the corresponding action plans and steering the overall process. It also plays a role of warning and coordination for emerging risks.

Country risk and opportunities program

Since 2012, the Risk Department has conducted specific analyses by country, through its "country risk and opportunities" program (see Section 2.2.2.1 below). This program assesses, in particular, political risks, economic risks, the risk of institutional instability and corruption risks and provides Commitment Committees with the information necessary to assess external factors potentially impacting Group and zone investment projects. In 2023, the program was updated to include new topics and indicators. It is now hosted on a digital platform around four pillars: environmental, social and societal, economic and business, and political and geopolitical.

Corruption risk mapping

The Group's first corruption risk mapping in 2018 and its update in 2020, were presented by the Chief Risk Officer to the Executive Committee (meeting as the Risk Committee), the Management Committee and the Board of Directors' Accounts and Audit Committee. Since 2019, the roll-out of corruption risk mappings continues in new entities and several Business Units (see Chapter 4, Section 4.6.3 below). In 2022, the Risk Department was tasked by the Compliance Department with updating Veolia's corruption risk mapping methodology using a scenario-based analysis and considering the gross and net risk assessments. This new methodology was then deployed across the entire new Veolia scope in 2023, producing a consolidated overview of corruption risks for the Group which was presented to and validated by the Group Executive Committee at the beginning of 2024.

Analysis of human rights risks

Since 2013, the Risk Department conducts risk analyses focusing on human rights issues. The conclusions of this work were used to adapt the Human Rights management system to take account of risk factors, with an approach founded on prevention and awareness-raising (see Section 2.2.2.4 and Chapter 4, Section 4.6.4 below).

2.1.2 COORDINATED INTERNAL CONTROL SYSTEM

Objectives

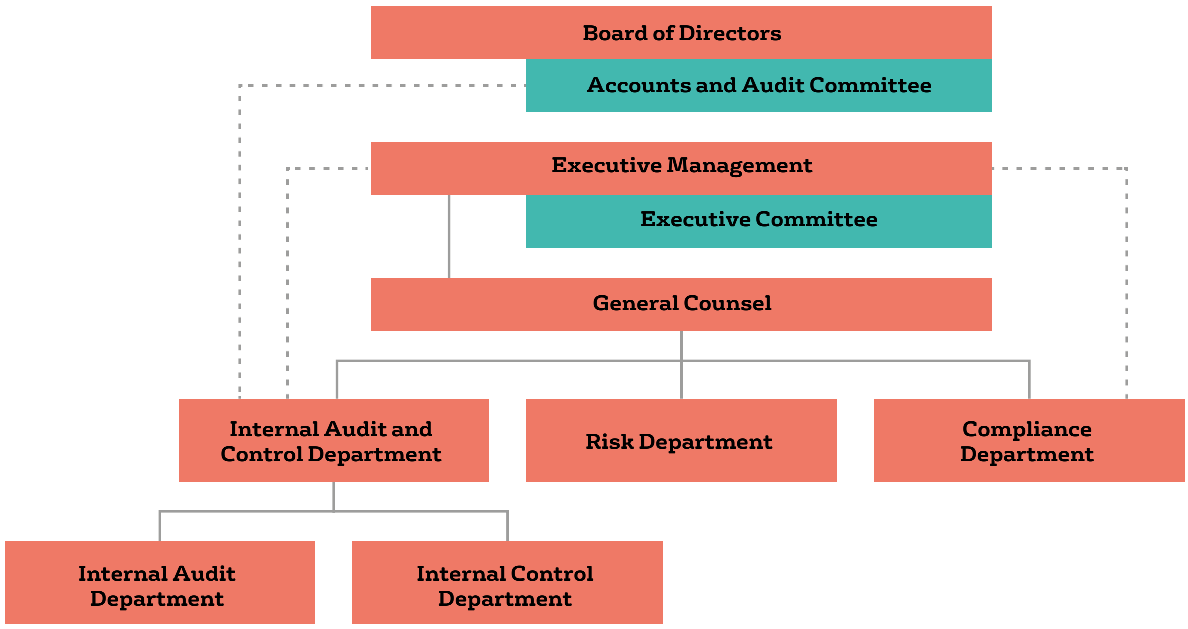
Internal control provides reasonable assurance that a company's primary financial, compliance and operational risks are contained within acceptable limits defined by general management and governing bodies. It ensures that management acts fall within the framework defined by applicable laws and regulations and the Group's values and rules, and that the accounting, financial and management information communicated to the corporate decision-making bodies fairly reflects the activity and position of the Group.

In addition, the internal control system implemented by the Group seeks to contribute to the efficiency of processes and improve the reliability of attaining strategic objectives and multifaceted performance objectives. It also enables the Group to create and protect value. Since end-2020, internal control is part of a wider approach encompassing all activities, beyond financial and transactional processes, and adopts an operational and continuous improvement rationale.

Organization

In line with the internal control reference framework, the application guidance recommendations published by the French Financial Markets Authority (AMF), and the principles of the Committee of Sponsoring Organizations (COSO), the Group's internal control organization evolved in 2020 to strengthen its transversal positioning and the consistency of the general process encompassing all Group functions and activities.

The Internal Control Department is organized as follows:



Internal control is coordinated as follows:

- **the Accounts and Audit Committee** ensures that the structures and processes are in place to provide reasonable assurance that the Group's objectives will be attained and risks controlled;
- **the Executive Committee** supervises the overall system. It reviews and validates progress with the internal control systems;
- **the Internal Control Department** coordinates and supports all functional departments in defining their control environment. It ensures the comprehensive nature of rules and procedures with regard to the main risks and the overall consistency of the system. It communicates on this system and coordinates its assessment, in particular through self-assessments conducted annually by the Business Units.

The Internal Control Department works closely with:

- **the Risk Department**, to ensure that control activities focus on identified risks;
- **the Internal Audit Department**, to share with it the results of self-assessment campaigns and to take into consideration areas of improvement identified by this department when verifying the application of the control environment.

To improve cooperation and consistency between the functional departments contributing directly to risk management, a coordination committee was set up at the end of 2020 by the Risk, Compliance, Internal Control and Internal Audit Departments, and with the Strategy Department in charge of multifaceted performance. The Financial Internal Control Department has participated since the outset in this committee and was joined, in 2022, by the internal control correspondents from other functional departments.

Main components of the internal control systems

The Internal Control Department organizes the control systems implemented by the functional departments, the zones and the Business Units, by ensuring their clarity, efficiency and consistency. It therefore interacts with all the Group's functions and Business Units.

In 2023, the Internal Control Department was involved in the ongoing integration of entities coming from the combination with Suez. The operating principles and internal processes set out in Veolia's Essentials manual, encompassing the Group's fundamental rules, were implemented. These entities are now included in the internal control self-assessment scope of the Business Units (WTS was gradually included in 2023).

The Finance function has a strong internal control structure. It has defined, standardized and rolled out the control framework covering the preparation of financial information. Its scope encompasses the parent company and the companies consolidated in the Group's consolidated financial statements. Financial Internal Control and its network of internal controllers in the zones and Business Units ensure in particular the standardization and roll-out of key controls covering financial transaction processes and processes for the production of financial and accounting information.

In 2023, Financial Internal Control in particular:

- continued to raise awareness of corruption risks in the internal control network and finance functions and to support them accordingly;
- performed specific support assignments when occasionally requested by the entities;
- launched the roll-out of new accounting controls in the Business Units to rely on ERP systems deployed in the Group for internal control activities;
- actively contributed to the integration of new local internal control resources within the Group;
- continued to share best practices within its network of internal controllers.

Self-assessments are conducted annually by the Business Units to measure the efficiency of the internal control systems they have implemented. These self-assessments were deployed across a scope covering around 87% of the Group's revenue for the major cycles. This work is performed in conjunction with managers in the relevant functional departments and Business Units, who validate the results and define measures to strengthen risk management. The Internal Control Department presents a summary report to the Accounts and Audit Committee and the Group Management Committee.

In 2023, the operational processes covered by the internal control self-assessment campaign were further extended. Therefore, as well as questionnaires on financial and transactional activities, self-assessments were carried out by all Business Units on cybersecurity (IT and industrial), occupational health and safety, human resources, and the inclusion of multifaceted performance considerations in our activities. The industrial and environmental management system completes the internal control systems on operational risks (discharges and emissions, fire and explosion, etc.).

Based on the results of the self-assessment, Internal Control asks the Business Units to draw-up action plans to improve their control of processes and risks. In this way, Internal Control incorporates its actions in a continuous improvement process.

2.1.3 FUNCTIONAL DEPARTMENTS

Each functional department of the Group is responsible for its area of expertise and the functions that contribute to mitigating risks and controlling their activities and notably:

- defining rules, processes and policies and Group procedures and updating them as required (all departments reviewed the main procedures in 2023);
- assisting their networks with complex issues or issues common to several Business Units;
- encouraging the sharing of best practices and developing appropriate training programs where necessary;
- analyzing failings and the results of internal control self-assessments and audits to improve existing processes.

Functional Department	Primary role
Finance Department	• protect the Group's assets • implement a financial control framework for transactions and financial operations • steer the Group's financial performance • prepare the financial statements (see Chapter 6.1 and Section 2.1.5 below) • ensure compliance with prevailing tax regulations and legislation
Legal Department	• serve: support the Group's commercial development while defining common key procedures • control: guarantee regulatory compliance • protect: provide legal protection for both the Company's assets and its employees
Compliance Department	• strengthen, roll-out and monitor compliance programs within the Group • control adherence to compliance principles and procedures and deal with non-compliance
Security Department	• identify and prevent threats • manage malicious acts against employees, tangible and intangible property, securities and information systems to help maintain the continuity of the Group's activities
Insurance Department	• protect the Group against insurable risks by taking-out centralized insurance policies • manage the various liability and property damage insurance policies protecting the Company, its agents, employees and assets • steer the management of insured claims and Group prevention measures
Human Resources Department	• manage and develop Veolia's human resources and social model to meet the needs of the activities • accompany the Group's growth by guaranteeing constant improvement in prevention, health and safety • define Group policies setting collective ambitions for the development and management of human resources
Business Support and Performance Department	• ensure technological development and the industrial scale-up of innovations • provide operational support to entities and monitor Group performance • assist with the implementation and better execution of the Group's strategic program by the Business Units, with regard to both growth and efficiency
Purchasing Department	• define and deploy purchasing strategies to optimize costs and ensure the continuity of the Group's business • share methods and procedures contributing to strengthened control of purchasing processes and risks, and particularly risks relating to quality, supply, compliance and CSR
Stakeholders and Communications Department	• define, implement and steer the Group's overall communication strategy and dialogue with stakeholders, ensure its consistency and monitor compliance in all geographies
Strategy and Innovation Department	• contribute to the definition, steering and application of the growth strategy in accordance with historical business models and also through the emergence and communication of innovative solutions, technologies and business models
Digital Business & Technology Department	• accompany digital transformation, while rationalizing IT structures and operations to improve service quality and operating performance within the Group • develop information technology, digital and data capacity to strengthen Group value creation
Multifaceted Performance and Sustainable Development Department	• define and facilitate the roll-out of Veolia's sustainable development commitments • report and highlight the Group's CSR actions and performance • contribute to multi-actor dialogue on environmental and societal issues

2.1.4 INTERNAL AUDIT

The Internal Audit Department comprises 30 individuals in 2023, and performs assignments throughout the entire Group, according to a charter and an annual program. It is certified by the French Audit and Internal Control Institute (IFACI) since 2006. This certification - which was formally renewed in November 2021 - is based on international professional standards.

The objectives of the Internal Audit Department are:

- to assess the Company's risk management procedures, governance and internal control processes;
- to help improve these procedures using a systematic and methodical approach.

This approach covers all aspects of internal control and in particular the accuracy and integrity of financial information, the effectiveness and efficiency of operations, the protection of assets and compliance with laws, regulations and contracts.

The Internal Audit Department implements an annual audit program approved by the Accounts and Audit Committee. It uses dedicated tools to prepare assignments upstream and to organize the assignments themselves, as well as to monitor recommendations after the audit. The department may also be tasked with occasional assignments, primarily to investigate suspected or identified frauds during the year.

The Audit Department reports to the General Counsel. The Audit Director:

- attends meetings of the Accounts and Audit Committee and periodically presents an activity report summarizing audit assignments performed, the follow-up of recommendations as well as the annual audit program;
- has direct access as is needed to the Chief Executive Officer and Chairman of the Audit and Accounts Committee.

The Internal Audit Department conducted 53 assignments in 2023. In this context, these assignments covered, in more or less equal parts, internal control efficiency, including with regard to cybersecurity, and the assessment of other risks and primarily risks relating to development and contractual models, strategy, governance and operations.

2.1.5 PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL AND ACCOUNTING INFORMATION

Organization

The Group Finance Department is responsible for preparing the Group's forecast and actual consolidated financial statements and financial documentation, and for defining and implementing its accounting policies.

To this end, the Finance Department is supported by:

- the Zone Financial Supervision, that serves as a link between Zone Directors, the Group Finance Department, the Reporting, Analysis and Financial Planning Department and the Chief Financial Officers for each country (corresponding to the Business Units);
- the Reporting, Analysis and Financial Planning Department, that is responsible for preparing the forecast and actual consolidated financial statements, analyzing operating financial performance and Group strategic financial planning;
- the Financial Internal Control and Finance Transformation Departments, that assist the Business Units with the implementation of Group financial processes;
- the Standards and Balance Sheet Valuation Department, that ensures the correct valuation in the Group's balance sheet of all transactions impacting the Company's assets.

In addition, the Group's Tax Department contributes to the definition of consistent procedures for the management of taxes within the Group. Organized by zone, it is responsible for applying tax procedures.

The Financing and Treasury Department, which reports to the Group's Finance Operations Department, helps set up management rules and procedures for arranging financing, managing cash surpluses and managing interest and foreign exchange rates within the Group.

The Development Department, which reports to the Group's Finance Operations Department, supervises mergers and acquisitions and oversees investments and major projects.

The Group's control structures are deployed by Business Unit, country and zone. Several Group procedures have been revised and implemented at country level.

Specific procedures may be implemented in each subsidiary, particularly with respect to the activity or the breakdown of the Company's share ownership.

Procedures

In addition to the Group processes manual covering the preparation and processing of Group financial information, an instruction memorandum is sent by the Group's Financial Reporting Department to the Finance Departments of the Business Units, entities and zones, prior to each accounts closing. It identifies all of the information necessary for preparing the published financial documents. It also sets out the new accounting regulations and texts and details their application procedures.

Upon receipt of the financial statements, review meetings are organized between the Group and Business Unit Finance Departments. Their purpose is to verify that the financial statements were prepared according to the rules, to understand changes in the main aggregates and indicators in relation to the previous accounting year and budget forecasts as well as to analyze the substantiation of the main balance sheet components. The Statutory Auditors also have access to the analyses performed by the Group Finance Department through attendance at review meetings at Group and operational level.

In addition, entity CEOs and CFOs submit representation letters to Veolia Environnement's Executive Management attesting, in particular, to the accuracy of the financial and accounting information communicated to the Company and to compliance with prevailing laws and regulations.

Furthermore, a finance manager Code of conduct was drawn-up by the Chief Financial Officer in November 2011. Under this Code, finance managers report to both functional and line management and the responsibility and autonomy of finance managers in the effective performance of their operational control function is formally reiterated. The Code was updated in 2018 to strengthen the detection and prevention of corruption risk and signed again by all finance managers. Each year, the Financial Internal Control Department confirms the signatories of this Conduct of Conduct are updated.

2.1.6 INSURANCE

2.1.6.1 Organization

The Insurance Department is responsible for protecting the Group's interests against insurable risks by:

- taking out common insurance policies to implement a consistent risk transfer and coverage policy designed to maximize economies of scale, while taking into account the specific characteristics of the Group's businesses and legal or contractual constraints;
- optimizing thresholds and the means of accessing the insurance or reinsurance markets through the use of appropriate deductibles.

The process of covering risks through insurance is implemented in coordination with Veolia's overall risk management policy. This takes into account the insurability of risks associated with the Group's activities, the availability of insurance and reinsurance coverage on the market and the premiums proposed compared with the level of coverage, exclusions, limits, sub-limits and deductibles

The Risk Department and the Insurance Department are supported by a joint, international network of risk managers organized by country to take into account changes in the Group's organization.

2.1.6.2 Insurance policy

The insurance policy continues to be updated in response to the ongoing appraisal of risks, market conditions and available insurance capacity. Veolia Environnement ensures that the main accidental and operational risks brought to its attention are covered by the insurance market, when insurance is available on the market and it is economically feasible to do so.

The Group's insurance policy involves:

- defining the overall insurance coverage policy for the Group's business activities particularly based on the expression of needs of Business Units;
- selecting and entering into contracts with outside service providers (brokers, insurers, loss adjusters, etc.);
- managing the consolidated subsidiaries specializing in insurance or reinsurance services;
- facilitating and coordinating the network of insurance managers for the main Business Units.

2.1.6.3 Main insurance policies covering all Business Units and Group subsidiaries

2.1.6.3.1 Third-party liability

The international general third-party liability insurance program was renegotiated effective January 1, 2023. Initial coverage of up to €75 million per claim was subscribed outside the United States and Canada. In the United States and Canada, several contracts cover third-party liability and environmental damage for Group subsidiaries, up to a maximum of USD 50 million per claim and per year.

The international general third-party liability insurance program comprises a series of policies representing a total of €500 million, with sub-limits depending on the policy and guarantees.

This program encompasses liability resulting from environmental damage sustained by third parties as a result of a sudden and accidental event.

Certain activities, such as maritime transport, automotive and construction, have their own specific insurance policies. The Group may also be required to take out "political risk" insurance coverage for a project depending on its risk profile.

2.1.6.3.2 Property damage

All the Group's subsidiaries are covered by an international property damage insurance program, insuring the installations and equipment that they own as well as those that they operate on behalf of customers.

This program covers all Group businesses (Water, Energy, Waste). However, some sites, such as WTS sites (performing Chemical-related activities), acquired by the Group in the Suez scope are not covered by the program. It must be used in priority to any other solution for financing damage risk.

The program adopts an "all risks except" approach and provides either "business interruption" coverage or "additional operating cost" coverage depending, in particular, on each subsidiary's ability to implement rapid substitution solutions to ensure service continuity after an incident. The Group program comprises a "Master" policy and local policies reinsured by this policy (Fronting policies), issued on a "Good local standards" basis in accordance with obligations and practices in the insurance markets of the countries where the Group operates.

The Group's property damage insurance program was renewed on January 1, 2023 for two years with the same insurance provider as in 2022.

The coverage terms and conditions (limits, sub-limits and deductibles), and particularly the conditions governing the coverage of exceptional or catastrophic events, such as natural disasters, as well as premium levels, reflect the structure of the program negotiated with the insurance and reinsurance market and the conditions proposed or sometimes imposed by these markets.

Group insurance coverage carries a limit per event of €430 million per claim. Some of this coverage includes additional sub-limits per claim and/or year.

2.1.6.3.3 Self-insurance and retained risks

For any insured claim or loss, Group companies remain liable for the deductible amount set out in the policy. This amount may range from several thousand euros to more than one million euros. The Group's self-insurance system is based mainly on its reinsurance subsidiary, Veolia Environnement Services-Ré, which retains a self-insured risk of €1.5 million per claim and €20 million per year for third-party liability and €85 million per year for property damage and resulting financial losses. For both property damage and third-party liability, Veolia Environnement Services-Ré has set up reinsurance contracts to optimize the conditions under which insurable risks are transferred to the insurance and reinsurance market.

2.1.7 DISCLOSURE COMMITTEE

Created in 2002, the Disclosure Committee has the following main duties:

- overseeing the implementation of internal procedures for gathering and verifying information to be made public by the Company;
- defining the procedures for preparing and drafting reports and communications;
- reviewing recent regulatory developments that could impact information intended for the market;
- reviewing information communicated and approving, in particular, the content of the Universal Registration Document to be filed with the French Financial Markets Authority (AMF).

It is assisted by a Proofreading Committee responsible for validating the draft Universal Registration Document.

It is chaired by the Chief Executive Officer and comprises certain members of the Company's Executive Committee, including the Deputy CEO Finance, Digital and Purchasing, as well as several of the Group's main functional or operational managers.

The Committee meets once a year to launch the process of gathering information and drafting the annual reports.

2.2 Risk factors

2.2.1 SUMMARY AND METHODOLOGY

2.2.1.1 Main risk factors and management measures

The main risks that Veolia faces are mapped annually via a process involving all of the Group's subsidiaries and functions. In April 2023, Veolia updated this risk map, which is transcribed and summarized in the risk matrix presented below: risks are classified here according to their potential impact and probability of occurrence, and ranked within each unit.

This risk matrix reflects the Group's exposure to risks, integrating the control actions in place to reduce their impact and probability. Furthermore, the Group's internal rules and procedures are uncompromising with regard to the application of safety at work, ethics and compliance internal rules and standards. These rules and standards are qualified as "non-negotiable". The related risk factors are indicated in bold below. The Group strengthens its control system over the long-term, as part of a preventive approach, to minimize the probability of this type of risk occurring.

Finally, the risk factors rated "CSR" have a dual materiality (see Section 2.2.1.2 Methodology below).

As defined at the head of this chapter, in each category, the risk factors are presented in decreasing order of importance as determined by the Company at the date of this Universal Registration Document. Veolia may change its assessment of this order of importance at any time, notably as a result of new external events or events specific to the Company.

Group risk matrix

IMPACT		PROBABILITY OF OCCURRENCE: Low	PROBABILITY OF OCCURRENCE: Moderate	PROBABILITY OF OCCURRENCE: High
	High	• **Corruption and business integrity risks (CSR)** • **Human rights risks (CSR)**	• **Risks relating to employee health and safety (CSR)** • Environmental and industrial risks (CSR)	
	Moderate	• Personal security risks • Transformation risks linked to multifaceted performance (CSR)	• Risks relating to changes in business lines • Risks of skills availability (CSR) • Purchasing, supply and logistics risks • Counterparty risks relating to operating activities	• Geopolitical and political risks • Risks related to tangible and intangible property, and information systems • Risks relating to climate change and natural disasters (CSR) • Risks inherent to fluctuations in the price of energy, consumables and commodities • Risks relating to market changes • Economic risks • Risks relating to regulatory changes, particularly in the area of health or the environment
	Low	• Risks relating to the selection and integration of acquisitions • Currency risk	• Seasonality risks • Liquidity risks • Risks relating to tax developments	

2.2.1.2 Methodology

Risk mapping process

The Group's risk mapping was updated using the methodology described in Section 2.1.1 above.

The risk mapping process changes each year, in order to constantly improve the assessment and quantification of risks.

In 2020, the risk assessment methodology was changed to optimize the assessment of the level of risk control. Five criteria were defined (governance, organization, processes and controls, training, assessment) in order to prepare a more detailed appraisal of the net risk and strengthen the effectiveness of action plans.

Dual materiality

The dual materiality of risks defines, on the one hand, "risks which are specific to the issuer [...] and which are material for taking an informed investment decision" (Article 16 of Regulation (EU) 2017/1129, known as Prospectus 3 of June 14, 2017), and, on the other hand, the main risks related to the activity of the Company or of all companies, including the risks created by its business relationships, products or services (Article R.225-105 of the French Commercial Code) identified in the summary information for the Non-Financial Performance Statement (see Chapter 4, Section 4.8 below).

Veolia's business model is built around this dual materiality, with the Group's performance linking the financial and economic dimension to the issues of social, corporate and environmental responsibility (detailed in Chapter 4 below) as an inseparable whole.

Thus, the risk factors mentioned in this Chapter 2 may have a twofold impact:

- a significant negative impact on the business, i.e. on the Group's financial situation and results, its image, its prospects or on the Company's share price;
- as part of the Group's impacts on its ecosystem and stakeholders.

Stakeholders

1. When defining its Impact 2023 strategic plan, Veolia Group identified five categories of stakeholder: customers, employees, shareholders, the planet and society. The Group's commitments with and to these stakeholders are expressed in Veolia's multifaceted performance as described in Section 4.1.3 below.
2. For each of the risk factors described below and in preparation of sustainability reporting components for 2024 (Corporate Sustainability Reporting Directive), this chapter identifies the main stakeholders that could be positively or negatively impacted by the realization of a risk.

2.2.2 DESCRIPTION OF RISK FACTORS

2.2.2.1 Risks relating to the business environment in which the Group operates (EXT)

Geopolitical and political risks (EXT-01)

Risk identification

Description of the risk

The Group operates in an uncertain geopolitical context where international tension is growing.

Veolia generates a substantial part of its revenue outside France, with activities located primarily in the United States, Europe, Asia and Australia.

Given the Group's activities and the duration of its contracts, the results may be partially dependent on external operating conditions and changes therein. This may include the geopolitical, economic, social and financial situation, but also the level of development and labor and environmental conditions.

The setting of public utility fees and their structure may depend on political decisions that could impede increases in fees over several years. These fees could therefore no longer cover service costs and provide a return for the Company or its subsidiaries. Major changes to regulations or inadequate regulatory enforcement, political opposition to the conduct of the Group's activities in public markets or local authority challenges to the application of contractual provisions could stop the Group from obtaining or renewing certain contracts.

The Group may find it is unable to defend its rights before a court of law in certain countries should it come into conflict with their governments or other local public entities.

Potential effects for the Group

- Challenge of contractual commitments
- Economic balance of contracts compromised
- Time needed to obtain operating permits or authorizations
- Difficulty in gaining new market share
- Decrease in existing market share
- Renewal of municipal contracts
- Decrease in sales volume

Correlated risks

- Risks relating to tax developments
- Corruption and business integrity risks
- Risks inherent to fluctuations in the price of energy, consumables and commodities
- Risks relating to regulatory changes, particularly in the area of health or the environment

Stakeholders

- Society
- Customers
- Employees
- Shareholders

Risk management

The Group's business model is based on the diversification of its geographic footprint and contractual models and is supported by a "country risk and opportunities" program, enabling it to proactively manage its exposure to geopolitical and political risks.

The Group has a diversified portfolio and is present in all major geographic areas. Potential operations in new countries are subject to prior in-depth country risk analyses.

Business models are also adopted based on exposure to geopolitical and political risks. In recent years, the Group's development has accelerated in the industrial and service sector markets, which are less exposed to the risks of political and regulatory instability. In its municipal activities, the Group works with local partners to reduce the risks associated with political instability.

In addition, the Group limits the use of its equity in countries with significant risks. The Group may also be required to take out "political risk" insurance coverage depending on the risk profile of the project.

Political risk assessments (via the country risk program) are conducted and memorandums are drafted by the Risk Management Department for projects in new (or high-growth) countries and in certain sensitive countries, in order to inform the Group or Zone Commitment Committee in its decision-making process. The network of international risk managers allows an assessment of risks and their geopolitical management in the different regions.

The Group pays close attention to the jurisdiction clauses of all its major contracts. The purpose of these clauses is to designate the competent jurisdiction to settle a dispute with a customer or partner concerning the validity, performance or termination of a contract.

Where possible and warranted by the issues, the Group strives to use dispute resolution forums with strong guarantees of independence and impartiality, such as arbitration. In particular, these forums allow us to avoid the influence that a customer or partner may exercise in a local jurisdiction.

Risks relating to climate change and natural disasters (EXT-02)

Risk identification

Description of the risk

The Group's activities and those of its customers, due to their nature and geographic locations, may be exposed to risks related to climate change. These are likely to increase the frequency and magnitude of natural disasters.

Risks related to climate change, as defined by the TCFD (Task Force for Climate Financial Disclosures), fall into two categories according to their source:

- risks related to the physical impacts of climate change (so-called "physical risks");
- risks related to the transition to a lower-carbon economy (so-called "transition risks").

Physical risks

Climate change results in two kinds of physical events:

- an increase in the frequency and severity of extreme (or "acute") events such as floods, droughts, heatwaves, etc. This implies an increase in the risks associated more traditionally with natural disasters;
- long-term shifts in average (or "chronic") climate conditions, that may cause, for example, a rise in sea levels, higher average temperatures, modified seasonal rain patterns or chronic water stress.

The services and assets operated by the Group are exposed to these acute and chronic physical climate risks, which may have operating consequences for all Veolia businesses (service interruption, material damage to infrastructure and equipment, reduced service and treatment quality, higher operating costs, etc.). The physical effects of climate change also alter the working conditions of Group employees involved in outdoor activities, such as during heat waves.

In addition to these operating and human impacts, some of the Group's activities are more particularly sensitive to physical risks. In the water business, in particular, droughts, chronic water stress or turbidity can affect the availability and quality of the resource. They can also adversely affect water production and treatment activities and relationships with local stakeholders. Similarly, the energy business is highly sensitive to temperature and an increase in average temperatures could reduce the need for heat, leading to a loss in revenue.

Transition risks

The fight against climate change requires the transition to a low-carbon economy. While generating significant business opportunities for the Group, this transition may also give rise to a number of risks. These transition risks can take many forms: regulatory, technological, market, reputation.

As a combustion plant operator in the Energy business, the Group is particularly exposed to the risks inherent to the Emissions Trading Scheme (EU ETS) introduced by the European Union in 2005 (see Chapter 1, Section 1.6.2 above). The quantity of free allowances granted and the cost of carbon on this market could generate additional costs.

Potential effects for the Group

- Operating performance of facilities
- Change in production volumes (Water and Energy activities)
- Business continuity of facilities and services
- Group's image

Correlated risks

- Seasonality risks
- Risks relating to regulatory changes, particularly in the area of health or the environment
- Environmental and industrial risks

Stakeholders

- Planet
- Society
- Customers
- Employees
- Shareholders

Risk management

Identification and measurement of risks related to climate change

In 2020, the Group studied the resilience of its business model and its related strategy. To target and characterize the climate change risks and opportunities for the Group, a study was performed for two physical risk scenarios (RCP2.6 (2°C scenario) and RCP8.5 (over 4°C scenario)), and two low-carbon transition scenarios (in particular the scenario voted by the European Union in 2020) over the periods to 2030 and 2050. Physical risks were identified (e.g. higher average temperatures, heat waves, flooding, water stress.), as well as risks related to the transition to a low-carbon economy (e.g. carbon markets, withdrawal from thermal coal, reduction in landfill, heat production, electrification, reduction in certain activities). Based on this set of climate scenarios, annual financial impacts were estimated for the period to 2030 at several hundreds of thousands of euros (e.g. withdrawal from certain high-carbon activities) for transition risks and several tens of millions of euros (e.g. direct impact of higher temperatures) for physical risks.

In 2022 and 2023, acute and chronic physical risks were assessed at the main operating sites to identify the best adaptation strategies at both Group level and in each of the BUs.

Management of physical risks

Veolia limits the impacts of the risk of natural disasters and the physical impacts of climate change on its results through its climate policy, actions taken (see Chapter 4, Section 4.2.3.2.2 below) and the geographic spread of its operations.

Natural disasters

The implementation of services essential to public authorities and industrial companies requires constant vigilance and anticipation: the management of risks delegated by customers, particularly with regards to natural disasters, is at the heart of Veolia's expertise. Going beyond regulatory requirements, Veolia proposes active management solutions for risks relating to natural disasters through:

- the implementation of prevention and control measures for its facilities;
- the identification and assessment of the exposure of sites exposed to natural disasters;
- the introduction of solutions to assist customers in reducing their vulnerability.

The risk relating to natural disasters is mitigated by: (i) the choice of a site's location in order to limit exposure, (ii) analyses of the various scenarios to enable the implementation of tailored prevention plans and (iii) the development of business continuity plans.

In addition, the residual risk of extreme weather events is transferred to insurance companies via the damage program. Under this program, some assets are visited by insurance company prevention officers who assess their exposure, in particular, to current natural and climatic risks.

Physical climate risks

In 2022, Veolia launched an assessment of the operational consequences of acute and chronic physical risks to identify the best adaptation strategies at both Group level and in each of the BUs. At local level, the Group therefore conducted pilot analyses of the exposure and vulnerability of its activities based on a global warming scenario of 4°C by 2100 (RCP8.5). This work helped understand the consequences of climate change on Veolia's various activities and the impacts on the infrastructures operated on behalf of its customers. The teams can therefore integrate adaptation measures into the services they offer, thereby guaranteeing continuity of service and contributing to the resilience of both the Group and its customers. Work was continued and extended in 2023 to provide Veolia with two additional tools enabling the exposure and vulnerability of its activities to be assessed globally, through:

- an analysis of the climate exposure of Veolia's main operating sites and contracts across the world based on a SSP5-RCP8.5 scenario by 2030 and 2050. The physical hazards considered cover chronic (rising average temperatures, rising sea levels, change in precipitation regime) and extreme (drought, floods, heatwaves and cold spells) phenomena. The Group is working on this basis using a list of priority countries and sites with regard to climate change adaptation.
- building benchmark vulnerability profiles per activity based on pilot studies initiated in 2022. The business scope of these studies is being extended to cover all Group activities.

Management of transition risks

Veolia was very quick to adopt an active strategy to manage its greenhouse gas emissions and allowances, by implementing an appropriate structure and creating a special-purpose legal entity to purchase, sell and price different types of greenhouse gas allowances.

As part of its Purpose and its Impact 2023 strategic program, Veolia is committed to combating pollution and accelerating ecological transition (see Chapter 4, Section 4.2.1 above). This commitment can be broken down into several objectives, including combating climate change. To illustrate this objective, the Group defined two 2023 targets, one to reduce GHG emissions, the other to increase avoided GHG emissions thanks to its activities. Veolia also develops resource use models that are more restrained and efficient and primarily founded on the principles of the circular economy.

Through its Energy businesses, the Group allocates a significant share of its investment each year to reducing greenhouse gas emissions. In particular, these investments are designed to modernize the Group's plants, which today are mostly either gas-fired or coal-fired, by transitioning to facilities using biomass or combining gas and biomass so as to increase energy recovery and encourage reduced consumption.

Risks relating to market changes (EXT-03)

Risk identification

Description of the risk	Potential effects for the Group
In a context of changing markets, the Group may face contract losses and difficulties in renewing existing contracts, with a potential loss of profitability. Declines in volume demand could reduce the size of the traditional market with increased competition and lower prices. Thus, in certain mature regions (in Europe for example), we are witnessing a change in household consumption behavior and habits in a bid to reduce energy consumption. The Group can also face competition risks embodied by large international companies, "niche" companies and companies whose overheads or profitability requirements are lower than those of Veolia (see Chapter 1, Section 1.3.4.2 above). In addition, the desire of certain public authorities to resume the direct management of water or waste services (particularly under management contracts) may lead to the non-renewal of certain contracts. In this context, the Group may be unable to defend its current market share and win new contracts. The Group may also encounter difficulties developing new services and prices encouraging resource optimization.	■ Decrease in existing market share ■ Pressure on the selling price of services ■ Difficulty in gaining new market share ■ Loss of municipal contracts ■ Decrease in sales volume **Correlated risks** ■ Risks of skills availability ■ Risks relating to the selection and integration of acquisitions ■ Risks related to climate change and natural disasters **Stakeholders** ■ Employees ■ Shareholders

Risk management

The Group has to carefully select its projects in its traditional markets, offer innovative business models and steer its activities towards the most dynamic industrial markets and regions. Its development strategy is based on anticipating and listening to its customers, concentrating on the best development opportunities in each region, innovation and the professionalization of its commercial activities.

The Group is continuing to transform its cost structure in order to increase its competitiveness compared to competitors, while limiting reorganization costs. The transformation of its structure and commercial activities has already enabled Veolia to leverage its competitive advantage in growth markets where its expertise sets it apart from its competitors and to become a growth partner for its customers. Veolia capitalizes on its size and multiple global references to provide customers with more innovative and unique offerings.

Its goal is to provide cutting-edge tailored solutions, through offerings based on attractive business models (remuneration based on the performance of its solutions, innovative financing, etc.). Veolia's sales and marketing approach is also founded on the creation of industrial partnerships and a network of key account managers, mass roll-out of high-potential offerings, and the development of innovative business models, closely coordinated with the zones and operational teams.

The Strategy and Innovation Department has a development plan to accelerate the Group's growth. Veolia is therefore strengthening and transforming its salesforce and has implemented a strategic program, Impact 2023, organized around priority markets identified by the Group and high added value service offerings, supported by Group research and innovation efforts (see Chapter 1, Section 1.2.2 above).

Economic risks (EXT-04)

Risk identification

Description of the risk	Potential effects for the Group
Current geopolitical tensions significantly impact the global economy. The economic situation generated by the war in Ukraine caused a surge in raw material and energy prices and a rise in inflation. As long as the Russian-Ukrainian conflict continues, the economic consequences of this crisis are unlikely to dissipate. In this highly uncertain context, global economic growth is expected to slow for the third year in a row, falling from 2.6% in 2023 to 2.4% in 2024 according to the World Bank. The growth outlook is also impacted by the overall slowdown in the Chinese economy, where, according to Oxford Economics, growth is expected to decline from 5.2% in 2023 to 4.4% forecast for 2024, due to the real estate crisis and structural difficulties. Economic slowdowns in many countries affect global trade. The impacts on production, investment, supply chains and consumer expenditure therefore affect the activities of the Group, as well as those of customers and counterparties. Certain Group businesses (especially waste) are sensitive to this type of economic shock, which could have consequences for the Group's results.	■ Decrease in investments by customers ■ Business continuity of facilities and services placed in jeopardy ■ Pressure on the selling price of services ■ Decrease in sales volume ■ Non-payment or late payment by customers ■ Economic balance of contracts compromised **Correlated risks** ■ Counterparty risks relating to operating activities ■ Currency risk ■ Risks inherent to fluctuations in the price of energy, consumables and commodities ■ Liquidity risks **Stakeholders** ■ Society ■ Customers ■ Employees ■ Shareholders

Risk management

The Group's resilience to a global economic slowdown is managed through debt control actions, active management of efficiency efforts, management of investments and Group performance.

Veolia operates in a varied portfolio of activities, business models and regions, which supports its resilience to potential economic shocks. In order to anticipate such economic conditions, initiatives were taken in the context of favorable market conditions.

Following the prudent management of its liquidity due to economic uncertainties in 2020, the Group continued this policy in 2021 and 2022. The Group has a commercial paper program capped at €6 billion, and used in the amount of €4.7 billion at the end of 2023. It also has undrawn credit lines totaling €6 billion. Its gross liquidity is therefore €16.6 billion as of December 31, 2023 (compared with €17.1 billion at end-2022), and its net liquidity is €8.5 billion (compared with €9.9 billion).

The Group is also continuing its efficiency actions with a strong commitment to savings in the strategic program. Synergies and efficiency levers are anticipated in investment projects. Finally, Capex management and the monitoring of financial performance are ensured through monthly activity reviews between the Business Units and head office.

Seasonality risks (EXT-05)

Risk identification

Description of the risk	Potential effects for the Group
The Group's activities are by their nature subject to the seasonality of activities and weather conditions. Accordingly, Energy Services are primarily focused in the first and fourth quarters of the year, corresponding to heating periods in Europe. In Water, domestic water consumption and wastewater treatment are higher between May and September in the northern hemisphere, where the Group conducts most of its activity.	■ Change in production volumes (Water and Energy activities) **Correlated risks** ■ Risks related to climate change and natural disasters **Stakeholders** ■ Shareholders

Risk management

The Group limits its exposure to seasonality risk through the diversity of its locations and the implementation of contractual models that include a sharing of value created for the customer.

The Group offers contractual models that are independent of volumes, such as performance contracts that include a sharing of value created for the customer, regardless of volume-related consumption. In addition, the Group provides cutting-edge solutions to the most complex issues encountered by customers and offerings founded on attractive business models such as performance-based payment terms, to mitigate the risks relating to seasonal factors.

2.2.2.2 Operational risks (OPE)

Risks relating to employee health and safety (OPE-01)

Risk identification

Description of the risk	Potential effects for the Group
Employee health and safety is a priority for the Group. Constant vigilance, particularly with regards to health and safety, is essential, given the range of business sectors, geographic zones and working environments in which Veolia operates. The management of employee health and safety is particularly important, considering the labor-intensive requirements of some of the Group's businesses, their nature and the wide geographic spread of Veolia's employees in the field (in particular, on public roads and at customer sites). Furthermore, due to our activities, the operating conditions in which our employees work may be detrimental to their health (physical or mental), potentially making the jobs less attractive. Despite the Group's specific focus on these issues (see Chapter 4, Section 4.4.3 below), there continues to be serious and fatal accidents and an increase in such accidents, as well as in the injury frequency and severity rates and an upsurge in occupational diseases remains a risk.	■ Operating performance of facilities ■ Difficulty in gaining new market share ■ Business continuity of facilities and services ■ Group's image **Correlated risks** ■ Personal security risks ■ Environmental and industrial risks ■ Risks of skills availability **Stakeholders** ■ Employees ■ Society ■ Customers ■ Shareholders

Risk management

The Group's most valuable resource and consequently its primary asset is the employees working at Veolia. Sustainably protecting the health and safety of employees, and all service providers, sub-contractors or third-parties present on its sites while protecting customers and communities served by the Group is an absolute priority.

Given the nature of its operations and aware that solid performance in workplace health and safety is synonymous with increased performance for the Company, the Veolia Group has made prevention, health and safety a daily priority in all its activities.

The occupational risk prevention approach is based on the involvement of the entire managerial line and the diligence of suppliers in applying the measures taken by the Group to their employees, as well as on a system of continuous improvement that makes it possible to meet the commitments made and achieve the objectives set.

Veolia's health and safety management system is based on five strategic pillars (see Chapter 4, Section 4.4.3.1 below). The prevention, health and safety center of excellence brings together more than 30 experts who, using performance indicators, develop and coordinate policies to improve synergy between businesses and disseminate the good practices identified to all Group entities (see Chapter 4, Section 4.4.3.1 below). Management standards for high-risk activities and the life saving rules form part of these policies. The life savings rules were reviewed and reassessed, and updated to bring them into compliance.

The Group's commitment is also reflected in the signature of international agreements and joint commitment letters between management and employee representatives. In setting up a solid, continuous prevention system, the Group relies on numerous awareness-raising and training tools for staff, and robust accident prevention analyses (see Chapter 4, Section 4.4.3.1 below) and analyses of near misses and particularly HiPo. The structural themes include systematic accident analysis, with more in-depth feedback for fatal accidents, strengthened prevention in occupational health and improved communication with employees on health and safety topics. In particular, since 2022, specific actions have been launched to take greater account of employee wellbeing in the work environment and to improve psychosocial risks.

At the beginning of the Covid-19 crisis, the Group introduced health guidelines and procedures to support the Business Units roll out their business continuity plans and it continues its monitoring actions today.

Environmental and industrial risks (OPE-02)

Description of the risk

The Group can face environmental and industrial risks when operating its installations or those of its customers. The waste processing sector is particularly exposed to these risks.

Several Group sites in France are classified "Installations Classées pour la Protection de l'Environnement" (ICPE, i.e. French regulation which applies to any industrial operation likely to create risks, or cause pollution and / or health & safety impacts to local stakeholders), or under its equivalent outside France) (e.g. IPPC /IED Directive in Europe). Certain Group subsidiaries operate or conduct activities at sites subject to tightened regulations, classified under upper-tier or lower-tier Seveso facilities in Europe or under their foreign equivalent (e.g. Directive 2012/18/EU, known as "Seveso III" in Europe, COMAH in the United Kingdom, OSHA 1910 in the United States, MHF in Australia). These industrial sites are closely monitored by the Group and the competent authorities.

In particular, when the Group provides services at a "Seveso" facility, or its equivalent, it complies with the various health and safety and risk control measures implemented at these sites. Employees must comply with the Major Accident Prevention Policies (MAPP) implemented by industrial customers. In France, they must notably undergo appropriate training that encompasses the recommendations issued by the Health, Safety and Working Conditions Committees (CSSCT) of our industrial customers.

Seveso facilities are also subject to specific internal measures that seek to prevent major environmental and industrial accidents and to protect employees, the public and the environment. In addition to MAPPs, Internal Emergency Plans (IEP) also apply to these facilities, as well as emergency response measures coordinated with public authorities in the event of an incident (Emergency Response Plan, ERP).

The main environmental and industrial risks to which the Group may be exposed are fire, explosion, machinery breakdown, or the discharge of toxic substances that could impact the facility, employees, local residents and the environment, including biodiversity. The Group may also be exposed to a risk of chronic pollution.

In addition to the financial impacts of damages supported directly by the Group or resulting from business interruption, the Group may be held liable for third-party damages. The Group may be required to incur significant expenditure to increase the safety and security of its sites.

Potential effects for the Group

- Group's image
- Loss of municipal contracts
- Difficulty in gaining new market share
- Renewal of municipal or industrial contracts
- Business continuity of facilities and services

Correlated risks

- Risks relating to employee health and safety
- Risks relating to regulatory changes, particularly in the area of health or the environment
- Risks relating to changes in business lines

Stakeholders

- Planet
- Society
- Customers
- Employees
- Shareholders

Risk management

Protecting the environment and the health and safety of internal and external stakeholders are central to Veolia's Purpose. The Group therefore ensures compliance across all its facilities with regulations and standards and particularly those relating to managing environmental and industrial risks

Faced with the risk of being held entirely or jointly liable with its customers in the event of serious environmental or industrial pollution or accidents, the Group strives to satisfy its own obligations while helping to ensure that its customers do the same. The Group's environmental and industrial risk management policy seeks to:

1. identify and analyze risks (i.e. annual risk mapping of environmental and industrial risks, hazard studies, HAZOP studies, feedback);
2. define for all high-risk processes tailored prevention and protection measures using prevention guidelines, drafted by internal technical experts in conjunction with insurance company prevention experts. When designing new installations, technical specifications are sometimes more demanding than current design regulations and/or standards;
3. roll-out action plans at site, Business Unit or Group level. When a major exposure has been identified, global investment plans may be rolled-out directly by the Group or in conjunction with the owners (where they retain investment responsibility for installations operated by the Group). For example, a fire prevention and protection plan has been implemented at sorting centers since 2019 (sprinkler systems have been installed at 40 sorting centers since 2019 in France, for a total investment in excess of €25 million). Additional action plans are currently in progress throughout the world to reduce the Group's exposure to the environmental and industrial risks generated by its liquid and hazardous waste processing facilities, its solid fuel facilities, its waste-to-energy facilities and all Group facilities that receive, store or handle hazardous chemical materials or products (e.g. installation and maintenance of pollution prevention systems at these facilities);
4. control and audit residual exposure to these risks, particularly through prevention visits (fire, machinery breakdown) conducted by Group and insurance company experts (around one hundred sites audited on average each year, reflecting a representative sample of the Group's different activities).

The Group has implemented an Environmental & Industrial Management system in all Business Units to manage its environmental performance (see Chapter 4, Section 4.2.1.2 below), with the dual aim of measuring the achievement of their environmental objectives and their exposure to environmental and industrial risks generated by their activities. This framework common to all Group BUs is strengthened locally by environmental and industrial management systems recognized externally: for example ISO 140001 and ISO 50001 certification, Process Safety Management, labels, compliance with contractual commitments.

All environmental and industrial risk prevention actions resulting from the Group policy are deployed in the Group Business Units and coordinated with the various functional departments (Legal, Business Support and Performance, Sustainable Development, Risk and Insurance).

Under the Group Asset Management policy, these action plans also include an asset management component for priority sites and operations since 2020. This policy states that priority sites and operations must have an asset management program clearly aligned with the Group framework, particularly with regard to updating the asset register, work preparation and performance procedures, documentary management processes and spare parts management. The objectives identified for each of these categories become integral components of the site asset management plan. Any deviations identified in these areas from the objectives set by the Group are monitored in corrective action plans. Priority sites and operations are systematically audited by the Group's AM experts.

In conjunction with these audits, reliability centered maintenance plans are deployed for critical equipment, specifically to prevent machine breakdowns and ensure business continuity. Internal training sessions are available to help the Group Business Units take ownership of these methods. They allow prevention measures to be defined, from on-site management of spare parts inventory to back-up stock (to limit periods of immobilization), or the installation of redundancy or back-up equipment (to ensure the operation of the most critical systems even in the event of equipment breakdown).

The activities also benefit from the support of the Strategy and Innovation Department and Veolia Environnement's office in Brussels, which monitors changes in regulation. When the Group provides services at a "Seveso" facility or its foreign equivalent, it complies with the different health and safety measures implemented at these sites.

Group employees are required to undergo mandatory training and participate in Health, Safety and Working Conditions Committee meetings at industrial customers' sites and comply with the Major Accident Prevention Policies (MAPP) implemented by its customers. Seveso facilities are also subject to specific internal measures that seek to prevent accidents and protect employees, the public and the environment. In addition to MAPPs, Internal Operational Plans (IOP) also apply to these facilities, as well as crisis intervention measures coordinated with public authorities in the event of an incident (Emergency Response Plans, ERP).

Finally, the Group transfers the residual risk to insurance companies by taking out insurance policies covering these risks (Property damage and business continuity policy, Third-party liability policy (see Section 2.1.6 above)).

A steering committee (Prevention Committee) comprising members of the Group Executive Committee is responsible for periodically monitoring these plans, facilitates their implementation and updates the Group's residual exposure to these risks as the plans advance.

Risks related to tangible and intangible property, and information systems (OPE-03)

Risk identification

Description of the risk	Potential effects for the Group
The protection of the Group's tangible and intangible property and information systems is subject to extremely strict constraints and particularly regulatory constraints, which could expose a Group company to liability. The Group may be the target of malicious or terrorist acts targeting tangible and intangible property and information systems, due to the nature of its activities (Water, Waste and Energy) and its geographic locations. These risks may have a decisive impact on the continuity of its activities and for several stakeholders. In particular, the drinking water sector is an activity of vital importance due to the related public health considerations. Information systems are indispensable tools for carrying out the Group's operational activities and managing its functional departments (Finance, Human Resources, etc.). Information system downtime resulting from a disaster or a malicious act involving one or more of its information systems could have major consequences for the quality or even the continuity of the service delivered and for the availability, integrity and confidential and strategic nature of the data hosted by the Group, and could thus potentially have an impact on the activity of its customers. The deterioration in international security and the multiplication of information and media-based attacks (facilitated by new information and communication technologies such as social networking) compound the risks relating to the security of tangible and intangible property and information systems.	■ Operating performance of facilities ■ Business continuity of facilities and services ■ Data leakage, loss, theft ■ Group's image **Correlated risks** ■ Environmental and industrial risks ■ Geopolitical and political risks **Stakeholders** ■ Society ■ Customers ■ Employees ■ Shareholders

Risk management

Due to the nature of its businesses and the scope and diversity of its sites, the Group pays close attention to the security of its tangible and intangible property and information systems.

The primary roles of the Security Department are to avert security threats potentially affecting the Group and its employees and to manage violations possibly impacting employees, tangible and intangible property (including information systems) and securities of the Group in France and abroad. The Security Department is also responsible for coordinating warning and crisis management systems. A network of security officers has been set-up in all countries where the Group operates, in order to tailor the management of these risks to specific local conditions. It provides advice and assistance to country managers on security-related issues within the framework of current laws and regulations. The organization of crisis management at Veolia revolves around two separate but complementary arrangements that come together to deal rapidly and efficiently with any deteriorated or critical situation that the Company or its entities may encounter.

A warning system that operates 24 hours a day and is deployed across all the Group's locations, escalates information quickly up the line to the Company's Executive Management on any critical or sensitive situation. This process is updated regularly, primarily to take account of changes in the Group's organizational structure. It then moves into crisis management mode and, if the situation is critical enough, operational cells can be quickly mobilized bringing together all the necessary functional skills and the departments concerned. Predetermined objective criteria are used to assess the seriousness of the situation. This process is constantly refined on the basis of feedback and post-crisis evaluations of each of the situations that have been managed.

An information systems security organization (ISS, cybersecurity) was set up in 2013. Managed by the Cybersecurity Officer, a member of the Group Security Department and in conjunction with head office and local Group departments, the ISS is also supported by a network of local officers spanning all countries where the Group operates. In 2020, the Group's cybersecurity strategy was based on a normative framework with risk reduction and Group business resilience objectives. At Group level, the Cybersecurity Steering Committee validates and monitors the implementation of the general cybersecurity policy. It meets once a month, chaired by the Group's General Counsel and brings together the central departments (finance, risk and insurance, internal control, technical, safety, information systems) and the Cybersecurity Officer. The General Counsel and the Cybersecurity Officer report at least once annually to the Group Executive Committee and the Accounts and Audit Committee to present the Group's approach to risks and the cybersecurity strategy and provide an update on measures taken.

In order to integrate the emergence of risks relating to increasingly connected industrial environments, the Cybersecurity Officer facilitates, together with the Business Support and Performance Director and the Information Systems Director, the Industrial Cybersecurity Steering Committee implemented in 2021. The program to secure the 25 most critical plants continued in order to protect these plants to the maximum extent, through support and tools. This program can also respond to geopolitical threats and regulatory changes, such as the NIS2 Directive.

The Information Systems Security Policies (ISSP), including for the industrial sector (ISSP-I) are implemented in all Veolia entities under the oversight of the Cybersecurity Officer and local security officers.

To control the application of these policies, annual self-assessments are carried out based on a questionnaire called "Fix the basics" at all entities. In addition, audit and assistance assignments are carried out by specialist external partners using international standards (e.g. NIST) in entities presenting the highest risk and on the most exposed systems. Action plans approved and validated by the Information Systems Department and the BU director are then defined and implemented. Monitoring & Assistance assignments are organized annually to help BUs with low maturity and facilitate the roll-out of good cybersecurity practices. The resulting action plans are presented to and monitored by the cybersecurity steering committee. In addition, several Group entities are certified ISO 27001, or equivalent.

The cybersecurity roadmap is supplemented by cyber awareness-raising and training actions, to support users and IT and OT experts with the implementation of IT hygiene and cybersecurity rues. An awareness-raising program for all employees and a training program for certain specific functions have been defined. These actions are carried out by means of IT charters, distributing information on best cybersecurity practices and specific actions, such as special events during the European cybersecurity month created by the European Union Agency for Cybersecurity (AESRI) (in October each year). Awareness-raising and training e-learning courses are regularly conducted and updated. Finally, phishing campaigns are conducted frequently to test employee cybersecurity reflexes in a fun way.

In 2022, to respond to the geopolitical situation and related cyber threats, an operational crisis unit dedicated to cybersecurity risk was set up. The unit's objective is to assess the Group's exposure to a certain number of identified cyber attack scenarios, and to strengthen the resilience of entities.

In 2023, to take account of the rise in the likelihood of cyberattacks, including ransomware attacks, information system detection and protection measures were supported by EDR (Endpoint Detection and Response) tools and the roll-out of a Global SoC (Security Operation Center), enabling threats and cyberattack attempts to be identified more widely and faster and resolved.

Information system technical assessment campaigns are organized locally by BU and supplemented by the Group cybersecurity department: cyber technical audits, pentest intrusion tests and bug bounty campaigns.

Risks relating to changes in business lines (OPE-04)

Risk identification

Description of the risk	Potential effects for the Group
The Group's Impact 2023 strategic program identifies fundamental challenges for the world, in relation to which the Group proposes to set up new service offerings: health and new pollutants, new material loops, the food chain, etc. (see Chapter 1, Section 1.2.2 above). Due to their strong potential for innovation, these fields are particularly subject to automation, digitization, the use of artificial intelligence, but also to the adaptation of certain skills. In its objective to position itself in an efficient and unique way on these challenges, Veolia is subject to changes in certain labor markets and must therefore adapt the compensation models of certain Business Units, while keeping a forward-looking watch on the development of service offerings and skills in all these sectors.	■ Difficulty in gaining new market share ■ Competitive pressure from certain sectors ■ Operating performance of facilities ■ Group's image **Correlated risks** ■ Risks of skills availability **Stakeholders** ■ Planet ■ Society ■ Customers ■ Employees ■ Shareholders

Risk management

The Group has set up a strategic program, Impact 2023, in connection with the definition of new expertise and skills requirements for its new development challenges.

In a context of rapid change in business lines and subsequent working methods, Veolia has strengthened its ability to anticipate emerging markets and business lines, particularly in the context of its Impact 2023 strategic program.

In addition to this analytical work, the Group is strengthening its network of partnerships with companies in the industrial and service sectors, to identify innovative solutions to accompany the development of certain business lines.

Risks of skills availability (OPE-05)

Risk identification

Description of the risk	Potential effects for the Group
The Group conducts a range of businesses, requiring a variety of constantly changing skills. To accompany this evolution and the deployment of service offerings in new markets, the Group must acquire new expertise and encourage employee mobility. Also, the shortage of skilled labor in certain countries may have an impact on the Group's operating conditions. Accordingly, the need to constantly identify new profiles and be attractive, but also to continuously train existing staff, exposes the Group to risk if it is unable to harness in a timely manner the skills required at its locations.	■ Difficulty in gaining new market share ■ Competitive pressure from certain sectors ■ Operating performance of facilities ■ Continuity of services **Correlated risks** ■ Risks relating to the selection and integration of acquisitions ■ Risks relating to changes in business lines **Stakeholders** ■ Employees ■ Customers ■ Shareholders

Risk management

The role of the Human Resources Development Department is to define and promote the Group's policies relating to mobility, career management, and talent identification and management at all of the Group's establishments.

Veolia strives to attract, train, develop and retain its staff at all levels of qualification and in all areas of employment in which it operates.

Through training, Veolia ensures that its employees, the vast majority of whom are manual workers and technicians, develop their skills. Veolia believes in the responsibility and autonomy of its employees at all levels of the organization and in all countries. The Group has therefore placed training and development at the center of its multifaceted performance and indicators, with a commitment to increase its training efforts with a target of 23 hours training on average per employee.

In a context of rapid changes in work techniques and organizations, Veolia ensures that there is a balance between the skills and expertise available and those needed in new business lines. This forms part of the provisional management of jobs and careers policy, in particular for the industrial market.

An agreement was therefore signed in the form of a letter of commitment with the European Works Council in 2018 (with an amendment signed in 2021), on changes in the businesses and skills, notably with regard to the Company's strategic direction. Through this agreement, Veolia focuses on anticipating changes in its businesses in line with the Group's transformation, supporting and encouraging career development and offering the right training solutions

In addition, the work achieved by the Group's new Learning Department enables it to propose a new training offering (see Chapter 4, Section 4.4.4 below):

- supporting ecological transformation (particularly through the ecological transformation fresk, the 2 tonnes Workshop, the e-learning module on planetary limits and more than 20 e-learning pathways in partnership with Climate School);
- accompanying changes in the business: energy solutions in the water and waste businesses, bioconversion, sustainable purchasing, green finance, etc.;
- developing strategic skills for the Group through the Academies (Digital, OHS, Innovation, Sales, Finance).

The Group's considerable efforts in the area of talent management (identification, dedicated training programs, roll-out of the ManagementBehaviors@Veolia guidlines, manager commitment survey), and commitments to diversity and internationalization serve to strengthen the loyalty and professionalism of Group talents (see Chapter 4, Section 4.4.4 below).

Purchasing, supply and logistics risks (OPE-06)

Description of the risk

Given the extensive coverage of its activities and its necessarily global supply chain, the Group may encounter difficulties in obtaining the energy, equipment, consumables, commodities or services necessary to ensure the continuity of its activities.

The Group can be faced with a shortage of critical products and materials for purchasing categories under pressure.

Certain purchase categories may be considered critical due to the limited number of suppliers available, which can affect the prices and/or availability of these products.

The supply chain is also subject to many external hazards (geopolitical, political, climate, etc.) that could result in a service interruption in our businesses and/or delays.

Potential effects for the Group

- Difficulty in ensuring business continuity
- Group's image
- Deterioration in relationships with suppliers and the Group's supply chain

Correlated risks

- Economic risks
- Geopolitical and political risks
- Risks inherent to fluctuations in the price of energy, consumables and commodities

Stakeholders

- Society
- Planet
- Customers
- Shareholders

Risk management

The purchasing sector has sourcing, procurement and risk management procedures that allow, among other things, high-risk purchasing categories to be identified. The processes defined therein, in particular Category Management, allow the Group's exposure to business interruption risks to be limited.

To limit dependency on critical suppliers and ensure continuity of supply, each purchasing structure (local or global) implements purchasing strategies for the categories for which it is responsible. These strategies are based on the Group Category Management policy and are adapted to the specific characteristics of each of the purchasing categories (identification of needs, supplier market, geopolitical context, etc.). To ensure continuity of service, the entities implement locally appropriate inventory policies for the product categories that require it.

Furthermore, during the tender phase, the main critical risks to which the Group is exposed are analyzed. These are (1) financial risks (creditworthiness, dependency, etc.), (2) operational risks (quality, deadlines, market conditions, etc.), (3) compliance and integrity risks (ethics, conflicts of interest, competition, sanctions, legal constraints, etc.) and (4) corporate social responsibility risks (human rights, environment and social issues).

Personal security risks (OPE-07)

Risk identification

Description of the risk	Potential effects for the Group
The protection of the Group's employees is subject to extremely strict constraints and particularly regulatory constraints, which could expose a Group company to liability. Given the nature of the Group's activities and its geographic spread, its employees could be the target of malicious acts. Veolia employees work or travel in countries where the political, geopolitical or social climate can expose them to criminal, malicious or terrorist acts or violent situations. The deterioration in international security and the multiplication of information and media-based attacks (facilitated by new information and communication technologies such as social networking) compound the risks relating to the security of persons.	■ Group's image **Correlated risks** ■ Geopolitical and political risks ■ Risks relating to employee health and safety ■ Environmental and industrial risks **Stakeholders** ■ Employees ■ Society ■ Shareholders

Risk management

In order to anticipate and guard against international security risks, the Security Department constantly monitors and analyses the international security context in each of the high-risk countries where the Group operates.

A classification of high-risk areas is updated each month and distributed throughout the Group. A travel procedure has also been implemented for high-risk countries. In this context, the Security Department conducts a case-by-case examination of all travel requests to those countries considered to present the highest levels of risk. Each travel request is accompanied by specific security guidelines tailored to the risks associated with the country or countries in question and the traveler's profile. In 2023, 2,036 travel requests for high-risk countries were processed by the Security Department.

To train and inform employees on the prevention and protection rules and behavior to adopt when traveling in high-risk countries, an e-learning course has been implemented. It is mandatory for all travel to high-risk countries and optional for other countries.

Face to face training sessions can also be provided depending on the specific needs of the teams and the duration of the assignments in the destination country.

Security plans are drawn-up for the most sensitive countries where the Group operates, to facilitate the reactivity of the Group and in particular local staff in the event of a crisis. A safety correspondent has also been identified in each of these countries. This individual acts as the Security Department's representative and is the preferred point of contact in his or her scope.

In addition, the Security Department intervenes upstream of projects in the countries most at risk to perform a technical and budgetary assessment of security measures to be planned and implemented..

Transformation risks related to multifaceted performance (OPE-08)

Risk identification

Description of the risk	Potential effects for the Group
As part of the implementation of its Impact 2023 strategic program, the Group adopted an ambitious multifaceted performance plan aligned with its Purpose. This multifaceted performance is founded on five performance pillars: human resources performance, corporate social performance, environmental performance, commercial performance and economic and financial performance. A commitment is associated with each performance and broken down into objectives, with quantified indicators for 2023. In total, there are 18 objectives, 19 indicators and 19 targets that the Group must reach by 2023. The attainment of these targets is subject to the Group's ability to transform its organization and internal operating methods and processes. Applying the same level of requirement to the five performance pillars by 2023 is challenging for the Group. In addition, constant dialogue with stakeholders is a major factor in helping them appropriate these multifaceted performance principles. Failure to achieve the multifaceted performance targets could negatively affect the Group's credibility in deploying its Purpose, damaging its image with stakeholders and weakening employee commitment.	■ Group's image **Correlated risks** ■ Risks relating to the selection and integration of acquisitions ■ Risks relating to changes in business lines ■ Risks related to climate change and natural disasters **Stakeholders** ■ Planet ■ Society ■ Customers ■ Employees ■ Shareholders

Risk management

To address its 2023 strategic challenges and, in particular, its multifaceted performance commitments, the Group implemented a management system at the highest level of the organization and launched a campaign for the appropriation of its Purpose and multifaceted performance challenges by all Group employees from 2020.

This system is supported by:

- the Board of Directors, which controls the proper implementation of the Impact 2023 strategic program;
- a "Purpose" Committee, created in 2021;
- the Group's Executive Committee, which is responsible for its monitoring;
- a Purpose steering committee, in charge of coordination and comprising members of the Executive Committee and operating departments, which meets regularly;
- the Strategy and Innovation Department, which steers Veolia's strategy with a multifaceted performance perspective, aligned with the Group's Purpose;
- a two-person team comprising an Executive Committee sponsor and a Group "Objective Officer", responsible for steering each multifaceted performance objective;
- a network of Purpose Officers in the BUs, supporting managers and accelerating the roll-out of Veolia's Purpose and multifaceted performance in their entities.

Risks relating to the selection and integration of acquisitions (OPE-09)

Risk identification

Description of the risk

The Group develops though both organic growth and external growth through acquisitions. In this context, it may acquire companies that are over valued that could subsequently generate asset impairment.

Furthermore, the operating performance of companies acquired could also deviate from forecasts.

Finally, these acquisitions could encounter some difficulties in implementing expected synergies, in particular during the employee integration phase, the realization of savings from the pooling of purchases or the implementation of common information systems.

Potential effects for the Group

- Asset impairment
- Difficulty in gaining new market share
- Competitive pressure from certain sectors
- Operating performance of facilities

Correlated risks

- Risks of skills availability
- Risks related to tangible and intangible property, and information systems
- Risks relating to market changes

Stakeholders

- Society
- Customers
- Employees
- Shareholders

Risk management

The Group is implementing an integrated acquisition strategy and is strengthening its system for selecting and integrating acquisitions (procedures, training, etc.).

The merger and acquisition process is part of the Group strategic approach. The relevant BU performs a detailed analysis of each acquisition project from both a strategic, commercial and financial point of view. Acquisition projects are reviewed and approved by the Country, Zone and Group Commitment Committees according to financial thresholds and particularly investment thresholds. These projects are subject to systematic, comprehensive review (strategic, technical, operational, financial, legal, human resources, compliance, etc.) in which all risks and opportunities are analyzed and assessed. Business development procedures have been strengthened to detail acquisition procedures, both upstream and downstream.

In addition, a procedure for integrating acquisitions and post-acquisition follow-up has been established and published on the Group’s Intranet and is included in the Group’s Essential guidelines. Post-acquisition audits are carried out to enable better monitoring of projects approved by the Commitment Committees and to encourage the sharing of experience within the Group.

For projects that do not meet the objectives of the initial business plan, action plans are drawn up and new investments are deferred in the Business Unit concerned. The sharing of these practices within the community of development directors contributes to the appropriation of acquisition-related issues by operational teams in the upstream and downstream phases of acquisitions.

Veolia Suez merger

The Veolia and Suez merger completed in 2022 was a success, with synergies realized in many areas. The excellent implementation of the Suez merger demonstrates Veolia's ability to integrate acquisitions and even very large acquisitions. In particular, the 2023 Voice of Ressourcers barometer showed a high level of commitment among employees from all origins, and subscription rates to employee share ownership transactions are also a sign of confidence in the Group’s future. Over the period of the Impact 2023 program, employee share ownership increased from 2% at the end of 2019 to 7.5% at the end of 2023.

2.2.2.3 Financial risks (FIN)

Risks inherent to fluctuations in the price of energy, commodities and raw materials (FIN-01)

Risk identification

Description of the risk

Purchases of energy, commodities and raw materials represent a major operating expense in the Group's activities.

In particular:

- diesel for waste collection activities;
- coal, gas and biomass for energy service activities;
- electricity for water treatment and distribution activities.

Although prices have fallen overall compared to 2022, geopolitical tension in certain geographical areas or countries are placing pressure on some of the Group's supply sources.

Group contracts generally contain indexing mechanisms. However, these mechanisms do not always enable these costs to be covered (existence of time lags between price increases and the moment the Group is authorized to increase its prices to cover its additional costs or an inappropriate update formula given the cost structure, including taxes). Any steady increase in purchase prices and/or taxes could, by increasing costs and reducing profitability, undermine the Group operations, insofar as it would be unable to increase its prices sufficiently to cover such additional costs.

The sorting, recycling and trading activities are particularly exposed to changes in the price of secondary raw materials (paper, plastic, scrap and non-ferrous metals). A significant and long-term drop in the price of recycled materials, potentially combined with the impact of the economic environment on volumes, could affect the Group's operating results. Group activities also include the production of electricity in Central Europe, Asia, Germany, the United Kingdom and France. A significant portion of these sales concerns "waste" energy production, co-generated with heat. The Group is also exposed to price volatility in the electricity market and price changes imposed by the regulator, in countries where the price of electricity is regulated. A significant long-term decline in the market price of electricity in these countries could therefore impact the Group's operating performance.

For further information, please refer to Chapter 6.1, Note 8.3.1.3 to the consolidated financial statements below.

Potential effects for the Group

- Economic balance of contracts compromised
- Change in consumption volumes (Water and Energy activities)

Correlated risks

- Economic risks
- Risks relating to market changes
- Geopolitical and political risks
- Risk relating to tax developments
- Purchasing, supply and logistics risks

Stakeholders

- Society
- Customers
- Shareholders

Risk management

Most contracts have clauses, including indexation formulas, that allow any changes in the price of energy, commodities and raw materials to be passed on.

The Group has a raw materials risk management policy, which seeks to establish a progressive hedge over three years (where possible) in order to limit results volatility. For global purchasing contracts most exposed to fluctuations in energy, commodity and raw material prices, the purchasing department negotiates update formula with suppliers, enabling a rational adjustment of prices and the sharing of risks.

Most of the contracts entered into by the Group include clauses aimed at passing on any fluctuations in energy, commodity and raw material prices to the Group's revenue sources, particularly by means of indexation formulas. Furthermore, in certain countries and for certain energy sources, the supply of energy may be covered by long-term supply contracts.

Counterparty risks relating to operating activities (FIN-02)

Risk identification

Description of the risk	Potential effects for the Group
The Group's financial and operating activities expose it to the risks of failure of its counterparties (customers, suppliers, partners, intermediaries, banks). Counterparty risk can arise at the time of payment or delivery of the services and supplies purchased. It can also concern losses on assets, such as financial investments or the bankruptcy of a customer or supplier. Finally, counterparty risk is the risk that an entity is unable to respect its financial commitments (debt repayment, breach of guarantees, offset under a derivative transaction, etc.). See Chapter 5.3, Financing, below The economic and geopolitical environment in which the Group is currently operating is a major risk factor.	■ Non-payment or late payment by customers ■ Economic balance of contracts compromised ■ Decrease in investments by customers **Correlated risks** ■ Economic risks ■ Geopolitical and political risks **Stakeholders** ■ Society ■ Customers ■ Shareholders

Risk management

The Group anticipates the occurrence of counterparty risks related to its operating activities by assessing potential volumes of receivables.

The Group carries out an upstream analysis of the creditworthiness of its customers in order to assess potential volumes of receivables and anticipate the occurrence of risks. Credit risk on operating financial assets is appraised via the rating of primarily public customers. The risk on other operating receivables is assessed through the analysis of customer late payments/failures, taking into account their nature (public/private).

In addition, the Group limits its exposure to the risk of default by its counterparties through the diversity and number of its customers.

Liquidity risks (FIN-03)

Risk identification

Description of the risk	Potential effects for the Group
The Company's gross liquidity is defined as all available cash and confirmed bank lines. Net liquidity corresponds to gross liquidity less current financing requirements. The Group could be exposed to liquidity risk and not have sufficient financial resources to meet its contractual commitments.	■ Difficulty repaying debt ■ Difficulty in gaining new market share **Correlated risks** ■ No correlated risks **Stakeholders** ■ Society ■ Customers ■ Shareholders

Risk management

The operational management of liquidity and financing is managed by the Financing and Treasury Department.

This management involves the centralization of major financing and material excess cash balances to optimize liquidity and cash. The Group has a commercial paper program for short-term financing, with a ceiling of €6 billion; the spreading of payments over 12 months helps reduce short-term liquidity risk. The Group has a multi-currency syndicated credit facility for a total undrawn amount of €4.5 billion as of December 31, 2023 and bilateral credit facilities for a total undrawn amount of €1.5 billion as of December 31, 2023. These credit lines enable the Group to reduce liquidity risk.

The Group generally refinances in advance its major bond maturities to reduce liquidity risk, however due to its strong liquidity position, the Group did not need to issue bonds in 2023. In 2023, the Group repaid four bond lines at maturity for a total of €1.4 billion and partially repaid a €600 million hybrid bond line inherited from Suez with an initial call date of April 19, 2024 in the amount of €397.2 million on November 23, 2023.

On November 22, 2023, the Group performed a new €600 million hybrid bond issue.

Gross liquidity is therefore €16.6 billion as of December 31, 2023 (compared with €17.1 billion at end-2022), and net liquidity is €8.5 billion (compared with €9.9 billion at end-2022).

For further information, please refer to Chapter 6.1, Note 8.3.2.2 to the consolidated financial statements below.

Risks relating to tax developments (FIN-04)

Risk identification

Description of the risk

Veolia operates throughout the world in numerous countries with different tax regimes. Tax risk is the risk associated with changes in laws and regulations (potentially with retroactive effect), the interpretation of those laws and regulations and changes in case law concerning the application of tax rules.

These rules in the different countries where the Group operates are constantly changing and the tax regimes and tax rates applicable may be subject to interpretation and/or amendment. The Group cannot provide an absolute guarantee that its interpretations will not be challenged, with negative consequences for its financial situation or results. Furthermore, the Group is involved in standard tax audits and appeals.

The main current tax audits and disputes are disclosed in Chapter 6.1, Note 11.3 to the consolidated financial statements below.

Potential effects for the Group

- Economic balance of contracts compromised
- Pressure on the selling price of services

Correlated risks

- Risks inherent to fluctuations in the price of energy and commodities
- Risks relating to regulatory changes, particularly in the area of health or the environment
- Geopolitical and political risks

Stakeholders

- Society
- Customers
- Shareholders

Risk management

In order to comply with local tax laws and regulations, Veolia calls on the Tax Department and a network of tax professionals to ensure compliance with tax obligations and thereby reduce the tax risk to a reasonable and normal level.

The tax authorities have carried out various tax audits in Group companies that are both consolidated and not consolidated for tax purposes. To date, none of these reviews have led to liabilities to the tax authorities materially in excess of amounts estimated during the review of tax risks. In estimating the risk as of December 31, 2023, the Group took account of the expenses that could arise as a consequence of these audits, based on a technical analysis of the positions defended by the Group before the tax authorities.

The Group periodically reviews the risk estimate in view of developments in the audits and legal proceedings.

Currency risk (FIN-05)

Risk identification

Description of the risk

The Group presents its financial statements in euros and must translate certain of its assets, liabilities, income and expense items into euros at the applicable exchange rates. Consequently, fluctuations in the exchange rate of other currencies against the euro can affect the value of these items in the financial statements, even if their intrinsic value is unchanged in the original currency.

An increase in the value of the euro may therefore result in a decrease in the reported value, in euros, of the Company's investments held in foreign currencies. Currency risk is linked to the Group's international business conducted outside the euro area, which generates cash flows in numerous currencies. A 10% appreciation in the main currencies of the countries used by the Group against the euro would increase net assets by €1,542 million, while a 10% depreciation in these currencies would reduce net assets by €1,261 million.

Potential effects for the Group

- Group's results and equity

Correlated risks

- No correlated risks

Stakeholders

- Society
- Customers
- Shareholders

Risk management

The Group Financing and Treasury Department manages currency risk centrally

Residual transaction exchange risk can be hedged using derivatives (forward purchases or sales, swaps). For the risk arising on the accounting translation of net assets (also known as asset exchange risk) the Group favors the implementation of foreign currency financing or derivatives for the most material assets.

For further information, please refer to Chapter 6.1, Note 8.3.1.2 to the consolidated financial statements below.

2.2.2.4 Regulatory, ethical and legal risks (REG)

Risks relating to regulatory changes, particularly in the area of health or the environment (REG-01)

Risk identification

Description of the risk	Potential effects for the Group
The Group's activities are subject to extensive, evolving and increasingly stringent environmental regulations. These regulations sometimes impose significant constraints. Most Group activities require operating permits or authorizations that define the rules governing the operation of facilities. These operating permits are issued by public authorities pursuant to authorization procedures encompassing the performance of specific studies presenting, in particular, the environmental footprint of the facilities. In particular, these regulatory compliance obligations concern water discharges, drinking water quality, waste processing, soil and ground water pollution and the characteristics of atmospheric emissions. Failure to meet these compliance obligations could be prejudicial to the Group and damage its reputation. Furthermore, environmental laws and regulations are constantly changing. These amendments can generate significant compliance expenditure or investment for our facilities. While regulatory changes offer new market opportunities for the Group's businesses, they also generate a number of risks. Veolia Group is constantly required to invest to ensure the continued compliance of facilities under its responsibility. If it has no investment responsibility, Veolia advises its customers to ensure they undertake the necessary compliance work themselves. In contrast, public authorities have the power to launch proceedings which could lead to the suspension or cancellation of permits or authorizations held by the Group or injunctions to suspend or cease certain activities, if they identify the slightest instance of non-compliance. These measures may be accompanied by fines and administrative or criminal sanctions which could have a significant negative impact on the Group's reputation, activities, financial position, results or outlook. Finally, the field of finance is also impacted by regulations related to the environment. Indeed, the European regulation EU/2020/852 of June 18, 2020 "Taxonomy regulation" is part of the sustainable finance policy deployed by the European Union (EU). It defines a framework intended to promote sustainable investments through improved information for financial market players. The Group has therefore organized itself to qualify its activities.	■ Difficulty in gaining new market share ■ Time needed to obtain operating permits or authorizations ■ Non-renewal of municipal contracts ■ Difficulty of obtaining "sustainable" investments **Correlated risks** ■ Environmental and industrial risks ■ Risks relating to market changes ■ Risks relating to climate change and natural disasters **Stakeholders** ■ Planet ■ Society ■ Customers ■ Employees ■ Shareholders

Risk management

In accordance with legal, regulatory and administrative requirements (see Chapter 1, Section 1.6 above) or for specific preventive or protection measures, Veolia is constantly required to incur expenditure or invest in facilities under the Group's responsibility to ensure their continued compliance.

Veolia continues to commit the necessary means to comply with its environmental, health and safety obligations and to manage sanitary risks. When the Group has no investment responsibility, Veolia advises its customers to ensure they undertake the necessary regulatory compliance work themselves.

Believing that mere compliance with regulatory requirements is not sufficient to ensure adequate control of health and environmental risks, Veolia has also voluntarily implemented a number of measures based on strict prevention and control procedures as part of a global approach, particularly with respect to its multi-service contracts (for example, hazard studies, impact assessments and checkpoint controls and inspections).

The Group also carries out active research monitoring on topics such as emerging biological parameters and the toxicity of mixtures. It develops research projects, alone or in partnership with research centers or French or foreign specialized bodies, on certain subjects that are deemed a priority.

To implement the taxonomy, Veolia took action from the end of 2020, under the impetus of the Executive Committee, so as to be able to provide all the required information. The technical and financial teams (at head office and in the Business Units, close to the installations) implemented a protocol aimed at defining the means of applying the Delegated Regulations to Veolia's activities (see Chapter 4, Section 4.5 below).

Corruption and business integrity risks (REG-02)

Risk identification

Description of the risk	Potential effects for the Group
Actions by employees, corporate officers or external stakeholders which contravene the principles set out by the Group in its compliance programs could expose Group companies to criminal and/or civil penalties as well as harm to its reputation. Preventing corruption and other unethical business practices is a major issue for the Group and all its employees. The Group must be particularly vigilant regarding these risks, particularly due to the nature of its contracts, the investments made and the difficulties unique to certain countries where it operates.	■ Group's image ■ Difficulty in gaining new market share ■ Loss of public and industrial contracts ■ Renewal of public and industrial contracts **Correlated risks** ■ Geopolitical and political risks ■ Risks relating to the selection and integration of acquisitions **Stakeholders** ■ Society ■ Customers ■ Employees ■ Shareholders ■ Planet

Risk management

The Compliance Department is responsible for strengthening the compliance culture within the Group and in its relations with third parties and detecting any non-compliance and dealing with it appropriately, so as to protect the Group against ethical and non-compliance risks.

The Group therefore implements compliance programs notably comprising norms, procedures, a whistleblowing system and training, as well as assessment and control measures.

Managing third parties (customers, suppliers, partners, etc.) represents a key compliance challenge, as they constitute a non-negligible potential source of exposure to compliance risks for the Group.

Veolia deals with this issue through a third-party comprehensive assessment process, implemented by key functions, such as the Security, Purchasing and Compliance Departments.

The system for managing these corruption and business integrity risks is described in detail in Chapter 4,, Section 4.6.3 below.

Human rights risks (REG-03)

Risk identification

Description of the risk	Potential effects for the Group
Due to the geographic spread of its activities, the Group is exposed to non-compliance by stakeholders with the principles set out in the Group's human rights policy, notably external stakeholders (subcontractors, suppliers, partners).	■ Group's image ■ Difficulty in gaining new market share ■ Loss of public and industrial contracts ■ Renewal of public and industrial contracts **Correlated risks** ■ Risks relating to employee health and safety **Stakeholders** ■ Society ■ Customers ■ Employees ■ Shareholders ■ Planet

Risk management

The Group has been working hard for years to uphold the human rights not only of its employees, subcontractors and suppliers, but also of the communities living in the areas where it operates.

The Veolia Human Rights program seeks, within the strict application of the Group's values, to retain the trust of internal and external stakeholders, reinforce appeal and commercial differentiation and protect the Group's reputation. This program is fully in line with Veolia's Purpose.

This dedication to human rights is reflected in its sustainable development commitments (see Section 4.1.1 below) and its fundamental values and principles set out in its Ethics Guide (see Section 4.6.1.1 below).

The system for managing Human Rights risks is described in detail in Chapter 4, Section 4.6.4 below.

3

CORPORATE GOVERNANCE AFR

Information from the Annual Financial Report is clearly identified in the table of contents by the pictogram AFR

3.1 Members of the Board of Directors

3.1.1 MEMBERS OF THE BOARD OF DIRECTORS AND POSITIONS AND OFFICES HELD BY DIRECTORS

3.1.1.1 Profile of the Board of Directors as of December 31, 2023

14

Directors

1

Censor

82%

Independent Directors (1)

2

Directors representing employees

1

Director representing employee shareholders

61

Average age of Directors

4

Non-French Directors

54.5%

Female Directors (2)

With the exception of the Directors representing employees and the non-voting member (*censeur*), the members of the Board of Directors are elected individually by shareholders at Ordinary General Meetings at the recommendation of the Board, which, in turn, receives proposals from the Nominations Committee. Board members may be removed at any time pursuant to a decision of the General Shareholders' Meeting. With the exception of Directors representing employees and the Director representing employee shareholders, each director must hold at least 750 registered shares in the Company.

Finally, the Company's Board of Directors also includes a representative from the Veolia Environnement SA Social and Economic Committee, who attends the Board of Directors' Meetings in a non-voting advisory capacity.

Changes in the composition of the Board of Directors and its Committees are presented in Section 3.2.1.2 below and in Section 3.2.2 below.

(1) Excluding Directors representing employees and Director representing employee shareholders in accordance with the AFEP-MEDEF Code.
(2) Excluding Directors representing employees and Director representing employee shareholders in accordance with Articles L. 225-27 and L. 22-10-7 of the French Commercial Code (Code de commerce).

3.1.1.2 Members of the Board of Directors as of December 31, 2023

	Age	Gender	Nationality	Number of shares	Number of mandates in non-VE listed companies (1)	Independence	Start of current office Expiry of current office	Number of years on the Board	Individual attendance rate at Board meetings	Committees: Accounts and Audit	Committees: Nominations	Committees: Compensation	Committees: Research, Innovation and Sustainable Development	Committees: Purpose
Antoine Frérot *Chairman of the board of directors*	65	M	French	163,838	0		05/07/2010 2026 GSM	13	100%		•			●
Estelle Brachlianoff *Chief Executive Officer*	51	F	French	31,533	1		06/15/2022 2026 GSM	2	100%					
Maryse Aulagnon *Vice Chairman of the Board of Directors and Senior Independent Director*	74	F	French	12,308 (2)	0	✦	05/16/2012 **2023 GSM**	11	89%		•	●		•
Olivier Andriès	61	M	French	750	1	✦	04/27/2023 AG 2027	1	100% (3)	•		•		
Véronique Bédague	59	F	French	750	1	✦	04/27/2023 AG 2027	1	80% (3)	•				
Pierre-André de Chalendar	65	M	French	5,894	2	✦	04/22/2021 2025 GSM	3	100%		●	•		•
Isabelle Courville	61	F	Canadian	1,000	1	✦	04/21/2016 **2024 GSM**	7	89%		•		●	•
Marion Guillou	69	F	French	1,390	1	✦	12/12/2012 2025 GSM	11	100%			•	•	
Franck Le Roux ✪ (4)	59	M	French	N/A	0		10/15/2018 10/12/2026	5	100%	•		•		•
Agata Mazurek-Bąk ◆ (4)(5)	46	F	Polish	2,026	0		06/15/2022 2026 GSM	2	100%	•				
Pavel Páša ✪ (4)	59	M	Czech	N/A	0		10/15/2014 10/15/2026	9	100%				•	
Nathalie Rachou	66	F	French	3,656	2	✦	05/16/2012 **2024 GSM**	11	100%	●				•
Francisco Reynés	60	M	Spanish	750	1	✦	04/27/2023 AG 2027	1	80% (3)				•	
Guillaume Texier	50	M	French	894	1	✦	04/21/2016 **2024 GSM**	7	100%	•			•	
Enric Xavier Amiguet I Rovira ▲	55	M	Spanish	N/A	0	N/A	06/15/2022 October 2025	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of meetings in 2023									9	6	6	3	3	2
AVERAGE ATTENDANCE RATE IN 2023									96% (6)	97%	100%	100%	100%	100%

● Chairman • Member ✪ Director representing employees ◆ Director representing employee shareholders ▲ Non-voting member (censeur)
✦ Independent pursuant to AFEP-MEDEF Code independence criteria, as assessed by the Board of Directors.
N/A: not applicable.
(1) VE : Veolia Environnement.
(2) Including 8,740 shares held by MAB-Finances (Finestate). Maryse Aulagnon is the majority shareholder of MAB-Finances (Finestate).
(3) Attendance rate calculated since their appointment by the Shareholders' General Meeting of April 27, 2023, due to the commitments taken before their appointment.
(4) The Directors representing employees and the Director representing employee shareholders are not taken into account when calculating the independence percentages pursuant to Article 10.3 of the AFEP-MEDEF Code (see Chapter 3, Section 3.2.1.1 below).
(5) Mr. Romain Ascione was appointed by the General Shareholders' Meeting of June 15, 2022 as Mrs. Agata Mazurek-Bak's replacement for a period of four years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2025. He will carry out the duties of Mrs. Agata Mazurek-Bak in the event of her positions becomes vacant.
(6) The option to participate by electronic means of communication was used seven times by directors in 2023.

3.1.1.3 Positions held by Directors

The positions and offices held by directors stated below are current as of December 31, 2023 based on updated or known information as of the date of filing of this Universal Registration Document with the French Financial Markets Authority (AMF):

ANTOINE FRÉROT

Chairman of the Board of Directors of Veolia Environnement*; Member of the Nominations Committee; Member of the Purpose Committee

65 years old
French

Date of first appointment:
May 7, 2010

Date of reappointment:
June 15, 2022

Expiry of current office:
2026 GSM

Number of shares held:
163,838

Qualifications:

Born on June 3, 1958 in Fontainebleau (France), **Antoine Frérot** is a graduate of the École Polytechnique (class of 1977) and the Ponts et Chaussées engineering school and holds a doctorate from the École Nationale des Ponts et Chaussées.

He started his career in 1981 as a research engineer at the Central Research Office for French Overseas Departments and Territories. In 1983, he joined the Center for Study and Research of the École Nationale des Ponts et Chaussées as a project manager and then served as Assistant Director from 1984 to 1988. From 1988 to 1990, he was Head of Financial Transactions at Crédit National. In 1990, Antoine Frérot joined Compagnie Générale des Eaux as a project manager and, in 1995, became Chief Executive Officer of CGEA Transport. In 2000, he was appointed Chief Executive Officer of CONNEX, the Transport Division of Vivendi Environnement, and a member of the Executive Committee of Vivendi Environnement. In January 2003, he was appointed Chief Executive Officer of Veolia Eau, the Water Division of Veolia Environnement*, and Senior Executive Vice-President of Veolia Environnement*. In November 2009, he was appointed Chief Executive Officer, and in December 2010, Chairman and Chief Executive Officer of Veolia Environnement*. On July 1, 2022, following the separation of duties of the Chairman and Chief Executive Officer, he became Chairman of the Board of Directors of Veolia Environnement*.

Principal positions held outside the Company – Other offices	Positions or offices expired in the last five years
In France: • Chairman of the Veolia Environnement Foundation[VE]; • Permanent representative of Veolia Environnement* on the Board of Directors of Institut Veolia Environnement[VE]; • Director of the Société des Amis du Musée du quai Branly-Jacques Chirac; • Chairman of the non-profit organization Anvie; • Chairman of the non-profit organization Centre d'Arts Plastiques de Royan; • Director of CNER, the Federation of French investment and economic development agencies.	**In France:** • Chief Executive Officer of Veolia Environnement*; • Co-Managing Director of Veolia Eau - Compagnie Générale des Eaux[VE]; • Director of Société des Eaux de Marseille[VE]; • Director of the non-profit organization Anciens élèves de l'École Polytechnique (l'AX). • Director of the non-profit organization Amis de la Bibliothèque Nationale de France; • Director of Transdev Group ; • Chairman of Institut de l'entreprise.

GSM: General Shareholders' Meeting called to approve the financial statements for the year then ended.
**: listed company.*
VE: Group company.

Experience in Veolia's businesses *International experience* *Public affairs* *Industry* *R&D* *Bank Finance* *CSR*

ESTELLE BRACHLIANOFF

51 years old
French

Date of first appointment:
June 15, 2022

Expiry of current office:
2026 GSM

Number of shares held:
31,533

Qualifications:

Chief Executive Officer and Director of Veolia Environnement

Born on July 26, 1972, **Estelle Brachlianoff** is a graduate of the École Polytechnique and the Ponts et Chaussées engineering school. She joined the Val-d'Oise infrastructure department of the Paris metropolitan area in 1998 as head of the major infrastructure department. In 2002, she became advisor to the Prefect of the Ile-de-France region, in charge of transportation and development. She joined Veolia Environmental Services in 2005 as special advisor to the CEO. She became CEO of Veolia Propreté Nettoyage et Multiservices in 2008 and of Veolia Propreté Ile-de-France in 2010. In 2012, she became CEO of Veolia Environmental Services in the UK. She was also a member of the President's Committee of the Confederation of British Industry (CBI) from 2013 to 2018 and was President of the French Chamber of Great Britain from June 2016 to July 2018. A member of Veolia's Executive Committee since 2013 and Director of the UK and Ireland zone from 2013 to 2018, Estelle Brachlianoff was Chief Operating Officer of Veolia from September 1, 2018 to June 30, 2022 with responsibility for the digital and purchasing departments. Since 2019, Estelle Brachlianoff has been a member of the Supervisory Board of Hermès International and a member of the Audit and Risk Committee and its CAG-CSR Committee. She was appointed as Director of Veolia Environnement on June 15, 2022 and succeeded Antoine Frérot as Chief Executive Officer of the Group from July 1, 2022.

Principal positions held outside the Company – Other offices

In France:

- Member of the Supervisory Board, the Audit and Risk Committee and the Compensation, Appointments, Governance and CSR Committee of Hermès International*;
- Chairwoman of the Board of Directors of Société des Eaux de Marseille[VE];
- Co-Managing Director of Veolia Eau - Compagnie Générale des Eaux[VE].

Principal positions held outside the Company – Other offices

In France:

- Director of SARP[VE];
- Director of SARP Industries[VE];
- Chairwoman of Veolia Énergie France[VE];
- Chairwoman of Veolia Propreté[VE];
- Chairwoman of Veolia Water[VE];
- Chairwoman and Chief Executive Officer and Director of Veolia Énergie International[VE];
- Member of the Supervisory Board of Veolia Eau - Compagnie Générale des Eaux[VE];
- Chairwoman and Chief Executive Officer and Director of Veolia Africa[VE].

Outside France:

- Chairwoman and Director of Veolia Holding America Latina SA (Spain)[VE];
- Director of Veolia Japan G.K. (Japan)[VE];
- Chairwoman and Director of Comgen (Australia)[VE];
- Chairwoman and Director of Veolia Environmental Services Australia (Australia)[VE];
- Chairwoman and Director of Veolia China Holding (Hong Kong)[VE];
- Chairwoman and Director of Veolia Environmental Services China (Hong Kong)[VE];
- Director of Veolia Energy UK Plc (United Kingdom)[VE];
- Director of Veolia Environmental Services UK (United Kingdom)[VE];
- Director of Veolia ES Holdings UK (United Kingdom)[VE];
- Director of Veolia UK Ltd (United Kingdom)[VE];
- Director of Veolia Water UK Limited[VE];
- Chairwoman and Director of Veolia Decommissioning Services Norway AS (Norway)[VE].

GSM: General Shareholders' Meeting called to approve the financial statements for the year then ended.
**: listed company.*
VE: Group company.

Experience in Veolia's businesses · *International experience* · *Public affairs* · *Industry* · *R&D* · *Bank Finance* · *CSR* · *Digital*

MARYSE AULAGNON

Independent Director of Veolia Environnement*; Vice Chairman of the Board of Directors and Senior Independent Director; Chairman of the Compensation Committee; Member of the Nominations Committee; Member of the Purpose Committee

74 years old
French

Date of first appointment:
May 16, 2012

Date of reappointment:
April 27, 2023

Expiry of current office:
2027 GSM

Number of shares held:
12,308**

Qualifications:

Maryse Aulagnon was the Founder and Chairman of Affine group, consisting of two property companies listed in Paris and Brussels specializing in commercial real estate. She currently manages MAB-Finances (Finestate), an investment company dedicated to investment in managed residential property (coliving). She holds a Master's degree in economics and is a graduate of the Institut d'Études Politiques (IEP) and of the École nationale d'administration (ENA). She is an honorary Maître des Requêtes of the Conseil d'État (1975 to 1979). After holding various positions at the French Embassy in the United States (1979-1981) and on the staff of several French ministers (Budget and Industry), she joined the Compagnie Générale d'Électricité group (now Alcatel) in 1984 as Director of International Affairs. She then joined Euris as Chief Executive Officer when it was created in 1987. She founded the Affine group in 1990. She was a director of Air-France KLM* (Chairman of the Audit Committee) from July 2010 to May 2021 and has been Chairman of the Fédération des Sociétés immobilières et foncières (FSIF) since April 2019. Finally, she is active in a number of professional associations (including Club de l'immobilier, Université de la Ville de Demain, etc.), as well as cultural and university organizations (including Fondation des Sciences Po, Le Siècle, Groupe d'Acquisition pour l'Art Contemporain (GAAC), Théâtre national de l'Opéra-Comique, etc.).

Principal positions held outside the Company – Other offices

Principal position held outside the Company:
- Chairman and CEO of MAB Finances (Finestate).

Other offices and positions exercised in any company/entity:

In France:
- Chairman of Fédération des Sociétés immobilières et foncières (FSIF);
- Director of the Théâtre National de l'Opéra Comique.

Outside France:
- Director of Holdaffine BV, MAB-Finances group (Netherlands).

Positions or offices expired in the last five years

In France:
- Director of Air-France KLM*;
- Member of the Supervisory Board of BPCE (Banques Populaires Caisses d'Epargne) group;
- Member of the MEDEF Executive Board.

GSM: General Shareholders' Meeting called to approve the financial statements for the year then ended.
**: listed company.*
***: Including 8,740 shares held by MAB-Finances (Finestate). Maryse Aulagnon is the majority shareholder of MAB-Finances (Finestate).*
VE: Group company.

Experience in Veolia's businesses *International experience* *Public affairs* *Bank Finance* *CSR* *Digital*

OLIVIER ANDRIÈS

Independent Director of Veolia Environnement*; Member of the Accounts and Audit Committee; Member of the Compensation Committee

61 years old
French

Date of first appointment:
April 27, 2023

Expiry of current office:
2027 GSM

Number of shares held:
750

Qualifications:

In 1990, **Olivier Andriès** joined the Treasury Department at the French Ministry of Finance, where he worked in the aeronautics and defense sector, before becoming an advisor on industrial affairs to the Minister of the Economy and Finance in 1993. In 1995, he moved to the Lagardère* group as Deputy Director of Strategy and in 1998 was named personal advisor to Jean-Luc Lagardère. In 2000, Olivier Andriès joined Airbus*, as Product Policy Director before joining the executive committee in 2005 as Executive Vice President, Strategy and Cooperation. In 2008, he joined Safran* as Executive Vice President in charge of group strategy and development. He was then appointed Executive Vice President, Defense and Security, and became a member of the Safran* Executive Board in 2009. In 2011, he was appointed Chairman and Chief Executive Officer of Safran Helicopter Engines, and in 2015 he was named Chief Executive Officer of Safran Aircraft Engines. On January 1, 2021, he became Chief Executive Officer of Safran*.

Principal positions held outside the Company - Other offices

Principal position held outside the Company:

- Chief Executive Officer of Safran*.

Other offices and positions exercised in any company/ entity:

In France :

- Director of Safran*;
- 1st Vice-Chairman of Groupement des industries françaises aéronautiques et spatiales (Gifas).

Positions or offices expired in the last five years

In France:

- Chairman of Safran Aircraft Engines;
- Chairman of Rafale International;
- Permanent representative of Safran Aircraft Engines on the Board of Directors of Powerjet.

Outside France:

- Chairman of Safran Aero Boosters (Belgium);
- Director of EP Europrop International GmbH (Germany);
- Director of Safran Aircraft Engines Mexico (Mexico);
- Director of CFM International Inc. (United States).

GSM: General Shareholders' Meeting called to approve the financial statements for the year then ended.
**: listed company.*
VE: Group company.

International experience *Public affairs* *Industry* *R&D* *Bank Finance* *Digital*

VÉRONIQUE BÉDAGUE

Independent Director of Veolia Environnement*; Member of the Accounts and Audit Committee

59 years old
French

Date of first appointment:
April 27, 2023

Expiry of current office:
2027 GSM

Number of shares held:
750

Qualifications:

Véronique Bédague has been Chairwoman and CEO of Nexity* since January 1, 2023, after being a Director and CEO (from May 19, 2021 to December 31, 2022). A graduate of Institut d'Études Politiques (IEP) Paris, ESSEC Business School and École Nationale d'Administration (ENA), Véronique Bédague joined the Nexity* group in 2017 as General Secretary and a member of the Executive Committee. She has been Chairwoman and Chief Executive Officer of Nexity Immobilier d'Entreprise since 2018 and Deputy CEO of the Nexity* group, in charge of the "Commercial and Local Authorities Clients" division since 2019, then of "Institutional Clients" since 2020. She has worked at the Ministry of the Economy and Finance, the International Monetary Fund, and the City of Paris. Before joining Nexity*, she was Chief of Staff to the French Prime Minister.

Principal positions held outside the Company – Other offices

Principal position held outside the Company:

- Chairwoman and Chief Executive Officer of Nexity*.

Other offices and positions exercised in any company/entity:

In France:

- Chairwoman of SIG 30 Participations;
- Member of the Supervisory Board of Ægide;
- Director of Nexity Immobilier d'Entreprise;
- Chairwoman of SIG 30 Participations;
- Deputy CEO of Villes et Projets and VP Participations;
- Legal representative of Villes et projets, Manager of SNC Aménagement Charras;
- Legal representative of SIG 30 Participations, Director of SAS Eco-campus A Châtillon;
- Legal representative of Nexity, Vice-Chairwoman, Chief Executive Officer and Director of SAS Eco-campus A Châtillon;
- Legal representative of SAS Eco-campus A Châtillon, Chairwoman of SAS Mercedes;
- Legal representative of Nexity, Chairwoman of SAS Lilas Paul Meurice;
- Legal representative of Nexity, Chief Executive Officer of En Invalides Gestion SAS and Eco-campus A Châtillon;
- Legal representative of SIG 30 Participations, Chairwoman of Neximmo 19, Neximmo 38, Neximmo 41, Neximmo 44, Neximmo 51, Neximmo 60, Neximmo 71, Neximmo 75, Neximmo 85, Neximmo 90, Neximmo 91, Neximmo 96, Neximmo 97, Neximmo 100, Neximmo 101, Neximmo 102, Neximmo 103, Neximmo 104, Neximmo 106, Neximmo 107, Neximmo 108, Neximmo 109, Neximmo 110, Neximmo 112, Neximmo 113, Neximmo 114, Neximmo 116, Neximmo 117, Neximmo 118, Neximmo 119, Neximmo 120, Neximmo 121, Neximmo 124, Neximmo 125, Neximmo 126, Neximmo 127, Neximmo 128, Neximmo 129, Neximmo 130, Neximmo 131, Neximmo 132, Neximmo 133, Neximmo 134, Neximmo 136, Neximmo 137, Neximmo 139, Nexprom, La Cité, Sari Investissement, Terrae Novae 1, Terrae Novae 2, SAS Porte de Montreuil;
- Legal representative of SIG 30 Participations, Chief Executive Officer of Aqueduc, SAS Bagneux Briand, SAS Bagneux Victor Hugo;
- Legal representative of SIG 30 Participations, Managing Director of Terrae Novae;
- Legal representative of SARI Investissements, liquidator of SCI Boulogne Ville A3B;
- Legal representative of Villes et Projets, Chairwoman of Presqu'Île Hérouvillaise;
- Legal representative of VP Participations, Chairwoman of Nexiville 1, Nexiville 2, Nexiville 4, Nexiville 5, Pontault Louvetière, Nexiville 8, Nexiville 9, Garenne Aménagement, Nexiville 11, Nexiville 14, Nexiville 19, Nexiville 20, Neximmo 42, Axioparc;
- In her capacity as the legal representative of SIG 30 Participations and Sari Investissement, Véronique Bédague is also the legal representative of various non-trading companies and partnerships.

Positions or offices expired in the last five years

In France:

- Chairwoman and Chief Executive Officer and Director of Nexity Immobilier d'Entreprise;
- Legal representative of Nexity Immobilier d'Entreprise, Chairwoman of Tereneo, F.I. Developpement, Iwood Gestion;
- Director of Édouard Denis Développement;
- Director of Électricité de France*;
- Director of the non-profit organization, BBCA;
- Chairwoman of Nexity Logement;
- Legal representative of Nexity, Chairwoman of SAS Nexity Franchises;
- Chief Executive Officer of SIG 30 Participations;
- Legal representative of SIG 30 Participations, Chairwoman of Neximmo 48, Neximmo 49, Neximmo 54, Neximmo 65, Neximmo 72, Neximmo 73, Neximmo 80, Neximmo 81, Neximmo 82, Neximmo 86, Neximmo 87, Neximmo 88, Terrae Novae 3, Neximmo 111, Neximmo 122, Neximmo 137, Neximmo 138, Fédération des assurances Nexity, Nexity Cockpit Investissement, Nexity Residences Gérées, SCI Boulogne Ville A3B, Bagneux Briand, Bagneux Victor Hugo;
- Chairwoman of the Board of Directors and Director of Nexity Property Management;
- Chairwoman and legal representative of Neximmo 78, Chairwoman of Service Personnel, Accessite, Hiptown, Nexity Solutions Digitales, Costame, Moreau Experts, Nexity Contractant Général, L'Étoile Property Management, Maestro Ingenierie;
- Member of the Supervisory Board of Bureaux à Partager;
- Legal representative of VP Participations, Chairwoman of Immocash 1, Immocash 2, Immocash 3.

GSM: General Shareholders' Meeting called to approve the financial statements for the year then ended.
**: listed company. VE: Group company.*

Experience in Veolia's businesses *International experience* *Public affairs* *Bank Finance* *CSR* *Digital*

PIERRE-ANDRÉ DE CHALENDAR

65 years old
French

Date of first appointment:
April 22, 2021

Expiry of current office:
2025 GSM

Number of shares held:
5,894

Qualifications:

Independent Director of Veolia Environnement*; Member of the Nominations Committee; Member of the Purpose Committee

Pierre-André de Chalendar is a graduate of ESSEC Business School and École Nationale d'Administration. A former civil servant (Inspecteur des Finances), he served as deputy to the Director General for Energy and Raw Materials within the French Ministry of Industry. Mr. Pierre-André de Chalendar joined Compagnie de Saint-Gobain* in 1989 as Vice-President, Corporate Planning. He was subsequently Vice-President of Abrasifs Europe (1992-1996) and President of the Abrasifs division (1996-2000), before being appointed Senior Vice-President of Compagnie de Saint-Gobain* in charge of the Building Distribution sector in 2003. Appointed Chief Operating Officer of Compagnie de Saint-Gobain* in May 2005 and elected to the Board in June 2006, he was appointed Chief Executive Officer in June 2007 and Chairman and Chief Executive Officer in June 2010. He was appointed Non-Executive Chairman from July 1, 2021. Pierre-André de Chalendar is also a director of BNP Paribas* and Bpifrance. He has been Joint Chairman of La Fabrique de l'Industrie since July 2017 and Chairman of the ESSEC Business School's Supervisory Board since February 2019. He was appointed Chairman of Institut de l'Entreprise on January 1, 2023.

Principal positions held outside the Company – Other offices	Positions or offices expired in the last five years
Principal position held outside the Company: • Chairman of the Board of Directors of Compagnie de Saint-Gobain*. **Other offices and positions exercised in any company/ entity:** **In France:** • Director of BNP Paribas*; • Director of Bpifrance; • Joint-Chairman of La Fabrique de l'Industrie; • Chairman of the Supervisory Board of ESSEC. • Member of the Supervisory Board of Cercle des économistes; • Chairman of Institut de l'entreprise.	**In France:** • Chief Executive Officer of Compagnie de Saint-Gobain.

GSM: General Shareholders' Meeting called to approve the financial statements for the year then ended.
**: listed company.*
VE: Group company.

Experience in Veolia's businesses · *International experience* · *Public affairs* · *Industry* · *R&D* · *Bank Finance* · *CSR*

ISABELLE COURVILLE

Independent Director of Veolia Environnement*; Chairman of the Research, Innovation and Sustainable Development Committee; Member of the Nominations Committee; Member of the Purpose Committee

61 years old
Canadian

Date of first appointment:
April 21, 2016

Date of reappointment:
April 22, 2020

Expiry of current office:
2024 GSM

Number of shares held:
1,000

Qualifications:

Isabelle Courville graduated in engineering physics from École Polytechnique Montréal and in civil law from McGill University. She was active for 20 years in the Canadian telecommunications industry. She served as President of Bell Canada's Enterprise group and as President and Chief Executive Officer of Bell Nordiq. From 2006 to 2013, she joined Hydro-Québec where she served as President of Hydro-Québec TransEnergie and then President of Hydro-Québec Distribution. She was Chairman of the Laurentian Bank of Canada from 2013 to April 9, 2019 and was then appointed Chairman of the Board of Directors of Canadian Pacific Railway*. She also sits on the Board of Directors of the Institute for Governance of Private and Public Organizations.

Principal positions held outside the Company – Other offices

Principal position held outside the Company:

- Chairman of the Board of Directors of Canadian Pacific Kansas City* (Canada).

Other offices and positions exercised in any company/ entity:

Outside France:

- Member of the Audit and Finance Committee, the Corporate Governance, Nominating and Social Responsibility Committee, the Management Resources and Compensation Committee, the Risk and Sustainability Committee and the Integration Committee of Canadian Pacific Kansas City* (Canada);
- Member of the Board of Directors of the Institute for Governance of Private and Public Organizations (Canada).

Positions or offices expired in the last five years

Outside France:

- Director, Chairwoman of the Human Resources Committee and Member of the Governance and Ethics Committee of SNC Lavalin* (Canada);
- Chairwoman of the Board of Directors of Laurentian Bank of Canada;
- Member of the Board of Directors of the Institute of Corporate Directors (Canada).

GSM: General Shareholders' Meeting called to approve the financial statements for the year then ended.
**: listed company.*
VE: Group company.

Experience in Veolia's businesses · *International experience* · *Public affairs* · *Industry* · *R&D* · *Bank Finance* · *CSR*

MARION GUILLOU

69 years old
French

Date of first appointment:
December 12, 2012

Date of reappointment:
April 22, 2021

Expiry of current office:
2025 GSM

Number of shares held:
1,390

Qualifications:

Independent Director of Veolia Environnement*; Member of the Compensation Committee; Member of the Research, Innovation and Sustainable Development Committee

Marion Guillou is a graduate of the École Polytechnique (class of 1973), holds a Ph.D. in Food Sciences, and is a General Engineer in bridges, water and forestry engineering She is a member of the Academy of Technology and of the French Academy of Agriculture. She headed the Ministry of Agriculture food safety directorate from 1996 to 2000. She led the National Institute of Agronomic Research (INRA) for four years (2000-2004) before being appointed as its Chairman and Chief Executive Officer (2004-2012), where she helped guide research on agriculture, food, the environment and international openness. She also chaired the French National Consortium for agriculture, food, animal health and the environment (2010-2015) and Agreenium, the French Institute of Agronomics, Veterinary Science and Forestry (2015-2020). Finally, she was a Special State Advisor from June 2017 to 2020.

Principal positions held outside the Company – Other offices

Principal position held outside the Company:

- Independent Director.

Other offices and positions exercised in any company/ entity:

In France:

- Director, Member of the Corporate Governance, Ethics, Nominations and CSR Committee and the Remuneration Committee of BNP Paribas*;
- Member of the Board of Directors of IFRI (French Institute of International Relations);
- Vice-Chairman of the Board of Directors of Care-France;
- Member of the French High Council for the Climate (Haut Conseil pour le Climat);
- Chairman of the Endowment Fund for the preservation of the biodiversity of cultivated species and their wild relatives;
- Vice-Chairman of the French Academy of Agriculture.

Outside France:

- Member of the Board of Trustees and Chairman of the Strategy Committee of Alliance (merger of Bioversity and CIAT);
- Member of the Board of Bioversity;
- Member of the Board of CIAT;
- Member of the Independent Steering Committee of AICCRA (adaptation to climate change in Africa);
- Co-Chairwoman of the Africa-Europe Foundation's Sustainable Agriculture and Food Systems Strategy Group.

Positions or offices expired in the last five years

In France:

- Member of the National Council of the Legion of Honor;
- Special State Advisor;
- Director of Imerys*;
- Member of the Board of Directors of Universcience;
- Chairman of the Board of Directors of Agreenium, the French Institute of Agronomics, Veterinary Science and Forestry.

Outside France:

- Member of the Independent Steering Committee of the CCAFS program.

GSM: General Shareholders' Meeting called to approve the financial statements for the year then ended.
**: listed company.*
VE: Group company.

International experience *Public affairs* *R&D* *CSR*

FRANCK LE ROUX

Director representing employees of Veolia Environnement*; Social Protection Officer; Member of the Accounts and Audit Committee; Member of the Compensation Committee; Member of the Purpose Committee

59 years old
French

Date of first appointment:
October 15, 2018

Date of reappointment:
October 15, 2022

Expiry of current office:
October 15, 2026

Number of shares held (1):
N/A

Qualifications:

Franck Le Roux joined Compagnie générale des eaux as a drinking water network technician on August 31, 1983 for the Syndicat des Eaux d'Île-de-France (SEDIF) contract. He passed the inspector's examination in June 1986. In 1984, he joined the Confédération Générale du Travail (CGT) trade union and his first term as staff delegate was in 1985. Elected to the Executive Board of the public services CGT Federation and leader of the federal water collective section, he acted as negotiator on the collective agreement for water and sanitation between 1997 and 2009. He has been the central union delegate for the Compagnie Générale des Eaux and then the Veolia Eau economic entity since 1999. He has also been the Veolia Group CGT union representative since its creation (Vivendi Environnement) and negotiated the first agreement with the Group in 2002.
He currently works as Social Protection Officer within the Veolia Eau-Compagnie Générale des Eaux VE Human Resources Department.

Principal positions held outside the Company – Other offices	Positions or offices expired in the last five years
Principal position held outside the Company: • None **Other offices and positions exercised in any company/ entity:** • None	• None

*: listed company VE: Group company. N/A: not applicable.
(1) In accordance with legal provisions and the Articles of Association, Directors representing employees are not required to hold shares in the Company in their capacity as a director. Franck Le Roux holds units in company investment funds invested in Veolia Environnement shares (FCPE Sequoia Classique and the Plus 2019, Plus 2020, Plus 2021, Plus 2022 and Plus 2023 sub-funds of FCPE Sequoia Plus).

Experience in Veolia's businesses CSR

AGATA MAZUREK-BĄK

45 years old
Polish

Date of first appointment:
June 15, 2022

Expiry of current office:
2026 GSM

Number of shares held:
1,913

Qualifications:

Director representing employee shareholders* of Veolia Environnement; Member of the Accounts and Audit Committee

Agata Mazurek-Bąk has a strong background in finance (she holds a Master's degree in economics and has five years' experience in audit and consulting, including auditing according to Polish and international accounting standards). She joined the Group in 2005 to implement control structures and a Shared Services Center for Poland, which she managed for almost ten years as Chief Executive Officer. Over the following years, she held various management positions within the Group in the areas of finance, purchasing or strategic projects in operations. Since 2019, she is responsible for Human Resources. She holds a Green Belt Lean Six Sigma certificate and supervises CSR activities in Poland managed by the Veolia Foundation. She was appointed as a director of Veolia Environnement on June, 15, 2022.

Principal positions held outside the Company – Other offices

In France:

- Member of the Board of Directors of Veolia Environnement [VE] Employee Shareholders' Association.

Outside France:

- Senior Executive Vice President of Human Resources of Veolia Polska [VE] and of Central and Eastern Europe;
- Member of the Executive Committee of Veolia Energia Polska [VE];
- Member of the Supervisory Board of Veolia Energia Warszawa [VE];
- Member of the Supervisory Board of Veolia Energia Poznan [VE];
- Member of the Supervisory Board of Veolia Energia Lodz [VE];
- Member of the Executive Committee of the Veolia Polska Foundation (Fundacja Veolia Polska) [VE];
- Member of the Supervisory Board of the Environmentalnych Sluzeb A.S. Institute [VE];
- Member of the Supervisory Board of CCI France Poland.

Positions or offices expired in the last five years

Outside France:

- Member of the Executive Committee of Technologia W Spódnicy (Stowarzyszenie TWS);
- Director of Litesko LCC [VE];
- Director of Vilniaus Energija LLC [VE].

VE: Group company.
N/A : not applicable.
** Mr. Romain Ascione was appointed by the General Shareholders' Meeting of June 15, 2022 as Mrs. Agata Mazurek-Bąk's replacement for a period of four years expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2025. He will carry out the duties of Mrs. Agata Mazurek-Bąk in the event her positions becomes vacant.*

Experience in Veolia's businesses *Bank Finance* *CSR* *Digital*

PAVEL PÁŠA

Director representing employees of Veolia Environnement*; Member of the Research, Innovation and Sustainable Development Committee

59 years old
Czech

Date of first appointment:
October 15, 2014

Date of reappointment:
October 15, 2022

Expiry of current office:
October 15, 2026

Number of shares held (1):
N/A

Qualifications:

Pavel Páša has been a Veolia employee since 1995. He is the health and safety expert for the Czech company, Veolia Česka Republika a.s.[VE], a specialist in wastewater treatment.

Principal positions held outside the Company – Other offices	Positions or offices expired in the last five years
Principal position held outside the Company: • None **Other offices and positions exercised in any company/entity:** • None	• None

**: listed company.VE : Group company. N/A : not applicable.*
(1) In accordance with legal provisions and the Articles of Association, Directors representing employees are not required to hold shares in the Company in their capacity as a director. Pavel Páša holds units in company investment funds invested in Veolia Environnement shares (FCPE Sequoia Classique and the Plus 2019, Plus 2020, Plus 2021, Plus 2022 and Plus 2023 sub-funds of FCPE Sequoia Plus).


Experience in Veolia's businesses

CSR

NATHALIE RACHOU

Independent Director of Veolia Environnement*; Chairman of the Accounts and Audit Committee; Member of the Purpose Committee

66 years old
French

Date of first appointment:
May 16, 2012

Date of reappointment:
April 22, 2020

Expiry of current office:
2024 GSM

Number of shares held:
3,656

Qualifications:

Nathalie Rachou graduated from the École des Hautes Études Commerciales (HEC) in 1978. She spent the first part of her career at Banque Indosuez (now Crédit Agricole). After working as a foreign exchange dealer for clients in London and Paris from 1978 to 1982, she was head of Asset and Liability Management and Market Risk Management until 1986, and then set up the bank's business on MATIF and the bank's derivatives broking subsidiary. From 1991 to 1996, she was General Counsel for Banque Indosuez, then served from 1996 to 1999 as head of Global Foreign Exchange and Currency Options worldwide. In November 1999, she founded Topiary Finance, a United Kingdom based asset management company, which she led until 2015. She was also, up to 2020, a director of Société Générale from 2008 (Chairman of the Risks Committee and member of the Nominations Committee) and of Altran Technologies from 2012 (Chairman of the Audit Committee and member of the Nominations and Compensation Committee) and Senior Advisor of Rouvier Associés from 2015. She is currently a non-executive director of UBS Group AG*.

Principal positions held outside the Company – Other offices

Principal position held outside the Company:

- Member of the Board of Directors, the Risk Committee and the Governance and Nominating Committee of UBS Group AG*.

Other offices and positions exercised in any company/ entity:

In France:

- Member of the Board of Directors of AFIIP (unlisted management company).

Outside France:

- Member of the Supervisory Board, Chairwoman of the Compensation Committee and member of the Nominations and Corporate Governance Committee of Euronext N.V.* (Netherlands).

Positions or offices expired in the last five years

In France:

- Senior Advisor of Rouvier Associés;
- Director, Chairwoman of the Risks Committee and Member of the Nomination and Corporate Governance Committee of Société Générale*.

GSM: General Shareholders' Meeting called to approve the financial statements for the year then ended.
**: listed company.*
VE: Group company.

International experience *Public affairs* *Bank Finance*

FRANCISCO REYNÉS

60 years
Spanish

Date of first appointment:
April 27, 2023

Expiry of current office:
2027 GSM

Number of shares held::
750

Qualifications :

Independent Director of Veolia Environnement*; Member of the Research, Innovation and Sustainable Development Committee

Francisco Reynés holds a degree in industrial engineering, as well as an MBA. After seven years as Managing Director of Uniland, one of the largest Spanish family-owned cement companies, he started his professional career in the automotive industry where he spent ten years, in the Volkswagen* Group and then with Johnson Controls Automotive He was then Chief Executive Officer of Criteria Caixa*, leading its IPO in 2007. He served from 2009 to 2018 as Vice-Chairman and Chief Executive Officer of Abertis, a worldwide motorways operator. In May 2015, he led as Chairman the IPO of Cellnex Telecom*, the largest European telecom tower operator, resigning in June 2018 after his appointment to Naturgy Energy Group*. Currently Chairman & Chief Executive Officer since February 2018, Naturgy is an international Spanish utility, listed on the Spanish Ibex.

Principal positions held outside the Company – Other offices	Positions or offices expired in the last five years
Principal position held outside the Company: • Chairman and Chief Executive Officer of Naturgy Energy Group, SL* (Spain). **Other offices and positions exercised in any company/ entity:** • Chairman of Abreygi, SL. (Spain).	**Outside France:** • Director of Frinvyco, SL. (Spain).

GSM: General Shareholders' Meeting called to approve the financial statements for the year then ended.
**: listed company.*
VE: Group company.

Experience in Veolia's businesses *International experience* *Public affairs* *Industry* *Bank Finance*

GUILLAUME TEXIER

50 years old
French

Date of first appointment:
April 21, 2016

Date of reappointment:
April 22, 2020

Expiry of current office:
2024 GSM

Number of shares held:
894

Qualifications:

Independent Director of Veolia Environnement*; Member of the Accounts and Audit Committee; Member of the Research, Innovation and Sustainable Development Committee

Guillaume Texier is a graduate of École Polytechnique and Corps des Mines engineering school. He started his career with the French civil service, notably as an Advisor to the Minister of the Environment and the Minister for Industry. He joined the Saint-Gobain group in 2005 as Vice-President of Corporate Planning in Paris and was successively appointed General Manager of gypsum activities in Canada, Vice-President of the roofing materials activity in the US and Vice-President of the ceramic materials activity worldwide. He was Chief Financial Officer of Compagnie de Saint- Gobain* from 2016 to 2018. From January 1, 2019 to September 2021, he was Senior Vice-President, CEO of the France, Southern Europe, Middle East and Africa Region at Saint-Gobain*. He is Chief Executive Officer of Rexel* since September 1, 2021.

Principal positions held outside the Company – Other offices

Principal position held outside the Company:

- Chief Executive Officer and Director of Rexel*.

Other offices and positions exercised in any company/ entity:

In France:

- None.

Positions or offices expired in the last five years

In France:

- Chairman of the Board of Institut Mines Telecom Atlantique;
- Senior Vice-President, CEO of the France, Southern Europe, Middle East and Africa Region at Saint-Gobain*.

GSM: General Shareholders' Meeting called to approve the financial statements for the year then ended.
**: listed company.*
VE: Group company.

Experience in Veolia's businesses *International experience* *Public affairs* *Industry* *R&D* *Bank Finance* *CSR* *Digital*

ENRIC XAVIER AMIGUET I ROVIRA

55 years old
Spanish

Date of first appointment:
June 15, 2022

Expiry of current office:
October 2025

Number of shares held:
N/A

Qualifications:

Non-voting member (*censeur*) of Veolia Environnement*; Permanent guest of the Research, Innovation and Sustainable Development Committee

Enric Xavier Amiguet i Rovira holds a degree in Public Relations and Protocol from ESERP, a degree in Digital Marketing and a degree in Ecological Marketing, as well as an Executive MBA from EADA. He joined Agbar in September 1995 in the Presidency and Public Relations Office. He worked in the consumer department of Aigües de Barcelona and later in the marketing department, coordinating the different educational websites and ecological marketing topics. In the last eight years, he has been a member of the Suez Board of Directors, member of the CSR, Innovation, Ethics, Water and Sustainable Planet Committee and of the Strategic Committee. He was elected to this position by the Suez European Works Council. He currently supervises the projects of the Agbar Foundation. He was appointed a non-voting member (*censeur*) of the Veolia Environnement* Board of Directors on June 15, 2022, to contribute his experience to the integration of former Suez employees into Veolia.

Principal positions held outside the Company – Other offices	Positions or offices expired in the last five years
Principal position held outside the Company: • None **Other offices and positions exercised in any company/entity:** • None	**In France:** • Director representing employees and member of the CSR, Innovation, Ethics, Water and Sustainable Planet Committee and the Suez Strategy Committee.

*: listed company.
VE: Group company.
N/A: not applicable.

Experience in Veolia's businesses *CSR*

3.1.2 RENEWALS AND APPOINTMENTS PROPOSED TO THE GENERAL MEETING OF APRIL 25, 2024

Preparations to renew the Board of Directors were initiated at a very early stage by the Nominations Committee. Based on the needs expressed during annual assessments of the Board of Directors' activities, the Committee commissioned a specialist recruitment firm, which proposed a long list of candidates, from which a short list was selected. The same specialist firm carried out an assessment of promising candidates who were interviewed by the Committee Chairman and the Chairman of the Board of Directors

At the recommendation of the Nominations Committee, the Board of Directors' Meeting of March 12, 2024 decided to recommend the renewal by the Combined General Meeting of April 25, 2024 of the terms of office as Director of Mrs. Isabelle Courville and Mr. Guillaume Texier and the appointment as an independent Director of Mrs. Julia Marton-Lefèvre for a period of four years expiring at the end of the 2028 Ordinary General Meeting held to approve the financial statements for the year ending December 31, 2027.

In preparing its proposals to the General Shareholders' Meeting concerning its composition, the Board of Directors, at the recommendation of the Nominations Committee, took into consideration the needs expressed during the assessment of the Board of Directors' activities; internationalization of the Board of Directors, knowledge of Veolia's businesses and the global sustainable development ecosystem including climate issues.

The proposed renewal of the terms of office of Mrs. Isabelle Courville and Mr. Guillaume Texier and the appointment of Mrs. Julie Marton-Lefèvre will ensure the continuity of the Board of Directors and strengthen it according to the needs identified.

3.1.3 CONVICTIONS, BANKRUPTCIES, CONFLICTS OF INTEREST AND OTHER INFORMATION

Based on statements made by the members of the Board of Directors to Veolia Environnement, there are, to the best of the Company's knowledge, no family ties among the members of the Company's Board of Directors and, during the last five years: (i) no member of the Board of Directors of Veolia Environnement has been convicted of fraud; (ii) no member of the Board of Directors has been involved in a bankruptcy, receivership or liquidation proceedings; (iii) no authority (including professional organizations) has made any official public accusation and/or imposed a penalty on these persons; and (iv) no director has been forbidden by a court decision from holding a position as a member of a Board of Directors or of a Management or a Supervisory Body of a company or from participating in the management or business operations of a company.

To the best of the Company's knowledge, no member of the Board of Directors has an actual or potential conflict of interest with Veolia Environnement. In addition to the provisions of the French Commercial Code concerning regulated agreements, the Board of Directors' internal regulations provide that directors must inform the Board of Directors of any existing or potential conflicts of interest and abstain from voting in any situation where such a conflict of interest exists. No service agreement, financial relationship and/or business relationship providing for the grant of benefits exist between a director or the Chief Executive Officer and the Company or its subsidiaries.

No arrangement or agreement has been signed with the Company's principal shareholders, customers, suppliers or other party pursuant to which a member of the Board of Directors has been selected as director or to hold an Executive Management position in the Company.

Finally, to the best of the Company's knowledge, the members of the Board of Directors have not agreed to any restrictions on their ability to transfer any stake they may hold in the share capital of Veolia Environnement, with the exception of:

- the provision in the Articles of Association stipulating that, excluding the Directors representing employees and the Director representing employee shareholders, each director must own at least 750 registered shares of the Company;
- the decisions involving the retention of a portion of the share bonus vested to Mr. Antoine Frérot, as Chairman and Chief Executive Officer until June, 30, 2022, inclusive, under the long-term incentive plan known as the Management Incentive Plan (MIP), a portion of the shares vested under the performance share plans of May 2, 2018, April 30, 2019 and May 5, 2020 and a portion of the shares that would vest under the performance share plans of May 4, 2021 (see Section 3.4.1 below);
- the decisions involving the retention of a portion of the shares vested to Mrs. Estelle Brachlianoff, as Chief Executive Officer from July 1, 2022, under the performance share plans of August 2, 2022 and May 3, 2023 (see Section 3.4.1 below).

3.2 Activities of the Board of Directors and its Committees

3.2.1 ACTIVITIES OF THE BOARD OF DIRECTORS

3.2.1.1 Corporate Governance principles and the AFEP-MEDEF Code

The Company applies a Corporate Governance Code in accordance with the provisions of the French Commercial Code and as part of the listing of its shares on the Euronext Paris regulated market.

The Company's Board of Directors confirmed that the Company follows the AFEP-MEDEF Corporate Governance Code of listed corporations (hereinafter the "AFEP-MEDEF Code") http://www.afep.com/publications/code-afep-medef/).

In accordance with the "comply or explain" rule introduced by the AFEP-MEDEF Code, the Company notes that no recommendations of this Code were disregarded in fiscal year 2023.

Veolia: winner of the 2023 Transparency Award in the Notice of Meeting brochures category

After winning the 2022 Transparency Award in the CAC Large 60 category, Veolia was recognized during the 14th edition of the Transparency Awards for the quality of its shareholders' meeting documentation, receiving the award for best Notice of meeting brochure and was also ranked in the Transparency 2023 Top 20 SBF 120 companies. This award recognizes the work of all the teams that contribute to preparing the regulated information and acknowledges the transparency efforts over several years.

For the last fourteen years, the Transparency Awards have measured and rewarded the information quality of French listed companies. The aim is to enable issuers to measure their performance annually and identify best market practices and establish them as true standards. An annual transparency study, certified by Bureau Veritas Certification, is conducted each year for all SBF 120 French companies. For each company, four financial and non-financial public information documents are audited according to 289 objective and public criteria: the universal registration document, the notice of general meeting, the ethics guide and the website. A scientific committee, comprising ten independent members from institutions representing information users, guarantees the neutrality of the study and the fairness of the ranking. This committee meets several times a year to define the new transparency criteria and validate the results according to a methodology based on four pillars: information accessibility, accuracy, comparability and availability.

Veolia: winner of the Sustainable Governance Award, at the 2023 edition of AGEFI's Sustainable Business & Finance Awards

The Sustainable Governance Award recognizes the best performing SBF 120 company with regards to sustainability, based on the core components of the Ethics & Boards Sustainable Governance scoring, which takes into account more than 80 corporate governance data points and indicators and their ESG materiality across 5 areas: (1) board activities (transparency and quality of data communicated on governance, independence and balance of power, activities of the board and commitment of members); (2) the composition and diversity of the board (gender diversity, international diversity, age diversity and structure, seniority); (3) the composition and activities of the committees (independence, activities, commitment); (4) the executive corporate officer compensation policy (short- and long-term variable compensation performance criteria and their ESG materiality); and (5) Engaged Governance actions and results.

3.2.1.2 Change in the composition of the Board of Directors

In accordance with the AFEP-MEDEF Code, Article 11 of the Company's Articles of Association provides for a four-year term of office for directors and the renewal of the offices of one quarter of Board members.

Changes in 2023

The Board of Directors' Meeting of March 14, 2023, duly noted that Mrs. Clara Gaymard and Mr. Louis Schweitzer did not seek the renewal of their terms of office as director, which expired at the end of the General Shareholders' Meeting of April 27, 2023.

The Combined General Meeting of April 27, 2023 renewed the term of office as director of Mrs. Maryse Aulagnon and appointed Mr. Olivier Andriès, Mrs. Véronique Bédague and Mr. Francisco Reynés as directors for a period of four years expiring at the end of the 2027 Ordinary General Meeting held to approve the financial statements for the year ending December 31, 2026.

Date	End of term of office	Renewal	Appointment
April 27, 2023	Clara Gaymard	Maryse Aulagnon	Olivier Andriès
	Louis Schweitzer		Véronique Bédague
			Francisco Reynés

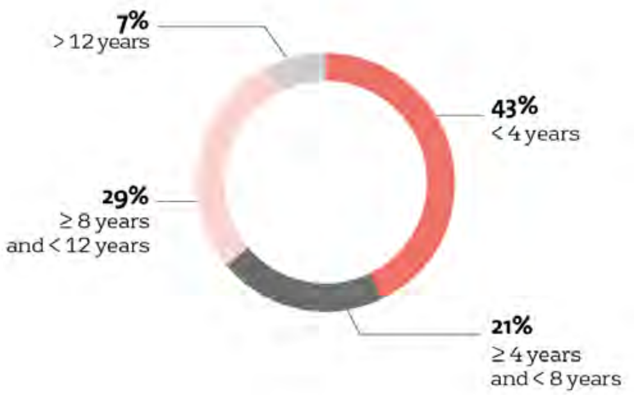
Planned changes in 2024 [1]

As part of the annual renewal of the Board of Directors, the Board of Directors' Meeting of March 12, 2024 formally noted the expiry of the terms of office of three directors at the end of the General Shareholders' Meeting of April 25, 2024 (Mrs. Isabelle Courville, Mrs. Nathalie Rachou and Mr. Guillaume Texier) and that Mrs. Nathalie Rachou did not wish to seek the renewal of her term of office at this meeting.

At the recommendation of the Nominations Committee, the Board of Directors' decided to recommend the renewal by the Combined General Meeting of April 25, 2024 of the terms of office as director of Mrs. Isabelle Courville and Mr. Guillaume Texier and the appointment as a director of Mrs. Julia Marton-Lefèvre for a period of four years expiring at the end of the 2028 Ordinary General Meeting held to approve the financial statements for the year ending December 31, 2027.

Following these proposed renewals and appointment, and subject to their approval by the General Shareholders' Meeting of April 25, 2024, the Board of Directors would have 14 members, including 2 Directors representing employees, 1 Director representing employee shareholders, 7 women (i.e. 54.5% [(2)(3)]) and 1 non-voting member (censeur).

Length of service of directors as of December 31, 2023



Diversity policy - Selection criteria for directors

In addition to increasing the number of female directors, the Board is striving to diversify the profiles of its members, of both French and non-French nationality, while ensuring the balanced representation of the Company's various stakeholders. As of the date of filing of this Universal Registration Document, the Board has four non-French directors (Mrs. Isabelle Courville, a Canadian citizen, Mrs. Agata Mazurek-Bąk, a Polish citizen, Mr. Pavel Pâsa, a Czech citizen and Mr. Francisco Reynés, a Spanish citizen), representing about 28% of total Board members.

Using the following skills matrix, the Nominations Committee advises the Board of Directors on the selection of candidates, where appropriate with the assistance of an independent external firm, for the purpose of renewing the composition of the Board of Directors primarily based on the following criteria:

- management skills acquired in major French and non-French international corporations;
- familiarity with the Group and its industry;
- professional experience;
- financial and accounting expertise;
- CSR, R&D and digital skills;
- sufficient availability;
- any specific expertise identified during the annual assessment of the Board of Directors' activities.

(1) *Subject to the approval of shareholders at the Combined General Meeting of April 25, 2024.*

(2) *In accordance with Articles L. 225-18-1 and L. 22-10-3 of the French Commercial Code and excluding (i) the Directors representing employees pursuant to Articles L. 225-27-1 and L. 22-10-7 of the French Commercial Code and (ii) the Director representing employee shareholders pursuant to Article L. 225-23 of the French Commercial Code.*

(3) *Excluding the Directors representing employees and the Director representing employee shareholders in accordance with the AFEP-MEDEF Code.*

	Experience in Veolia's businesses	International experience	Public affairs	Industry	R & D	Bank Finance	CSR	Digital
Antoine Frérot	●	●	●	●	●	●	●	
Estelle Brachlianoff	●	●	●	●	●	●	●	●
Maryse Aulagnon	●	●	●			●	●	●
Olivier Andriès		●	●	●	●	●		●
Véronique Bédague	●	●	●			●	●	●
Pierre-André de Chalendar	●	●	●	●	●	●	●	
Isabelle Courville	●	●	●	●	●	●	●	
Marion Guillou		●	●		●		●	
Franck Le Roux, *Director representing employees*	●						●	
Agata Mazurek-Bąk, *Director representing employee shareholders*	●					●	●	●
Pavel Páša, *Director representing employees*	●						●	
Nathalie Rachou		●	●			●		
Francisco Reynés	●	●	●	●		●		
Guillaume Texier	●	●	●	●	●	●	●	●
RATE PER CRITERION	**79%**	**79%**	**79%**	**50%**	**50%**	**79%**	**79%**	**43%**

Mr. Enric Xavier Amiguet i Rovira (non-voting member - *censeur*) has experience in Veolia's businesses and expertise in CSR. These skills are not included in the present skills matrix.

Training and integration of directors

At the request of the Board of Directors, the Company organizes training for new directors on the specific aspects of the Group's businesses to facilitate their integration, particularly through site visits. Moreover, to facilitate their integration, new Board members may meet the Group's key executive officers.

Thus, in the context of the integration of two Directors representing employees at the end of 2014, the Company organized in 2014 and 2015 an internal training session for them and enrolled them in an outside training program designed by the French Institute of Directors (IFA) and Sciences Po which led to the issue of a Corporate Director's Certificate. This training program was repeated in 2019 for Mr. Franck Le Roux. Following her appointment as a director representing employee shareholders on June 15, 2022, Mrs. Agata Mazurek-Bąk commenced a training program with the IFA.

In addition, since 2015, the Company has organized meetings between directors and economic and political leaders and director visits to Group operating sites, including exchanges with Group operating teams, notably in the Czech Republic, the United Kingdom, China, Hungary and the United States. These annual visits, which were interrupted during the health crisis, contribute to a better understanding of Veolia's businesses and their many challenges and particularly environmental and social (CSR) issues, in the different geographies.

The Company also regularly devotes an agenda item at Board of Directors' Meetings to the detailed presentation of one of its businesses and its environmental and social (CSR) challenges. Also interrupted during the health crisis, these presentations restarted in 2021, with in particular presentations on building energy efficiency, waste recycling and recovery and the climate through the work of the Research, Innovation and Sustainable Development Committee. Finally, in June 2023, the Company created a media for a three-year sustainable development training program for directors, entitled "The sustainable company". Comprising a 6 to 8-page document, the first edition of the Sustainable company focused on non-financial reporting, while the second edition, issued in October 2023, covered carbon neutrality.

3.2.1.3 Independence of directors

Director independence criteria

According to the internal regulations of the Board of Directors, regularly updated to incorporate legal and regulatory changes, members are considered independent if they have no relationship with the Company, its Group or its management that might compromise their ability to exercise their judgment objectively. The internal regulations adopt the Independent Director criteria set-out in the AFEP-MEDEF Code:

Criterion 1	**Employee or Executive Officer during the course of the previous five years** Not to be and not to have been during the course of the previous five years: • an employee or executive corporate officer of the Company; • an employee, executive corporate officer or director of a company consolidated by the Company; • an employee, executive corporate officer or director of the Company's parent company or a company consolidated by this parent company.
Criterion 2	**Cross directorships** Not to be an executive corporate officer of any company in which the Company directly or indirectly holds a directorship, or in which an employee appointed as such or an executive corporate officer of the Company (current or within the past five years) is a director.
Criterion 3	**Significant business relationships** Not to be a customer, supplier, investment banker, commercial banker or consultant: • that is significant to the Company or its Group; • or for which the Company or its Group represents a significant portion of its business. The evaluation of the significance or otherwise of the relationship with the Company or its Group is debated by the Board, and the quantitative and qualitative criteria that led to this evaluation (continuity, economic dependence, exclusivity, etc.) explicitly stated in the annual report.
Criterion 4	**Family ties** Not have any close family ties with a director or corporate officer.
Criterion 5	**Statutory Auditor** Not have been a Statutory Auditor of the Company within the past five years.
Criterion 6	**Directorship of more than 12 years** Not have been a director of the Company for more than twelve years. Loss of the status of Independent Director occurs on the date when this period of twelve years is reached.
Criterion 7	**Status of non-executive corporate officer** A non-executive officer cannot be considered independent if he or she receives variable compensation in cash or in the form of shares or any compensation linked to the performance of the Company or the Group.
Criterion 8	**Status of major shareholder** Directors representing major shareholders of the Company or its parent company may be considered independent, provided these shareholders do not take part in the control of the Company. In the case of directors holding 10% or more of the Company's share capital or voting rights, the Board, based on a report from the Nominations Committee, shall systematically consider whether or not they are independent, taking into account the composition of the Company's share capital and the existence of any potential conflicts of interest.

The criteria are assessed and weighted by the Board of Directors, which may decide that a director who does not meet the criteria defined in the internal regulations may nevertheless be described as independent in light of his/her particular situation or that of the Company, given its shareholding structure or any other reason, or vice versa.

The internal regulations also stipulate that each year, before publishing the Universal Registration Document, the Board of Directors must assess the independence of each of its members based on the criteria set out in the aforementioned regulations, any special circumstances, the situation of the person in question, of the Company and of the Group and the opinion of the Nominations Committee.

Assessment of the independence of directors

The Board of Directors' Meeting of March 12, 2024 carried out its annual review of the independence of directors after hearing the opinion of the Nominations Committee. The Board strictly applies the independence criteria set out in the AFEP-MEDEF Code and particularly the criterion concerning the length of time a director has been on the Board.

After conducting a quantitative and qualitative analysis of criterion 3 relating to significant business relationships, the Board concluded that there were no significant business relationships and classified the following 9 directors as independent (out of a total of 11 directors excluding the 2 Directors representing employees and the Director representing employee shareholders): Maryse Aulagnon, Olivier Andriès, Véronique Bédague, Pierre-André de Chalendar, Isabelle Courville, Marion Guillou, Nathalie Rachou, Francisco Reynés and Guillaume Texier.

Accordingly, as of the date of filing of this Universal Registration Document, the Company's Board of Directors therefore has 9 independent members out of a total of 11 Directors (the Directors representing employees and the Director representing employee shareholders are not taken into account when determining these percentages), representing a rate of 82%, above the AFEP-MEDEF Code recommendation[(4)].

The following table presents the compliance of each director with the independence criteria defined by the AFEP-MEDEF Code. The criteria corresponding to the numbers in the following table are presented on the preceding page in the section "Director independence criteria".

	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8	
	Employee or Executive Officer during the course of the previous five years	Cross directorships	Significant business relationships	Family ties	Statutory Auditor	Directorship of more than 12 years	Status of non-executive corporate officer	Status of major shareholder	Classification
Antoine Frérot		◆	◆	◆	◆		◆	N/A	Not indépendant
Estelle Brachlianoff		◆	◆	◆	◆	◆	N/A	N/A	Not independent
Maryse Aulagnon	◆	◆	◆	◆	◆	◆	N/A	N/A	**Independent**
Olivier Andriès	◆	◆	◆	◆	◆	◆	N/A	N/A	**Independent**
Véronique Bédague	◆	◆	◆	◆	◆	◆	N/A	N/A	**Independent**
Pierre-André de Chalendar	◆	◆	◆	◆	◆	◆	N/A	N/A	**Independent**
Isabelle Courville	◆	◆	◆	◆	◆	◆	N/A	N/A	**Independent**
Marion Guillou	◆	◆	◆	◆	◆	◆	N/A	N/A	**Independent**
Franck Le Roux, *Director representing employees*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Agata Mazureck-Bak, *Director representing employee shareholders*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pavel Páša, *Director representing employees*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Nathalie Rachou	◆	◆	◆	◆	◆	◆	N/A	N/A	**Independent**
Francisco Reynés	◆	◆	◆	◆	◆	◆	N/A	N/A	**Independent**
Guillaume Texier	◆	◆	◆	◆	◆	◆	N/A	N/A	**Independent**

◆ *Indicates compliance with the AFEP-MEDEF Code in relation to the independence criteria.*
N/A: Not applicable

At the end of the General Shareholders' Meeting:

(i) subject to approval of the renewal of the terms of office of Mrs. Isabelle Courville and Mr. Guillaume Texier proposed to the General Shareholders' Meeting of April 25, 2024,

(ii) considering Mrs. Nathalie Rachou's decision not to seek renewal of her term of office as Director and subject to the appointment of Mrs. Julia Marton-Lefèvre, independent Director, and

(iii) having regard to the fact, duly noted by the Board of Directors' Meetings of March 14, 2023 and March 12, 2024, that Mrs. Maryse Aulagnon will no longer be considered independent following the General Shareholders' Meeting of April 25, 2024, as she will have been a Director for more than 12 years,

the Board of Directors would have 8 independent Directors out of a total of 11 Directors (excluding the 2 Directors representing employees and the Director representing employee shareholders), representing a rate of 73%, above the AFEP-MEDEF Code recommendation [(5)].

(4) *Pursuant to Article 10.3 of the AFEP-MEDEF Code, "the Independent Directors should account for half the members of the Board in widely-held companies without controlling shareholders. In controlled companies, Independent Directors should account for at least one third of Board members. Directors representing employee shareholders and directors representing employees are not taken into account when determining these percentages."*

(5) *Pursuant to Article 10.3 of the AFEP-MEDEF Code, "the Independent Directors should account for half the members of the Board in widely held companies without controlling shareholders. In controlled companies, Independent Directors should account for at least one third of Board members. Directors representing employee shareholders and directors representing employees are not taken into account when determining these percentages".*

3.2.1.4 Powers and work of the Board of Directors

Powers of the Board of Directors

In accordance with the law, the Board of Directors establishes the policies concerning the Company's business and supervises their implementation. Subject to the powers expressly granted to General Shareholders' Meetings and within the limits of the corporate purpose, the Board of Directors has the authority to consider all matters concerning the proper operation of the Company and, by its deliberations, resolves matters that concern the Board.

In addition to the powers conferred on the Board of Directors by law, its internal regulations impose an internal requirement that certain major decisions of the Chief Executive Officer be submitted to the Board of Directors for prior approval. These internal limits on powers are detailed below (see Section 3.3.2 below).

Meeting frequency, duration and attendance

According to its internal regulations, the Company's Board of Directors must meet at least four times a year.

In 2023, the Board of Directors met nine times. Board meetings lasted an average of around two hours. In addition, on December 14 and 15, the Board members attended a seminar dedicated to the Group's strategy during which they reviewed and discussed strategic issues presented by management over two half-days. Based on expectations expressed during the annual assessment of the Board's activities and those collected from directors, this seminar focused on approving the 2024-2027 strategic program and primarily considered:

- the provisional assessment of the Impact 2023 program and the merger with Suez;
- the geopolitical, economic, political, financial, social, technological and competitive environment in which the 2024-2027 strategic program will be launched;
- a detailed study of the strategic program, including (i) its main lines by business and geography, including primarily energy, water technologies, hazardous waste and innovation, (ii) the financial overview of the program and the 2024 pre-budget, as well as (iii) the program's quantified objectives for the other multifaceted performance components and particularly the proposed acceleration of the Group's decarbonization trajectory.

The average attendance rate at Board meetings in 2023 was approximately **96%.** Electronic communication means were used seven times in 2023, unchanged on 2022.

Individual attendance rates are presented in Section 3.1.1.2 above.

Date of Board of Directors' meeting (Fiscal year 2023)	Planned Board meeting	Exceptionnal Board meeting
	Attendance rate	
March 1	100%	-
March 14	100%	-
April 25	-	92%
April 27	100%	-
May 3	100%	-
August 2	100%	-
October 10	-	93%
November 8	93%	-
November 29	-	93%
TOTAL	**99%**	**93%**

Work of the Board of Directors in 2023

In 2023, the Board of Directors examined the following points in particular:

Integration of Suez	• review of progress with the planned divestiture remedies required in particular by the UK and European competition authorities in respect of the Suez merger.
Group financial and cash positions and commitments	• review of the 2022 annual financial statements and the 2023 first-half financial statements; • accounting information for the first and third quarters of 2023; • corresponding draft financial communications, including the Impact 2023 strategic program; • renewal of the financial and legal authorizations granted in 2022 to the Chief Executive Officer, notably with regard to financing transactions and off-balance sheet commitments and authorization of the Group's significant guarantee transactions; • dividend policy, proposed appropriation of net income and payment of the dividend; • Group financing policy; • internal control self-assessment and review; • examination of the summaries and reports issued by its Chairwoman on the work of the Accounts and Audit Committee concerning notably the tax review, legal reporting, the Group's insurance programs and fraud reporting and review of the Company's cyber security including, in particular, the cyber risks mapping (see Section 3.2.2.1 below).
Monitoring of the Group's strategic direction and major transactions and CSR policy	• review of the 2023 budget and the long-term plan; • review of the program and action plan concerning the Group's compliance system with regard to the report of the Accounts and Audit Committee; • review of the risk mapping and the materiality matrix of CSR issues; • review of the Group's non-financial ratings and the extent of roll-out of its sustainable development commitments; • review of the Group's human resources policy and in particular the management policy for executives and talent, the diversity and gender equality policy in management bodies, employee relations and the health and safety prevention policy; • examination of the summaries and reports issued by its Chairwoman on the work of the Research, Innovation and Sustainable Development Committee (see Section 3.2.2.4 below); • review of Group investment and divestment projects; • review of the GreenUp 2024-2027 strategic program; • review of progress with the creation of the Ecological Transformation School ("Terra Academia").
Corporate governance	• assessment and monitoring of the Company's governance structure (separation of the duties of Chairman of the Board of Directors and Chief Executive Officer); • approval of the compensation policy and compensation of the Chairman of the Board of Directors, the Chief Executive Officer, and the Directors; • examination of an employee share ownership plan and a share grant plan; • review of the selection of directors when renewing the composition of the Board; • review of the Group's compliance and ethics actions; • assessment of the independence of directors; • review of the composition of Board committees; • assessment of the organization and activities of the Board and each of its committees; • review of succession plans for Executive Committee members and the executive corporate officer; • examination of indicators monitoring the implementation of Veolia's Purpose (multifaceted performance indicators); • examination of the summaries and reports issued by their Chairmen on the work of the Nominations Committee (see Section 3.2.2.2 below), Compensation Committee (see Section 3.2.2.3 below) and Purpose Committee (see Section 3.2.2.4 below); • review of compliance with the corporate duty of care and the vigilance plan, regarding the prevention of severe impacts on human rights and fundamental freedoms, on people's health and safety, and on the environment.
Other	• review of multi-year regulated agreements and commitments and related-party transactions and annual review of agreements in accordance with the everyday agreements procedure implemented pursuant to the PACTE law; • monitoring of changes in the Company's share ownership and report by Executive Management on the roadshows held following publication of the accounts.

In 2023, the Board of Directors was regularly informed of key commercial developments and the initiatives planned by Executive Management. The Board of Directors, mainly through the reports of the Accounts and Audit Committee, was periodically informed of changes in the Group's financial and cash position and off-balance sheet commitments, as well as changes in significant litigation. The Deputy Chief Executive Officer Finance, Digital and Purchasing, the Deputy Chief Executive Officer in charge of Stakeholders and Communication and Advisor to the Chairman and the General Counsel regularly attended Board meetings in 2023. The directors receive a monthly report on the Company's share price and a review of analysts' recommendations. Every six months, Executive Management provides the directors with detailed documentation regarding the Group's business activities, research and innovation initiatives, internal matters (appointments and social policy), corporate activities (initiatives with various institutions in France, Europe and abroad, and updates on regulatory changes) and CSR and sustainable development actions.

In line with the expectations expressed during the 2017 annual assessment of the Board's activities, the directors have met, since their May 3, 2017 meeting, in an executive session without the attendance of the Chairman and Chief Executive Officer up to June 30, 2022 inclusive and without the attendance of the Chief Executive Officer since July 1, 2022. During these sessions, the directors hold informal discussions on specific topics and current affairs.

A digital platform is available to directors for the performance of their duties since 2014. This "BoardVantage" platform can be accessed via an application on tablets provided by the Company to all Board members. The platform provides secure access to documents for Board of Directors' and Committee meetings.

Assessment of the Board of Directors and Executive Management actions

Once a year, the Board devotes one point on its agenda to an assessment of how it operates, to be prepared by the Nominations Committee, and arranges a discussion about the way in which it operates in order to:

- improve its effectiveness;
- check that major issues are suitably prepared and discussed by the Board; and
- measure the effective contribution of each member to the Board's work.

Furthermore, the Board's internal regulations provide that a formal assessment be performed every three years by an external organization under the supervision of the Nominations Committee, with the aim of checking that the operating principles of the Board have been complied with and identifying possible improvements in its operation and effectiveness. Each year, the Nominations Committee produces an annual report for the Board of Directors, which the directors discuss, assessing how the Chairman and directors have performed, as well as the actions taken by Executive Management [6].

Each year, the Chairman of the Nominations Committee reports to the Board of Directors' Meeting on the results of **the assessment of the Board's activities**, its Committees and Executive Management action, conducted, every three years, with the assistance of an independent external firm and using a questionnaire sent to each director, completed by individual interviews.

[6] *In accordance with Article 10.3 of the AFEP-MEDEF Code, "a formal assessment must be performed at least every three years. It may be conducted under the leadership of the appointments or nominations committee or an independent director, with the assistance of an external consultant."*

Main conclusions of the assessments presented during Board Meetings between 2022 and 2024

It was generally considered each year that the conditions surrounding the Board's work clearly support the finalization of its operating conclusions.

Date of Board	Strengths	Improvements desired by directors
April 5, 2022	• highly satisfactory adaptation of the Board's activities to the consequences of the health crisis; • good momentum and strong cohesion within the Board, particularly with regard to the Suez merger; • satisfactory composition of the Board in terms of the number of women and the independence of members; • overall satisfactory composition of the Board committees; • quality of presentations made by the Chairman and Chief Executive Officer to the Board and particularly those communicated during the strategic seminar; • good involvement of the Board in the key decisions taken by Executive Management; • transparent and seamless discussions between directors; • quality of the process implemented for the Chairman and Chief Executive Officer succession.	• improve the international diversity of the Board's composition; • increase the number of directors with international experience, executive management experience in global companies and sustainable development experience; • strengthen the Accounts and Audit Committee with a new member; • spend more time on climate issues, ecological transition and innovation.
March 14, 2023	• quality of information provided on the integration of Suez into Veolia; • satisfactory composition of the Board in terms of the number of women and the independence of members; • good momentum and cohesion within the Board of Directors: the transition associated with the separation of duties went perfectly well thanks to its remarkable preparation; • quality of presentations made by the Chief Executive Officer to the Board and particularly those at the strategic seminar; • good involvement of the Board in the key decisions taken by Executive Management; • transparent and seamless discussions between directors and Executive Management particularly concerning Suez's integration into Veolia; • quality of the preparation of successions and in particular the Chief Executive Officer succession; • quality of the Chairman of the Board of Directors' leadership.	• improve international diversity and climate expertise in the Board's composition; • systematically reviewing decisions after they have been made; • spend more time on Human Resource issues.
March 12, 2024 (formal assessment)	• satisfactory composition of the Board in terms of the number of women and the independence of members and in terms of the distribution of expertise, knowledge of Veolia's business and experience; • good Board culture: the Directors recognize that the Board operates as a team, with respect and freedom of expression; • satisfactory composition of the Committees: the Directors commend their efficiency and relevance; • satisfactory control of key processes (succession strategy, risk management); • successful transition tied to the separation of duties: the leadership of the Chairman of the Board, his knowledge of the Group and its customers, as well as his commitment and relationship with the Chief Executive Officer are assets for the Group.	• strengthen "financial markets - equity story" expertise on the Board to improve understanding of Veolia's stock market potential, as assessed by investors; • initiate, as of 2025, consideration of the succession of the Chairman of the Board whose term of office as director expires at the end of the 2026 General Shareholders' Meeting; • clarify the respective roles of the Accounts and Audit Committee, the Compensation Committee and the Purpose Committee with respect to multifaceted performance.

Role of the non-voting member (*censeur*)

The duties of non-voting members (*censeurs*) in public limited companies are not recognized by law. Within Veolia Environnement, the Board of Directors may appoint one or more non-voting members (censeurs) pursuant to Article 18 of the Articles of Association. Pursuant to the Articles of Association, the Board of Directors sets the duration of their term of office, which they may terminate at any time.

The role of a non-voting member (*censeur*) is to attend the Board of Directors' Meetings in an advisory capacity, and the Board may freely ask their opinion. In addition, this position also offers a way to integrate one or more director candidates before proposing their appointment to a General Shareholders' Meeting. This technique was adopted with Mrs. Isabelle Courville, who performed these duties prior to her appointment as a director by the General Shareholders' Meeting of April 21, 2016.

At the recommendation of the Nominations Committee, the Board of Directors' Meeting of April 5, 2022 decided to appoint Mr. Enric Amiguet i Rovira, a former director representing employees on the Suez Board of Directors, as a non-voting member (*censeur*). This appointment is for a period of three and a half years.

3.2.1.5 Role of the Chairman of the Board of Directors

The internal regulations of the Board set out the role of the Chairman of the Board of Directors.

The Chairman of the Board of Directors organizes and directs the work of the Board, on which he reports to General Shareholders' Meetings. He is responsible for preparing reports on the organization of the Board's work, internal control and risk management. He chairs General Shareholders' Meetings.

More generally, the Chairman of the Board of Directors ensures the proper operation of the Company's corporate bodies and compliance with good governance principles and practices, in particular regarding the Board Committees. He ensures that the directors are capable of performing their duties and that they are adequately informed. He devotes the time necessary to questions concerning the Group's future and, in particular, those relating to the Group's strategy.

The Chairman of the Board chairs Board meetings and prepares and coordinates the Board's work.

In this regard, in particular, he:

- convenes Board meetings in accordance with the timetable of meetings agreed upon with the directors and decides if it is necessary to convene Board meetings at any other time;
- prepares the agenda for meetings, supervises the preparation of documentation to be provided to the directors and ensures that the information contained in them is complete;
- ensures that certain subjects are discussed by the Committees in preparation for Board meetings and ensures that the Committees perform their duty of making recommendations to the Board;
- leads and directs the Board's discussions;
- ensures that directors comply with the provisions of the internal regulations of the Board and of the Committees;
- monitors the implementation of the Board's decisions;
- prepares and organizes the periodic assessment of the Board's activities in conjunction with the Nominations and Compensation Committees;
- chairs, since July 1, 2022, the sessions bringing together members of the Board without the attendance of the Chief Executive Officer (executive sessions), as well as discussions assessing the performance and setting the objectives and compensation of the Chief Executive Officer and potentially renewing her appointment; In 2023, the Chairman chaired, at the end of most Board meetings, six executive sessions attended by the Chief Executive Officer and six executive sessions not attended by the Chief Executive Officer (out of a total of nine Board meetings);
- may attend or be a member of any Board Committee.

In accordance with the internal regulations, the directors are required to promptly inform the Chairman and the Board of all conflicts of interest, even if only potential, and of all proposed agreements that may be entered into by the Company in which they may have a direct or indirect interest.

The Chairman has all the means required for the performance of his duties.

3.2.1.6 Role of the Chief Executive Officer

The Chief Executive Officer:

- has the widest powers to act in all circumstances in the Company's name;
- acts within the limits of the corporate purposes and within the limits of the internal regulations of the Board of Directors (see Section 3.2.2.2 below) .

3.2.1.7 Vice-Chairman/Senior Independent Director

Appointment of a Vice-Chairman/Senior Independent Director

From December 1, 2017, in order to strictly apply the AFEP-MEDEF Code independence criteria and at the recommendation of the Nominations Committee, the **Board of Directors**, at its meeting of November 6, 2017, **appointed Mrs. Maryse Aulagnon, Independent Director, as Senior Independent Director, to replace Mr. Louis Schweitzer, who continues to exercise the duties of Vice-Chairman for his term of office as director**, renewed at the General Shareholders' Meetings of April 22, 2015 and April 18, 2019.

Mrs. Maryse Aulagnon, for the term of her office as director, which was renewed by the Shareholders' Meeting of April 18, 2019 and of her appointment as Senior Independent Director as determined by the Board, is responsible for performing duties relating to the smooth running of the Company's governance bodies.

The duties of the Vice-Chairman and the Senior Independent Director are presented in the internal regulations.

Role of the Vice-Chairman

The Vice-Chairman of the Board of Directors or Senior Independent Director chairs the meetings of the Board and organizes and directs its work when the Chairman is absent or unable to do so.

The Vice-Chairman of the Board or the Senior Independent Director chairs all executive sessions, including the annual executive session, bringing together members of the Board without the attendance of the Chairman and the Chief Executive Officer to assess the operation of the governance method segregating these duties.

In addition to one executive session mainly focusing on the Company's governance and potential changes in the Board's composition, these executive sessions notably allow the directors to express their comments and wishes and discuss improvements to the Board's activities. During the annual assessment of the activities of the Board and its Committees, directors considered these executive sessions to be essential to the proper functioning of the Board.

As Mr. Louis Schweitzer did not request the renewal of his term of office as director, his duties as Vice-Chairman, consisting in particular of chairing the Board if the Chairman in unable to do so, ended as of the General Shareholders' Meeting of April 27, 2023, and were assumed by the Senior Independent Director, Mrs. Maryse Aulagnon, until the General Shareholders' Meeting of April 24, 2024, when her status as an independent director will end.

Role of the Senior Independent Director

The Senior Independent Director's duties include:

- helping the Chairman ensure that the Company's governance bodies are running smoothly. The Board can task him with specific governance assignments;
- considering conflicts of interest that may arise within the Board of Directors. He examines, in particular, conflicts of interest, including potential conflicts of interest that may concern the Chairman of the Board with regard to the interests of the Company, whether they arise in connection with operational projects, strategic policies or specific agreements. He submits recommendations to the Chairman and the Board, after any necessary consultation with the other Independent Directors;
- obtaining an understanding of the concerns of major shareholders not represented on the Board regarding governance matters and ensuring that such concerns are addressed;
- adding points to the agenda of Board meetings;
- assisting the Nominations Committee with its assessment of the performance of the Chairman of the Board as part of the assessment of the Board's activities in accordance with its internal regulations.

In January 2024, as in previous years and since the end of 2016, the Senior Independent Director held a series of annual meetings, in Paris, face-to-face and by video-conference, with proxy advisors and the governance departments of certain major investors. These meetings enabled the Senior Independent Director to identify the expectations of these advisors and investors, to discuss with them a range of issues concerning governance and the compensation policy and report back to the Board of Directors' Meeting of March 12, 2024.

At the recommendation of the Nominations Committee, the Board of Directors' meeting of March 12, 2024 decided to appoint, at the end of the General Shareholders' Meeting of April 25, 2024, Mr. Pierre-André de Chalendar as the Senior Independent Director to replace Mrs. Maryse Aulagnon, who, while remaining a director, will no longer be considered independent. In addition to his duties as Senior Independent Director, Mr. Pierre-André de Chalendar will chair the Board of Directors when the Chairman is absent or unable to do so.

3.2.1.8 Securities trading by corporate officers

Reporting obligations and ban on securities trading

According to the Board's internal regulations, each director and non-voting member (*censeur*) must report all transactions in the Company's securities to the AMF (the French Financial Markets Authority) and to the Company and comply, in particular, with the provisions of Article L. 621-18-2 of the French Monetary and Financial Code and Section 5 of the AMF's general regulations (a table detailing transactions in Veolia Environnement securities carried out by directors in 2023 is presented in Section 3.5.1 below). The members of the Board of Directors and Company executives or key senior management, or any person with close ties to them, shall report all acquisitions, sales, subscriptions or trades in the Company's securities and financial instruments to the AMF, within three working days of completion.

In addition, directors and executive corporate officers are also subject to French regulations on breach of duty and insider trading, which penalize the use or disclosure of insider information. In accordance with Regulation (EU) no. 596/2014 and Commission Implementing Regulation (EU) 2016/347 of March 10, 2016, the Company prepares and updates a list of insiders, which is made available to the AMF.

The Company's directors and executive corporate officers are required to comply with the provisions of the Company's Code of conduct with respect to securities transactions (see Chapter 4, Section 4.6.5.4 below). In that respect, the members of the Board of Directors and of the Executive Committee in particular, may not buy or sell the Company's securities, directly or through a third-party intermediary, during certain periods: during the five-week period up to and including the date of publication of the annual financial statements, the four-week period up to and including the publication of the interim financial statements, and the two-week period up to and including the date of publication of quarterly financial information, or even outside of those periods so long as they possess inside information. In order to prevent any difficulties relating to the application of the Code of conduct, the individuals in question should consult with the Group's Legal Department or the General Counsel and refer, where appropriate, to the decisions of the Inside Information Committee, whose role is to determine the classification of any event or information that could potentially be classified as inside information (see Section 4.6.2.2 below).

Obligation to hold shares and ban on hedging transactions applicable to executive corporate officers and members of the Executive Committee

Pursuant to the AFEP-MEDEF Code (see Article 24), which requires the Board of Directors to set a minimum quantity of shares to be held by executive corporate officers in registered form until the termination of their duties, and the provisions of Article L. 225-197-1 II, paragraph 4, of the French Commercial Code applicable in the event of performance share grants to executive corporate officers, the Board of Directors decided, at the recommendation of the Compensation Committee, from the implementation of the 2018 performance share plan, to apply a policy requiring the executive corporate officer and members of the Company's Executive Committee to hold performance shares granted and vested. This policy is constant and intended to be applied unchanged to the proposed 2024 performance share plan (subject to the approval of the 25th resolution by the General Shareholders' Meeting of April 25, 2024). It is recalled that the shareholding obligations applicable to performance share plans are as follows:

- for the executive corporate officer, obligation to hold, until the end of her duties, 40% of total performance shares granted under this plan, net of applicable taxes and social security contributions, until an overall shareholding corresponding to 200% of her gross fixed compensation is ultimately reached,
- for members of the Company's Executive Committee, obligation to hold, until the end of their duties on the Executive Committee, 25% of total performance shares granted under this plan, net of applicable taxes and social security contributions, until an overall shareholding corresponding to 100% of their gross fixed annual compensation is ultimately reached.

In accordance notably with the AFEP-MEDEF Code to which the Company refers, the executive corporate officer and Executive Committee members receiving shares may not enter into risk hedging transactions until the end of the share retention period set by the Board of Directors.

3.2.1.9 Other information on the operation of the Board

This section summarizes mainly the corresponding sections of the Board of Directors' internal regulations.

Rights and obligations of directors

According to the Board's internal regulations, its members are subject to the following obligations:

- to act in the Company's best interests;
- to inform the Board of any conflict of interest, even potential, and to abstain from voting on any decisions in which they may have a conflict of interest;
- to perform their duties in accordance with statutory provisions, notably those concerning limits on the number of offices, and to regularly attend Board and Committee meetings;
- to stay informed in order to be able to deal effectively with the agenda items;
- to consider themselves bound by professional secrecy and by a duty of loyalty;
- to comply with the Company's Code of conduct with respect to securities transactions;
- to promptly report to the Chairman of the Board any agreement signed by the Company in which they have a direct or indirect interest or which was concluded through an intermediary on their behalf.

Information provided to directors

The Chairman provides directors, in a timely manner, with the necessary information for them to fully perform their duties. In addition, the Chairman provides the members of the Board with all significant information concerning the Company on an ongoing basis. Each director receives and has the right to request all necessary information to perform his/her duties, and may also request additional training concerning specific aspects of the Company and the Group.

In order to fulfill their duties, the directors may meet with the key management personnel of the Company and Group, subject to giving prior notice to the Chairman of the Board.

At the request of the Chairman or of a director, the heads of the Group's divisions may be invited to any Board meeting devoted to the outlook and strategy for their business sector.

Meeting attendance by electronic means of communication

Directors may participate in Board discussions by videoconference or other electronic means of communication, in the manner and on the terms set out in Articles L. 225-37 and R. 225-21 of the French Commercial Code and as provided for by the internal regulations of the Board of Directors. In such case, directors are deemed to be present for the purpose of calculating quorum and majority, except with regard to the vote on certain major decisions as provided by law and by the Board's internal regulations (in particular, the approval of the annual financial statements and the preparation of the management report and the consolidated financial statements).

Charter and procedure for assessing everyday agreements entered into at arm's length

Pursuant to the provisions of Article L. 22-10-12 of the French Commercial Code, the Board of Directors' Meeting of February 26, 2020 implemented a procedure to assess agreements concerning everyday transactions entered into at arm's length in order to identify any potential regulated agreements requiring prior authorization by the Board. This procedure (known as the "internal charter") (i) clarifies the concept of "everyday agreement entered into at arm's length" by referring notably to the study produced by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*, CNCC) in 2014; (ii) provides for the set-up of an internal assessment committee comprising representatives of the Company's Legal and Finance Departments, charged with collecting and analyzing the agreements that may enter into the scope of the regulation in order to issue an opinion and determine their classification and (iii) indicates that a report will be submitted to the Board (or one of its Committees) annually on the implementation of this procedure; the Board (or the appointed Committee) may, where applicable, instruct any internal or external audit measures and/or update the internal charter if necessary.

3.2.2 COMPOSITION AND ACTIVITIES OF THE BOARD COMMITTEES

The Company's Board of Directors is assisted by:

- an Accounts and Audit Committee;
- a Nominations Committee;
- a Compensation Committee;
- a Research, Innovation and Sustainable Development Committee;
- a Purpose Committee.

3.2.2.1 Accounts and Audit Committee

Members and activities

	Independence	Position	First appointment	Attendance rate	Number of meetings 2023
Nathalie Rachou	◆	Chairman	12/01/2017	100 %	6
Olivier Andriès	◆	Member	04/27/2023	100 %	
Véronique Bédague*	◆	Member	04/27/2023	80%	
Franck Le Roux**	N/A	Member	11/06/2018	100 %	
Agata Mazurek-Bąk**	N/A	Member	08/02/2022	100 %	
Guillaume Texier	◆	Member	04/18/2019	100 %	
INDEPENDENCE RATE	100 %				

Due to commitments made prior to her appointment, Mrs. Véronique Bédague attended four of the five meetings held since her appointment..
***Director representing employees and Director representing employee shareholders, not taken into account when calculating independence percentages pursuant to Article 10.3 of the AFEP-MEDEF Code.*
◆ *Independent pursuant to AFEP-MEDEF Code independence criteria, as assessed by the Board of Directors.*
N/A: not applicable

The Accounts and Audit Committee meets at the initiative of its Chairwoman or at the request of the Chairman of the Board of Directors at least five times a year to review the periodic and annual financial statements before their submission to the Board of Directors and periodically assesses its own work. The Accounts and Audit Committee has between three and six members appointed by the Board of Directors from among the directors (excluding those in management positions) on the basis of recommendations made by the Nominations Committee. The Committee's Chairman is appointed by the Board.

According to the internal regulations of the Accounts and Audit Committee, its members are selected for their financial or accounting expertise, and at least one Committee member must have specific financial or accounting expertise and be independent according to the criteria specified in the Board of Directors' internal regulations. The Board considered that the majority of Accounts and Audit Committee members had the required financial expertise and experience, particularly with regard to risk management.

Changes in 2023

Date	End of term	Renewal	Appointment
April 27, 2023	Isabelle Courville		Olivier Andriès
			Véronique Bédague

Planned changes in 2024

The Board of Directors' Meeting of March 12, 2024 duly noted that Mrs. Nathalie Rachou did not seek the renewal of her term of office as director at the end of the General Shareholders' Meeting of April 25, 2024. Accordingly, it decided to appoint Mr. Guillaume Texier as Chairman of the Accounts and Audit Committee to replace Mrs. Nathalie Rachou, subject to the renewal of his term of office as director by the General Shareholders' Meeting of April 25, 2024.

No further changes are currently envisaged.

Duties of the Committee

The duties of the Accounts and Audit Committee, according to its internal regulations adopted by the Board, include the tasks assigned by the regulations governing the internal control of financial and accounting information stipulated by the Order of December 8, 2008 enacting into French law the Eighth Directive on the Statutory Audit of Accounts (Directive 2006/43/EC) and the AMF recommendations.

In general, the Accounts and Audit Committee is responsible for monitoring matters concerning the preparation and control of accounting and financial information and, in particular, for monitoring:

(i) the integrity of the Group's financial statements and the process for preparing financial information;

(ii) the effectiveness of internal control systems concerning financial and accounting information and the Group's management system for risks expressed in the accounting statements or identified by Executive Management that may affect the financial statements;

(iii) the Group's compliance with statutory and regulatory requirements where these are relevant to financial reporting or internal control;

(iv) the assessment of the Statutory Auditors' capabilities and independence; and

(v) the performance by the Group's Internal Audit Department and the Statutory Auditors of their duties with respect to auditing the parent company and consolidated financial statements.

In this regard, the Committee monitors more particularly the following activities:

- **process of preparing accounting and financial information:**
  - (i) together with the Statutory Auditors, reviewing the relevance and consistency of the accounting methods used to prepare the parent company and consolidated financial statements, examining whether major transactions are adequately processed on a Group-wide level,
  - (ii) reviewing the scope of the consolidated companies and the procedures for collecting financial and accounting information and seeking the explanations and comments of the Statutory Auditors in this respect, where necessary,
  - (iii) giving an opinion on the draft interim and annual parent company and consolidated financial statements prepared by Executive Management before those statements are presented to the Board,
  - (iv) interviewing the Statutory Auditors, the members of Executive Management and financial officers, particularly on the off-balance sheet commitments, depreciation/amortization, provisions, goodwill and principles of consolidation; such interviews may be conducted without the attendance of the Company's Executive Management, and
  - (v) acquainting itself with, and expressing an opinion on the process of preparing press releases on the publication of the annual or interim financial statements and the quarterly information; and in the context of the Board's examination of the press releases concerning, in particular, the annual and interim financial statements, making sure that the presentation of this financial information to the market is consistent with the information in the financial statements, according to the information in its possession;
- **internal audit:**
  - (i) acquainting itself with the Company's Audit Charter,
  - (ii) examining the Group's annual internal audit program on a yearly basis,
  - (iii) periodically receiving information from the Company with regard to progress with the audit program and self-assessment of the internal control and risk management system, summaries of the audit assignments carried out and, once a year, an overall analysis of the main lessons learned from the auditing year, and
  - (iv) interviewing the head of the Internal Audit Department and giving the Committee's opinion on the organization of the work of this department;
- **effectiveness of internal control and risk management systems, particularly in the context of Article L. 823-19 of the French Commercial Code:**
- concerning the monitoring of the effectiveness of internal control systems:
  - (i) periodically receiving information from the Company about the organization and procedures of internal control relating to financial and accounting information,
  - (ii) interviewing the head of internal control and giving the Committee's opinion on the organization of the work of this department, and
  - (iii) hearing an annual report from the Ethics Committee on the whistle blowing system available to employees with respect to accounting, finance, management control and audit and all ethics issues; having significant matters referred to it by the Ethics Committee in such fields and ensuring the follow-up of those cases with this Committee,
- **concerning the monitoring of the effectiveness of the management system for risks expressed in the accounting statements or identified by Executive Management that may have an impact on the financial statements, financial reporting and, where appropriate, non-financial reporting:**
  - (i) periodically examining the mapping of the main risks identified by Executive Management that may impact the financial statements, including notably risks of an ethical and non-compliance nature,
  - (ii) acquainting themselves with the main characteristics of the procedures for managing those risks and their results, based in particular on the work of the Risk, Insurance and Internal Control Coordination Department, the Compliance Department, the Internal Audit Department and the Statutory Auditors in relation to internal control procedures, and
  - (iii) following up on the implementation of corrective actions in relation to any identified weaknesses that might have an impact on the financial statements;
- **Statutory Auditors:**
  - (i) reviewing the Statutory Auditors' planned work on an annual basis,
  - (ii) interviewing the Statutory Auditors and the executives in charge of finance, accounting and treasury, in certain cases without the attendance of members of the Company's Executive Management,
  - (iii) supervising and making recommendations in respect of the Statutory Auditor selection process,
  - (iv) expressing its opinion on the amount of Statutory Auditor fees,
  - (v) giving its prior approval to auditors' activities that are strictly ancillary or directly complementary to the audit of the financial statements, and
  - (vi) being informed of the fees that the Company and the Group pay to the audit firm and its network, ensuring that the amount of these payments or the share of these payments in the firm's and the network's revenue does not call into question the independence of the Statutory Auditors, and reviewing together with the Statutory Auditors the risks threatening their independence and the precautionary measures taken to reduce such risks.

Activities in 2023

The Accounts and Audit Committee organized its activities, as before, within the framework of a program drawn up for the year and approved by the Committee. Minutes are taken of the meetings and the Committee Chairman produces a report for the Board of Directors.

The Committee may interview persons outside the Company if it deems such interviews useful for the performance of its duties. In addition, the Committee may consult outside experts. It may also interview the Company's financial officers or the Statutory Auditors without the attendance of the Chief Executive Officer. During the past year, the Chairwoman of the Accounts and Audit Committee and/or the Committee members interviewed and met: the Chief Executive Officer, the Deputy Chief Executive Officer Finance, Digital and Purchasing, the General Counsel and secretary of the Committee, the Legal Director, the Group Audit Director, the Group Risk, Insurance and Internal Control Coordination Director, the Compliance Officer, the Information Systems Director, the Tax Director, the Chairman of the Ethics Committee, the Financing and Treasury Director, and the Company's Statutory Auditors.

In 2023, the Accounts and Audit Committee considered, in particular, the following issues:

Integration of Suez	• review of progress with the planned divestiture remedies required in particular by the UK and European competition authorities in respect of the Suez merger; • review of the Purchase Price Allocation.
Process of preparing accounting and financial information	• review of the main accounting options, the annual and interim half-year financial statements and the associated business reports; • review of impairment tests; • familiarization with financial information and business reports for the first and third quarters of 2023; • review of draft financial communications.
Internal audit	• examination of summaries of internal audits conducted in 2022 and the first half of 2023, and approval of the internal audit program for 2024; • review of the external auditors' report on the Group's savings program.
Effectiveness of internal control and risk management systems	• review of at-risk contracts and the main tax risks to which the Company is exposed; • review of the implementation of the tax policy; • familiarization with the summary of the internal control self-assessment for fiscal year 2022 and the Statutory Auditors' opinion; • review of reports on fraud and action plans, as well as the report on the activities of the Ethics Committee; • review of the risk management system including the risk mapping, the risk materiality matrix (including CSR issues) and the Group's insurance program; • examination of the Company's cybersecurity, including its place in Group policy, its organization, the cyber risk mapping and related actions plans and training programs; • review of the program and action plan for the Group's compliance system and the Compliance Department's report on its work.
Statutory Auditor	• review of the Statutory Auditors' assignments for 2023; • review of the Statutory Auditors' fee budget for 2023, non-audit services (NAS) and the distribution of assignments between the joint auditors, as well as of their independence, how they organized their tasks and their recommendations; • supervision of the process and conditions for the renewal of the offices of the Statutory Auditors on their expiry.
Other	• examination of the process of integrating companies acquired by the Group other than Suez and its subsidiaries; • familiarization with the planned divestitures and acquisitions and progress with Group restructuring transactions; • review with Company management of the following key processes contributing to its duties: the financial policy and planned financing transactions, changes in internal control, investment and divestment procedures and processes, the legal reporting of major disputes; • review of the refinancing of the Group's syndicated loan facilities.

The Committee's work is assessed annually as part of the annual assessment of the Board and its Committee.

3.2.2.2 Nominations Committee

Members and activities

	Independence	Position	First appointment	Attendance rate	Number of meeting in 2023
Pierre-André de Chalendar	◆	Chairman	04/22/2021	100%	6
Maryse Aulagnon, Vice-Chairwoman and Senior Independent Director	◆	Member	03/25/2014	100%	
Isabelle Courville	◆	Member	11/06/2018	100%	
Antoine Frérot		Member	07/01/2022	100%	
INDEPENDENCE RATE	75%				

◆ *Independent pursuant to AFEP- MEDEF Code independence criteria, as assessed by the Board of Directors.*
N/A: not applicable.

In accordance with its internal regulations, the Nominations Committee is comprised of three to six members, who are appointed by the Board of Directors at the recommendation of the Nominations Committee. The Committee members are selected from among the directors who do not hold management positions. The Chairman of the Committee is appointed by the Board of Directors at the recommendation of the Committee.

Changes in 2023

Date	End of term	Renewal	Appointment
April 27, 2023	Louis Schweitzer	Maryse Aulagnon	

Planned changes in 2024

No changes are currently envisaged, subject to the renewal of the term of office as director of Mrs. Isabelle Courville by the General Shareholders' Meeting of April 25, 2024.

Duties of the Committee

The duties of this Committee are as follows:

- **nominations**: the Committee is charged with making recommendations regarding the future composition of the Company's management bodies and, more importantly, it is responsible for selecting the Company's corporate officers and developing a succession plan; it also recommends the appointment of directors and of the members, as well as the Chairman of each Board Committee, striving to ensure diversity in experience and points of view, while making certain that the Board of Directors retains the necessary objectivity and independence vis-à-vis any specific shareholder or group of shareholders. The Committee gives its opinion on the succession plan for the Company's key managers who are not corporate officers of the Company. The Committee strives to ensure that Independent Directors account for at least:

(i) the majority of directors,

(ii) two-thirds of the members of the Accounts and Audit Committee,

(iii) the majority of members of the Compensation Committee, and

(iv) the majority of members of the Nominations Committee.

  Each year, the Nominations Committee conducts a case-by-case assessment of each director with regard to the independence criteria set forth in the internal regulations of the Board of Directors and makes proposals to the Board of Directors for the Board's review of the position of each director in question;

- **assessment**: the Nominations Committee assists the Board in its periodic assessments. It prepares the Board's annual assessment of its organization and operation, and leads the formal assessment of the Board that is carried out every three years by an outside organization. Each year, the Committee provides the Board of Directors with a report assessing the performances of the Chairman and of the directors, as well as the actions of Executive Management.

Activities in 2023

In 2023, the work of the Nominations Committee focused on preparing proposals and recommendations for the Board of Directors on the following matters, in particular:

Appointment	• changes in and a review of the composition of the Board and its Committees: the Committee worked on the selection of a new director to replace a director at the end of her term of office .
Assessment	• assessment procedures and report on the activities of the Board and its Committees; • review of the actions of the Chairman of the Board of Directors and the Chief Executive Officer; • review of the independence of directors.
Succession	• succession plan for key managers.

In addition to the Chairman of the Board of Directors, the Chief Executive Officer, acting as a Director, participates in the activities of the Committee with regard to the succession plan for key managers.

3.2.2.3 Compensation Committee

Members and activities

	Independence	Position	First appointment	Attendance rate	Number of meeting in 2023
Maryse Aulagnon, Vice-Chairwoman and Senior Independent Director	◆	Chairman	12/01/2017	100 %	3
Olivier Andriès	◆	Member	04/27/2023	100%	
Pierre-André de Chalendar	◆	Member	04/27/2023	100 %	
Marion Guillou	◆	Member	11/05/2014	100 %	
Franck Le Roux*	N/A	Member	11/06/2018	100 %	
INDEPENDENCE RATE	100%				

**Director representing employees, not taken into account when calculating independence percentages pursuant to Article 10.3 of the AFEP-MEDEF Code.*
◆Independent pursuant to AFEP- MEDEF Code independence criteria, as assessed by the Board of Directors.
N/A: not applicable.

In accordance with its internal regulations, the Compensation Committee has between three and six members, who are appointed by the Board of Directors at the recommendation of the Compensation Committee. The Committee members are selected from among the directors who do not hold management positions. The Chairman of the Committee is appointed by the Board of Directors at the recommendation of the Committee.

Changes in 2023

Date	End of term	Renewal	Appointment
April 27, 2023	Louis Schweitzer	Maryse Aulagnon	Olivier Andriès
			Pierre-André de Chalendar

Planned changes in 2024

In view of the loss of Mrs. Maryse Aulagnon's independence status from the General Shareholders' Meeting of April 25, 2024, the Board of Directors' meeting of March 12, 2024 decided to appoint Mr. Olivier Andriès as Chairman of the Compensation Committee to replace Mrs. Maryse Aulagnon, who remains a member of the Committee.

Duties of the Committee

The duties of this Committee are as follows:

- **to study and make proposals regarding the overall compensation of the Company's executive corporate officers**, in particular with regard to the rules and criteria governing the variable portion of compensation consistent with the annual assessment of their performance and the medium-term strategy and performance of the Company and the Group, and with regard to the granting of in-kind benefits, share subscription or purchase options and the allocation of free shares, pension plans, termination compensation and any other benefits, ensuring that all such components are taken into account in assessing and setting their overall compensation;
- **to recommend to the Board of Directors a total compensation amount** for allocation to directors, as well as the rules for its distribution;
- to present its opinion to the Board of Directors on the general policy and terms and conditions for granting share purchase or subscription options and free shares and the setting-up of employee share ownership plans, as well as Company or Group employee profit-sharing measures;
- to make proposals to the Board concerning the granting of stock options and, if applicable, free shares to the Company's corporate officers, as well as with respect to the performance conditions applicable thereto;
- to make proposals to the Board concerning the obligation for the Company's executive corporate officers to hold shares obtained by exercising share purchase and subscription options or, if applicable, as a result of free share grants;
- to present its opinion on the compensation policy for key managers of the Company or of other companies in the Group who are not corporate officers.

As part of its duties, the Compensation Committee may request external technical studies. In this respect, it may notably seek the advice of companies specializing in executive compensation.

Activities in 2023

In 2023, the work of the Compensation Committee focused on preparing proposals and recommendations for the Board of Directors on the following matters, in particular:

Compensation of the executive corporate officer and the Group's top executives	• compensation of executive corporate officers paid or payable in respect of 2022; • 2023 compensation policies of the Chairman of the Board of Directors and the Chief Executive Officer; • definition of the terms and conditions of the 2023 performance share plan for the Chief Executive Officer and top executives.
Directors' compensation	• information on directors' compensation (excluding the executive corporate officer) in respect of 2022; • directors' compensation policy for 2023 i.e. review of the budget and allocation of 2023 compensation granted to directors.
Employee share ownership	• review of the proposed 2023 employee share ownership plan and consideration of a proposed 2024 employee share ownership plan.

3.2.2.4 Research, Innovation and Sustainable Development Committee

Members and activities

	Independence	Position	First appointment	Attendance rate	Number of meeting in 2023
Isabelle Courville	◆	Chairman	04/20/2017	100%	3
Marion Guillou	◆	Member	12/12/2012	100%	
Pavel Páša*	N/A	Member	11/05/2014	100%	
Francisco Reynès	◆	Member	04/27/2023	100%	
Guillaume Texier	◆	Member	04/20/2017	100%	
INDEPENDENCE RATE	100%				

**Director representing employees, not taken into account when calculating independence percentages pursuant to Article 10.3 of the AFEP-MEDEF Code.*
◆Independent pursuant to AFEP- MEDEF Code independence criteria, as assessed by the Board of Directors.
N/A: not applicable.

According to its internal regulations, the Research, Innovation and Sustainable Development Committee meets when convened by its Chairman or at the request of the Chairman of the Board of Directors. It is required to hold at least three meetings per year. The Committee met three times in 2023 (as in 2022).

The Research, Innovation and Sustainable Development Committee has between three and five members, who are appointed by the Board of Directors at the recommendation of the Nominations Committee. The Chairman of the Committee is appointed by the Board of Directors at the recommendation of the Chairman of the Board.

Changes in 2023

Date	End of term	Renewal	Appointment
April 27, 2023	Clara Gaymard		Francisco Reynès

Planned changes in 2024

No changes are currently envisaged, subject to the renewal of the terms of office as director of Mrs. Isabelle Courville and Mr. Guillaume Texier by the General Shareholders' Meeting of April 25, 2024.

Duties of the Committee

The main duty of this Committee is to assess the Group's strategy and policies with regard to research, innovation and sustainable development and to issue an opinion to the Board of Directors.

The Committee is informed of programs and priority actions undertaken in the areas within its remit and assesses the results thereof. In particular, it keeps abreast of the budgets and staff levels and gives its opinion regarding the allocation of means and resources and whether they are appropriate in light of the strategic choices made. As regards, more specifically, the Company's environmental policy and issues, the Committee is informed of the information, objectives, commitments and main indicators concerning sustainable development published by the Company in its management report and familiarizes itself with the non-financial ratings obtained by the Group.

The Committee's main contacts are the Chairman of the Board of Directors and the Company's Executive Management and Executive Committee, the Group's Strategy and Innovation, Business Support and Performance and Sustainable Development departments, as well as any other manager within the Company who has information or opinions that may be of use to the Committee.

The Committee may also interview persons outside the Company if it deems such interviews to be of use in the performance of its duties. In addition, the Committee may consult outside experts.

The Committee seeks to analyze the content of Veolia's service offerings, its potential customers, the size of markets, the Group's competitive advantages, its competitors, its research programs, technologies and the best economic balance for each area addressed.

Activities in 2023

In 2023, the Committee particularly focused on the following matters:

CSR	• Group's CSR performance and non-financial ratings; • global innovation strategy to combat pollution, climate change and the increasing scarcity of natural resources (biodiversity, see Sections 4.1.2 and 4.2.4 below); • extent of roll-out of the Group's sustainable development commitments; • framing of strategic discussions on the energy businesses.
Ecological transition/decarbonization	• annual progress report on Veolia's plan to stop coal-based energy production; • decarbonization and climate change adaptation innovation strategy (see Sections 4.1.2 and 4.2.3 infra); • Veolia's positioning with regard to carbon neutrality.

3.2.2.5 Purpose Committee

Members and activities

	Independence	Position	First appointment	Attendance rate	Number of meeting in 2023
Antoine Frérot, Chairman		Chairman	07/01/2022	100 %	2
Maryse Aulagnon, Vice-Chairwoman and Senior Independent Director	◆	Member	11/02/2021	100 %	
Pierre-André de Chalendar	◆	Member	11/02/2021	100 %	
Isabelle Courville	◆	Member	11/02/2021	100 %	
Franck Le Roux*	N/A	Member	11/02/2021	100 %	
Nathalie Rachou		Member	11/02/2021	100 %	
INDEPENDENCE RATE	80%				

**Director representing employees, not taken into account when calculating independence percentages pursuant to Article 10.3 of the AFEP-MEDEF Code.*
◆ Independent pursuant to AFEP- MEDEF Code independence criteria, as assessed by the Board of Directors.
N/A: not applicable.

According to its internal regulations, approved by the Board of Directors' Meeting of April 5, 2022, the Purpose Committee meets when convened by its Chairman or at the request of the Chairman of the Board of Directors. It is required to hold at least two formal meetings per year.

The Purpose Committee comprises members of the Nominations Committee, the Committee Chairmen and one Director representing employees. The Chairman of the Committee is appointed by the Board of Directors at the recommendation of the Chairman of the Board.

Changes in 2023

Date	End of term	Renewal	Appointment
April 27, 2023	Louis Schweitzer	Maryse Aulagnon	

Planned changes in 2024

The Board of Directors' Meeting of March 12, 2024 duly noted that Mrs. Nathalie Rachou did not seek the renewal of her term of office as director at the end of the General Shareholders' Meeting of April 25, 2024. Accordingly, it decided to appoint Mr. Guillaume Texier to replace Mrs. Nathalie Rachou, given his appointment as Chairman of the Audit and Accounts Committee, subject to the renewal of his term of office as director by the General Shareholders' Meeting of April 25, 2024.

No other changes are currently envisaged, subject to the renewal of the term of office as director of Mrs. Isabelle Courville by the General Shareholders' Meeting of April 25, 2024.

Duties of the Committee

The role of this Committee is to place the Board in the best possible conditions to assess the dissemination of Veolia's Purpose to all its stakeholders – employees, customers, suppliers, shareholders, partners and regions where the Group operates – so that they know what it means and can contribute to its practical application.

In this context, the Committee:

- reviews the dissemination of Veolia's Purpose to stakeholders and, more broadly, studies the measures for appropriating the multifaceted performance approach implemented to enable its roll-out;
- studies progress monitoring by the Group and advises the Board of its opinion on measures taken with regard to the Purpose and multifaceted performance;
- conducts an annual assessment of financial and non-financial indicators monitoring the implementation of Veolia's purpose (indicators of the multifaceted performance);
- gives its opinion and issues proposals to the Board regarding, where applicable, any adjustments to the Group's Purpose;
- examines any questions submitted by the Chairman regarding the above points.

In this context, the Committee receives all necessary information to perform its duties and issues all opinions within its scope.

Activities in 2023

In 2023, the Committee particularly focused on the following matters:

Dissemination of the Purpose	• review of the extent of knowledge of the Purpose within the Group; • review of measures to disseminate the short version of the Purpose; • review of the short version of the Purpose in English; • examination of the proposal to include reference to the existence of the Purpose in the Articles of Association; • review of the multifaceted performance indicators in the GreenUp 2024-2027 strategic program.

3.3 Executive Management and the Executive Committee

3.3.1 ORGANIZATION OF EXECUTIVE MANAGEMENT'S POWERS: SEPARATION OF THE FUNCTIONS

The law provides that the Board of Directors elects a Chairman from among its members, who must be a natural person. The duties of the Chairman are presented in Section 3.2.1.5 above. The Board of Directors entrusts the Executive Management of the Company to either the Chairman of the Board of Directors (referred to as the Chairman and Chief Executive Officer), or to another natural person, who may or may not be a director, referred to as the Chief Executive Officer.

As mentioned in the AFEP-MEDEF Code, the law states no preference between those two options. Accordingly, the Board of Directors may choose between these combined or separate forms of Executive Management in accordance with its specific requirements.

In December 2010, following the departure of Henri Proglio, Chairman of the Board of Directors and at the recommendation of the Nominations and Compensation Committee, the Board of Directors decided to combine the duties of Chairman of the Board with those of Chief Executive Officer, by appointing Antoine Frérot, Chief Executive Officer since November 27, 2009, Chairman of the Board. At the recommendation of the Nominations Committee, this choice was reasserted twice by the Board of Directors, at the time of the proposed renewal of Mr. Antoine Frérot's term of office at the General Shareholders' Meetings of April 24, 2014 and April 19, 2018.

At the recommendation of the Nominations Committee, the Board of Directors' Meeting of January 10, 2022 decided to separate the duties of Chairman of the Board of Directors and Chief Executive Officer from July 1, 2022.

Mr. Antoine Frérot had expressed the wish to cease his duties as Chief Executive Officer, which he had exercised since 2009, on the expiry of his term of office. He therefore asked the Board of Directors to task the Nominations Committee with conducting, with the assistance of a recruitment firm, an in-depth review of the most appropriate governance structure to lead the company, which has changed scale and is continuing to expand internationally.

For Executive Management positions, the Nominations Committee collected internal applications and had them assessed by the recruitment firm. It then assessed them against a list of potential external candidates pinpointed by the specialist recruitment firm.

The Directors informed Mr. Antoine Frérot of their unanimous wish that he remain Chairman of the Veolia Environnement Board of Directors, to continue benefiting from his successful experience at the head of the Group and his commitment to Veolia's values. To this end, shareholders were asked to renew his term of office as a Director at the General Shareholders Meeting of June 15, 2022.

At the recommendation of the Nominations Committee, the Board of Directors also decided that Mrs. Estelle Brachlianoff, Chief Operating Officer up to June 30, 2022 inclusive, would succeed Mr. Antoine Frérot as the Chief Executive Officer of Veolia from July 1, 2022. As Chief Executive Officer, Mrs. Estelle Brachlianoff has the widest powers to act in all circumstances in the Company's name, under the conditions described in Section 3.3.2 below. In addition, shareholders were asked to appoint her to the Board of Directors as it is essential that the Chief Executive Officer takes part in the discussions and deliberations of the Board of Directors, which is responsible for defining the Company's strategic direction.

Mrs. Estelle Brachlianoff joined the Executive Committee of the Group in 2013 and was appointed Chief Operating Officer by Mr. Antoine Frérot in 2018. Since July 1, 2022 she is responsible for managing and leading Veolia which, in 10 years, has become the world champion of ecological transformation. In the conduct of her duties, she can count on the support of an Executive Committee and a renewed Management Committee, comprising some of the world's top experts in the water, waste and energy businesses.

The substantial counter-balances within the Board of Directors that existed prior to the change in the governance method remain unchanged:

- the existence of a Vice-Chairwoman and a Senior Independent Director, whose duties, means and prerogatives are presented in Section 3.2.1.7 above;
- the presence of a significant majority of Independent Directors, two Directors representing employees and one Director representing employee shareholders on the Board of Directors;
- the appointment of Independent Directors to chair the majority of Board Committees;
- the organization of an executive session at the end of each Board meeting, without the attendance of the Chief Executive Officer, led by the Chairman;
- the organization of governance roadshows by the Vice-Chairwoman and Senior Independent Director;
- in-depth assessments of the activities of the Board;
- limits on powers set-out in the internal regulations of the Board of Directors providing for approval by the Board of Directors of major decisions of a strategic nature or likely to have a material impact on the Company (see Section 3.3.2 below).

In addition, given this separation of duties, the Board of Directors' Meeting of April 5, 2022 decided to adjust its internal regulations with regards to the duties of the Chairman of the Board of Directors and the Vice-Chairman, which came into effect from July 1, 2022 (see Sections 3.2.1.5 and 3.2.1.6 above). No substantial changes in governance are planned in the short-term, other than the transfer to the Chairman of the Board of Directors of some of the duties of the Vice-Chairman.

The separation of the duties of the Chairman and the Chief Executive Officer was largely motivated by the desire to retain the expertise and experience of the Chairman and Chief Executive Officer at a decisive moment in the Company's history. Notwithstanding the fact that this corporate governance approach is recognized by investors and proxy advisors as the best governance approach for listed companies to ensure transition during the necessary period in the context of the Chairman and Chief Executive Officer's succession, the Board of Directors will examine the operation of this separated governance method each year and propose, where appropriate, any useful changes to shareholders. During an executive session on March 12, 2024 focused on reviewing the operation of the separated governance structuring, the Board of Directors once again unanimously congratulated the excellent working of the non-executive Chairman - Chief Executive Officer duo.

3.3.2 LIMITS ON THE POWERS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In accordance with the law, the Chief Executive Officer has the widest powers to act in the name of the Company in all circumstances. She acts within the limits of the corporate purpose.

However, the powers exercised by the Chief Executive Officer are limited by the internal regulations of the Board of Directors. The following decisions of the Chief Executive Officer are therefore subject to the prior authorization of the Board of Directors:

- determining the Group's strategic direction;
- Group transactions of an individual amount in excess of €300 million, with the exception of financing transactions;
- Group investment or divestment transactions including a commitment of between €150 million and €300 million per transaction, with the exception of financing transactions, after consultation with and the recommendation of the Accounts and Audit Committee;
- financing transactions, whatever their terms, (including the early redemption or repurchase of debt) amounting to more than €1.5 billion per transaction if carried out in a single tranche and €2.5 billion if the transaction is carried out in several tranches;
- transactions in the Company's shares involving an overall amount in excess of 1% of the Company's total shares.

3.3.3 EXECUTIVE COMMITTEE

The Chief Executive Officer is assisted in the performance of her duties by an Executive Committee, a discussion, consultation and general policy decision-making body which seeks to implement the Group's strategic direction. The Committee is also consulted on major issues concerning the Group's corporate life.

The Executive Committee meets monthly.

As of the date of filing of this Universal Registration Document, the Company's Executive Committee comprises 14 members:

- Estelle Brachlianoff, Chief Executive Officer;
- Isabelle Calvez, Senior Executive Vice President, Human Resources;
- Sébastien Daziano, Senior Executive Vice President, Strategy & Innovation;
- Gavin Graveson, Senior Executive Vice President, Northern Europe;
- Philippe Guitard, Senior Executive Vice President, Central & Eastern Europe;
- Éric Haza, Chief Legal Officer;
- Claude Laruelle, Deputy Chief Executive Officer, Finance, Digital and Purchasing;
- Anne Le Guennec, Senior Executive Vice President, Worldwide Water Technologies;
- Christophe Maquet, Senior Executive Vice President, Asia Pacific;
- Gustavo Migues, Senior Executive Vice President, Iberia & Latin America;
- Jean-François Nogrette, Senior Executive Vice President, France & Special Waste Europe;
- Laurent Obadia, Senior Executive Vice President, Stakeholders and Communications; Advisor to the Chairman;
- Helman le Pas de Sécheval, General Counsel;
- Frédéric Van Heems, Senior Executive Vice President, North America.

In addition, Management Committee meetings bring together, each quarter, all the Group's functions and geographies to share and commit to the Group's challenges and outlook. As of the date of filing of this Universal Registration Document, this Committee has 38 members, including the 14 members of the Executive Committee; its composition can be viewed on Veolia's website (www.veolia.com).

3.4 Compensation and benefits

A summary of compensation paid during 2022 or awarded in respect of this fiscal year to executive corporate officers, as well as the 2023 compensation policy presented for shareholder vote at the Combined General Meeting of April 27, 2023, are detailed in Section 3.4.4 below.

The information required by Article L. 225-37 of the French Commercial Code in the corporate governance report is presented in this Section.

3.4.1 EXECUTIVE AND DIRECTOR COMPENSATION

The Company refers to the AFEP-MEDEF Code, particularly regarding executive corporate officer compensation.

The total compensation paid during fiscal year 2022 or awarded in respect of this fiscal year to executive corporate officers, directors and other senior executives by the Company and by controlled companies within the meaning of Article L. 233-16 of the French Commercial Code is detailed below.

This Universal Registration Document and, in particular, the tables in Sections 3.4.1 and 3.4.3 below (share subscription and/or purchase options, free shares, performance shares) have been prepared in accordance with the format recommended by the AFEP-MEDEF Code and the AMF recommendation no. 2012-02.

3.4.1.1 Executive corporate officer compensation

3.4.1.1.1 Recap of 2023 executive corporate officer compensation policy

The principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of total compensation and benefits of all kinds that may be awarded to executive corporate officers in respect of their duties, representing the compensation policy for these individuals, are decided by the Board of Directors at the recommendation of the Compensation Committee and presented for shareholder approval at General Shareholders' Meetings ("ex ante vote on the compensation policy") in accordance with Article L. 22-10-8 of the French Commercial Code.

In addition, pursuant to Article L. 22-10-34 of the French Commercial Code, the General Shareholders' Meeting votes on: (i) the fixed, variable and exceptional components of total compensation and (ii) benefits of all kinds paid during the fiscal year or awarded in respect of the same fiscal year to executive corporate officers ("ex post vote on compensation of the prior fiscal year"). Accordingly, the payment of variable or exceptional compensation components in respect of a period is contingent on their approval by the General Shareholders' Meeting called to approve the financial statements for this period. The resolutions on executive corporate officers compensation components for fiscal year 2023 submitted to shareholders' vote at the General Shareholders' Meeting of April 25, 2024 are presented in Section 3.4.4 below.

In 2023, Veolia Environnement executive corporate officers were: Mr. Antoine Frérot, Chairman of the Board of Directors and Mrs. Estelle Brachlianoff, Chief Executive Officer.

General principles applicable to executive corporate officer compensation

In accordance with the provisions of the AFEP-MEDEF Code and at the recommendation of its Compensation Committee, the Board of Directors conducts an annual review of all the compensation components of the executive corporate officers.

It ensures in particular that the compensation policy is aligned with the Group's strategy and considers the appropriate balance between the different compensation components (fixed and variable annual compensation, long-term compensation plan and other benefits and additional compensation components). Furthermore, the review of the compensation components of the Chairman and Chief Executive Officer, the Chairman of the Board of Directors and the Chief Executive Officer also takes account of compensation studies and benchmarks covering companies comparable to Veolia Environnement and CAC 40 companies.

Shareholder dialogue

For a number of years, Veolia Environnement has organized annual discussion sessions between the Senior Independent Director and the main investors in its share capital as well as proxy advisors. The main questions and comments raised during these meetings are communicated to the relevant Board Committees, which analyze them with regard to market practice and taking account of the Group's governance principles. The committees then report to the Board of Directors.

In 2023, the proposed compensation policies were finalized and approved after a process taking into consideration the opinion of shareholders and proxy agencies. In this respect, the Board of Directors wished to modify the compensation structure of the Chief Executive Officer, to strengthen the long-term compensation component in response to the expectations expressed by many investors. The Chief Executive Officer's compensation was approximately 90% approved by the General Shareholders' Meeting of April 27, 2023.

Similarly, at the recommendation of the Compensation Committee, the Board of Directors decided to reduce the number of quantitative variable compensation criteria from 10 to 9 for 2024.

Chairman of the Board of Directors' compensation policy for 2023

The Chairman of the Board of Directors' compensation policy was adopted by the Board of Directors' Meeting of March 14, 2023 at the recommendation of the Compensation Committee and approved by the Shareholders' Meeting of April 27, 2023. It consists solely of fixed compensation and benefits in kind, excluding all variable or exceptional compensation, grants of share subscription options or performance shares and compensation for his duties as a director.

Fixed compensation

At the recommendation of the Compensation Committee and in accordance with the compensation policy, the Board of Directors' Meeting of March 14, 2023 decided to retain the gross annual fixed compensation of the Chairman of the Board unchanged at €700,000.

As a reminder, this compensation was set following the Board of Directors' decision of April 5, 2022 based on a study conducted by the firm Boracay and including (i) five comparable companies (ABB, Centrica, EDP, Enel, ENI) and (ii) CAC 40 companies that have separated the duties of Chairman of the Board of Directors and Chief Executive Officer, details of which are presented in Section 3.4 of the 2021 Universal Registration Document.

Annual variable compensation

None.

2023 long-term compensation

None.

Severance payments

None.

Compensation awarded as a director

Since 2012, Mr. Antoine Frérot has decided to waive the compensation awarded for his duties as a director paid by the Company and Group-controlled companies. This waiver remains applicable to his duties as Chairman of the Board of Directors.

Pension plan

Mr. Antoine Frérot benefits from a supplementary defined contribution group pension plan applicable since July 1, 2014 and presented in Section 3.4.2 below.

He is eligible for the defined benefit pension plan presented in Section 3.4.2 below, with a theoretical annuity of nil.

Other benefits

Mr. Antoine Frérot benefits from the collective healthcare and insurance plan in force within the Company under the same conditions as those applicable for the category of employees with which he is assimilated for the setting of social benefits and other ancillary components of his compensation.

Mr. Antoine Frérot enjoys the use of a company car.

Chief Executive Officer compensation policy for 2023

As a reminder, this compensation policy, approved by the Shareholders' Meeting was set taking account of (i) Mrs. Estelle Brachlianoff's experience and expertise, (ii) the change in the Group's size and the extension of its activities following the acquisition of Suez, and (iii) the compensation amount but also the positioning of these components compared with executive corporate officers with a comparable profile and in CAC 40 companies, while ensuring the consistency of the Chief Executive Officer's compensation with that of Executive Committee members and compensation practices within the Company.

Fixed compensation

At the recommendation of the Compensation Committee and in accordance with the compensation policy, the Board of Directors' Meeting of March 14, 2023 decided to retain the gross annual fixed compensation of the Chief Executive Officer unchanged at €1,030,000.

As a reminder, this compensation was set following the Board of Directors' decision of April 5, 2022 based on the results of a study conducted by the firm Boracay on a group of comparable and rival companies comprising 13 listed European companies such as Centrica, EDP, Enel, Engie, ENI, EON, Iberdrola, Schneider Electric, Vinci, ABB, ACS, Air Liquide and Bouygues.

The companies in the peer group:
- share a common mission: employee and environmental quality with local public authorities;
- conduct several businesses globally and are present on at least four continents;
- report revenue equal to between 50% and 200% of Veolia's revenue.

In addition to the peer group, the Compensation Committee also assessed the executive corporate officer compensation in comparison with CAC 40 companies.

Details of this study are presented in Section 3.4 of the 2021 Universal Registration Documentation.

Annual variable compensation

The quantitative objectives for 2023 were determined in the context of the 2023 financial outlook announced to the market on March 2, 2023, and the 2020-2023 strategic plan relative to the implementation of the Company's Purpose and all its performance indicators for stakeholders.

In order to integrate the multifaceted performance indicators relating to the Company's Purpose, the Board of Directors' Meeting of March 14, 2023, at the recommendation of the Compensation Committee, determined the calculation method for variable compensation as follows:

- weight of the auditable quantitative portion (80%) and weight of the qualitative portion (20%) unchanged;
- split of the weight of the auditable quantitative portion (80%) between financial quantitative objectives (50%) and non-financial quantitative objectives (30%) unchanged;
- 2023 target variable compensation (in the event of attainment of the objectives set by the Board of Directors) set at 100% of the annual fixed compensation ("Target bonus base");
- variable compensation capped (in the event objectives are exceeded) at 160% of annual fixed compensation, or €1,648,000.

In addition, the criteria for the 2023 variable compensation were set as follows:

- **with respect to the quantitative criteria:** in line with the outlook and objectives published on March 2, 2023, the criteria for the quantitative portion of variable compensation break down as follows. The quantitative portion is equal to the total of the components resulting from application of each of these criteria separately:
  - For the **50% financial quantitative portion:**
    - 15% based on the **Profitability indicator (CNIGS)**: Current Net Income, Group Share,
    - 10% based on the **Investment Capacity** indicator **(free cash flow)**[1] : before financial acquisitions/divestments and dividends but after financial expenses and taxes,
    - 15% based on the **Group Growth** indicator (**revenue)**[2]: organic Group revenue excluding acquisitions and divestitures of more than €100 million but including acquisitions of privatized public services,

[1] *Target free cash-flow used to determine the bonus excludes discretionary investment.*
[2] *Target revenue used to determine the bonus is calculated at constant exchange rates.*

  - 10% based on the **Capital Return** indicator **(ROCE)**: Group ROCE after tax, including the return on capital employed of joint ventures and companies, after IFRS 16 lease adjustments.

The financial quantitative variable compensation portion will be determined based on the attainment of the 2023 budget objectives, which are consistent with the outlook announced to the market on March 2, 2023;

- for the 3**0% non-financial quantitative portion:**
  - 5% based on the **Health and Safety** indicator: improvement and reduction in the injury frequency rate,
  - 5% based on the **Ethics and Compliance** indicator: % of positive answers to the engagement survey question "Are Veolia's values applied in my entity" across all respondents,
  - 5% based on the **Climate** indicator (invest in the transition to carbon neutrality to achieve zero facilities powered by coal in Europe by 2030, for facilities where the Group controls investment): completion rate for scheduled investment to reduce greenhouse gas emissions;
  - 5% based on the **Hazardous waste treatment and recovery** indicator: consolidated revenue growth of the "Liquid and hazardous waste treatment and recovery" segment,
  - 5% based on the **Employee commitment** indicator: commitment rate of employees measured by an engagement survey conducted by an external body (clear objectives, meaning and usefulness, work atmosphere, pride in the Group, willingness to recommend Veolia),
  - 5% based on the **Training** indicator: average number of training hours per employee per year (upskilling training actions).

The non-financial quantitative variable compensation portion will be determined based on the attainment of the 2023 objectives, that will be audited by an independent third party; To take into account the requests of certain investors and proxy agencies, at the governance roadshow, the number of quantitative criteria will be reduced for 2024;

- **with respect to the qualitative criteria:** the qualitative portion (20% of the target bonus) will be based on an overall assessment by the Board of Directors, at the recommendation of the Compensation Committee, based notably on the following individual objectives:
  - strategic aspects,
  - managerial performance.

In addition, the Board of Directors reserves the right to exercise its power of discretion regarding the determination of the Chief Executive Officer's compensation, in application of legal provisions and in accordance with Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code. It may do so in the event of special and unforeseeable circumstances (such as the Covid-19 pandemic and its uncertainties) that could justify an exceptional adjustment, upwards or downwards, without exceeding the ceiling set in the compensation policy (i.e. 160% of fixed annual compensation), to one or more criteria comprising the Chief Executive Officer's annual variable compensation to ensure that application of the criteria described above produces results reflecting the performance of both the Chief Executive Officer and the Group, as well the alignment of the interests of the Company and its shareholders with those of the Chief Executive Officer.

This adjustment may be made to the Chief Executive Officer's annual variable compensation by the Board of Directors at the recommendation of the Compensation Committee, after the Board of Directors has provided adequate reasoning for its decision. Any exercise of this discretion will be made public.

Long-term compensation

During discussions with investors and proxy advisors (governance roadshow), there was an expectation for overweighting to be applied to the Chief Executive Officer's long-term compensation. The Board of Directors was eager to achieve balance between the three components (fixed, variable and long-term) of this Chief Executive Officer's compensation.

At the recommendation of the Compensation Committee, the Board of Directors decided that the Chief Executive Officer would receive a performance share grant equal to and capped at 133% of her fixed compensation.

Before this change, the Chief Executive Officer's composition comprised the following components:

- annual fixed compensation (€1,030,000) for 33.3%;
- annual variable compensation (€1,030,000 if objectives are attained) for 33.3%;
- long-term compensation (€1,030,000 if objectives are attained) for 33.3%.

After this change, her compensation breaks down as follows:

- annual fixed compensation (€1,030,000) for 30%;
- annual variable compensation (€1,030,000 if objectives are attained) for 30%;
- long-term variable compensation (€1,373,000, or 133% of fixed compensation if objectives are attained) for 40%.

In the event of outperformance leading to payment of the maximum amount of variable compensation (equal to the cap of 160% of annual fixed compensation), the breakdown is as follows:

Before this change:

- annual fixed compensation (€1,030,000) for 28%;
- annual variable compensation (€1,648,000 if objectives are exceeded) for 44%;
- long-term variable compensation (€1,030,000 if objectives are attained) for 28%.

After this change:

- annual fixed compensation (€1,030,000) for 25%;
- annual variable compensation (€1,648,000 if objectives are exceeded) for 41%;
- long-term variable compensation (€1,373,000 if objectives are exceeded) for 34%.

This adjustment also enables a better alignment with market practices (see the results of the study conducted by Boracay set out in Section 3.4.1.1.4 of the 2021 Universal Registration Documentation, highlighting long-term benefits representing 130% of fixed compensation as the median for the peer group).

Compensation awarded as a director

Mrs. Estelle Brachlianoff waived the compensation awarded for her duties as a director by the Company and Group-controlled companies.

Retirement or other similar benefits

Information on pension plans, other benefits and severance payments due in the event of termination of the office of Chief Executive Officer and compensation under a non-compete clause is presented in Section 3.4.2 below.

3.4.1.1.2 Compensation of the Chairman of the Board of Directors for 2023

The compensation components paid in 2023 or awarded for the same fiscal year to Mr. Antoine Frérot as Chairman of the Board of Directors comply with the compensation policy approved by the General Shareholders' Meeting of April 27, 2023 recalled above and presented in Section 3.4 of the 2022 Universal Registration Documentation.

Fixed compensation

The gross annual fixed compensation of Mr. Antoine Frérot was set at €700,000.

Supplementary social protection plan

Mr. Antoine Frérot benefits from the collective healthcare and insurance plan in force within the Company under the same conditions as those applicable for the category of employee with which he is assimilated for the setting of social benefits and other ancillary components of his compensation.

Pension plan

Mr. Antoine Frérot benefits from a supplementary defined contribution group pension plan applicable since July 1, 2014 and presented in Section 3.4.2 below.

Other benefits

Mr. Antoine Frérot enjoys the use of a company car.

Summary of compensation received by Mr. Antoine Frérot

The following tables notably present a summary of compensation of all kinds paid or awarded to Mr. Antoine Frérot in respect of fiscal years 2022 and 2023 and have been prepared in accordance with the formats recommended by the AFEP-MEDEF Code and AMF recommendation no. 2012-02. The tables presenting performance shares and share subscription and purchase options can be found in Sections 3.4.3.2 and 3.4.3.3 below.

Summary of total compensation, options and shares awarded to Mr. Antoine Frérot (AFEP-MEDEF Code Table 1)

(in euros)	Fiscal year 2022	Fiscal year 2023
Compensation awarded for the fiscal year	1,631,263[(1)]	702,125
Value of options granted during the fiscal year	-	-
Value of performance shares granted during the fiscal year	-	
Value of other long-term compensation plans	-	-
TOTAL	**1,631,263**	**702,125**

[(1)] *Including fixed compensation of €351,062 in respect of duties as Chairman of the Board of Directors (from July 1, 2022).*

Summary of compensation paid or payable to Mr. Antoine Frérot (AFEP-MEDEF Code Table 2)
Chairman and Chief Executive Officer from January 1 to June 30, 2022

	Fiscal year 2022 (from July 1 to December 31, 2022)		Fiscal year 2023	
(in euros)	Amount awarded	Amount paid	Amount awarded	Amount paid
Fixed compensation	515,000	515,000		-
Annual variable compensation	764,288[(2)]	1,461,224	-	764,288
Exceptional compensation	-	-	-	-
Compensation awarded as director				
Paid by Veolia Environment	-	-	-	-
Paid by controlled companies	-	-	-	-
Benefits in kind[(1)]	913	913	-	-
TOTAL	**1,280,201**	**1,977,137**	**-**	**764,288**

(1) Provision of a company car.
(2)Variable portion for 2022 paid in 2023.

Chairman of the Board of Directors from July 1, 2022

	Fiscal year 2022 (from July 1 to December 31, 2022)		Fiscal year 2023	
(in euros)	Amount awarded	Amount paid	Amount awarded	Amount paid
Fixed compensation	350,000	350,000	700,000	700,000
Annual variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Compensation awarded as director	-	-	-	-
Paid by Veolia Environment	-	-	-	-
Paid by controlled companies	-	-	-	-
Benefits in kind[(1)]	1,062	1,062	2,125	2,125
TOTAL	**351,062**	**351,062**	**702,125**	**702,125**

(1) Provision of a company car.

Summary of multi-year variable compensation paid or payable to Mr. Antoine Frérot (AFEP-MEDEF Code Table 10)

(in euros)	Fiscal year 2022	Fiscal year 2023
Antoine Frérot (Chairman and Chief Executive Officer, then Chairman of the Board of Directors from 1 July 2022)	-	-
TOTAL	-	-

Employment contract, supplementary pension plan and benefits as of December 31, 2023 (AFEP-MEDEF Code Table 11)

	Employment contract (1)		Supplementary pension plan		Compensation or benefits payable or likely to be payable in the event of termination or a change of position		Compensation pursuant to a non-compete covenant	
Executive corporate officer	Yes	No	Yes	No	Yes	No	Yes	No
Antoine Frérot, chairman of the Board of Directors Start date of term of office: July 1, 2022 End date of term of office: 2026 GSM		X	X (1)			X		X

(1) Mr. Antoine Frérot is a beneficiary of the supplementary defined benefit group pension plan set up for category 8 and higher executives of Veolia Environnement closed with effect from June 30, 2014. Since July 1, 2014, he is a beneficiary of the supplementary defined contribution group pension plan set up notably for category 8 and higher executives..

3.4.1.1.3 Compensation of the Chief Executive Officer in respect of 2023

The compensation components paid in 2023 or awarded for the same fiscal year to Mrs. Estelle Brachlianoff as Chief Executive Officer comply with the compensation policy approved by the General Shareholders' Meeting of April 27, 2023 recalled above and presented in Section 3.4 of the 2022 Universal Registration Documentation.

Fixed compensation

The gross annual fixed compensation of Mr. Estelle Brachlianoff was set at €1,030,000..

Annual variable compensation for fiscal year 2023

In accordance with the compensation policy approved by the General Shareholders' Meeting of April 27, 2023 recalled above and based on the attainment of the criteria determining the calculation of the variable portion, the amount of this variable portion for fiscal year 2023 was determined as follows:

i) **with respect to the quantitative criteria**: in line with the outlook and objectives published on March 2, 2023, equal to the total of the components resulting from application of each of these criteria separately:

- the attainment level for each indicator of the financial and non-financial quantitative variable compensation portion was determined based on the attainment of the 2023 budget objectives which are consistent with the outlook announced to the market on March 2, 2023. The payment rate follows the payout rule established for each indicator based on the requirements defined in the 2020-2023 strategic plan.
- **the financial quantitative variable portion (50% of the target bonus) equals €711,730 representing an overall payment rate of 138.2%**. A breakdown of the attainment and payment rates for each of the indicators is presented in the summary table below. These financial indicators are defined in Chapter 5, Section 5.6 of the Universal Registration Document;
- **the non-financial quantitative variable portion (30% of the target bonus) equals €421,013 representing an overall payment rate of 136.3%**. A breakdown of the attainment and payment rates for each of the indicators is presented in the summary table below. The non-financial quantitative variable compensation portion was determined based on the attainment of the 2023 objectives for the indicators concerned as detailed below:

ii) **with respect to the qualitative criteria:** the Board of Directors' Meeting of March 12, 2024 decided to allocate €329,600 to Mrs. Estelle Brachlianoff in respect of the qualitative variable portion (20% of the target bonus) of her 2023 compensation, representing a payment rate of 160% of the qualitative portion based on an overall assessment founded on the attainment of the following criteria:

- strategic aspects, with a payment rate of 160%;
- managerial performance, with a payment rate of 160%.

The qualitative portion takes account of the following items:

- numerous business wins and in particular:
  - Veolia won a contract for integrated waste management in Gold Coast, the second largest regional public authority and sixth largest city in Australia. With an initial term of 7 years, the contract contains options for an extension to 18 years, which would represent around €500 million over the entire contract term. A first for the country, this new contract combines the management of recovery and collection facilities and will optimize design and implementation of existing infrastructures across the entire waste treatment value chain.
  - Veolia will lead a consortium through its subsidiary SIDEM responsible for the engineering, supply and construction of the Mirfa 2 desalination project entrusted to it by Abu Dhabi National Energy Company PJSC (TAQA) and Engie. Located in Abu Dhabi, this reverse osmosis seawater desalination plant will be the third largest in the United Arab Emirates (UAE). With a daily capacity of around 550,000 cubic meters of drinking water, it will provide around 210,000 households with drinking water while improving efficiency and reducing the environmental footprint thanks to state-of-the-art technologies. The contract represents revenue of around €300 million for Veolia. The project's construction began in 2023 with commissioning scheduled for 2025,
  - Veolia signed two major energy efficiency contracts in Italy: a twelve-year contract covering health care buildings in Cosenza worth €153 million, and a fifteen-year contract with the Municipality of Trieste worth €130 million. Through these contracts, Veolia will help its customers reduce their carbon footprint by implementing alternative energy sources.
  - In Perpignan, Veolia was awarded the public service delegation contract for water services by Perpignan Métropole Méditerranée, representing revenue of €650 million over twelve years. This contract provides for investment to preserve water resources with a target reduction in leaks from 20% to 12%.

- Veolia signed a €2 billion waste management contract to support decarbonization and resource regeneration in Hong Kong. The Group will build a state-of-the-art storage site of non-recyclable waste to optimize methane capture and thus avoid the emission of 10 million metric tons of CO_2 emissions over twenty years. It is a virtuous circular economy project with the green electricity produced from the captured methane covering 100% of the plant's energy needs. It is also a project that will generate local resources: the stone from the site will be used by the Hong Kong construction industry, avoiding imports;
- Major commissionings and deployments:
  - Veolia inaugurated the largest solar power plant on a desalination plant in the Middle East. Veolia is working alongside the Sultanate of Oman and its partner TotalEnergies to promote the transition to clean and renewable energy. This initiative is part of the Group's ongoing drive to decarbonize its activities and support its customers in their carbon neutrality objectives.
  - Veolia completed the conversion of a former landfill into the third largest solar park in the United Kingdom. The Essex site will provide renewable electricity to more than 15,000 households and represents the largest solar farm in the United Kingdom installed on a restored landfill. The site uses 107,000 bifacial solar modules that can absorb light on both sides, maximizing the power density while converting direct current into alternative current that is better suited to domestic usage. Its output is fed to the grid via an on-site 132,000-V transformer that is connected to the nearby Warley substation. This new solar farm will provide an additional 59 MW of renewable energy to the national grid, thereby supporting the UK government's net zero emissions targets,
  - In France, one year after the launch of its program to deploy reused wastewater at wastewater treatment plants, Veolia deployed over 50 water recycling systems designed to save around 1,250,000 m^3 of water per year. The recycled water therefore replaces the drinking water required to operate and maintain the treatment plants,
  - As part of its plan to phase out the use of coal in Europe, the Group commissioned a cogeneration plant in Prerov, Czech Republic, representing an investment of €65 million. This plant replaces coal with biomass and RDF (Refuse Derived Fuel) to produce heat for the city of Prerov's district heating distribution network, as well as cogeneration electricity. It will also reduce CO_2 emissions by around 111,000 metric tons per year;
- a certain number of initiatives, projects and results:
  - Veolia launched "GreenPath Zero Carbon" offer to help its clients accelerate their decarbonization. This unique global offer is deployed to help municipal, service sector and industrial customers to build and implement their decarbonization roadmaps and adapt their models to current and future climate challenges. The offer also provides solutions to directly contribute to the achievement of the European Union's climate targets of reducing greenhouse gas emissions by 55% by 2030 and becoming carbon neutral by 2050.
  - Driven by Estelle Brachlianoff, the deployment of the Veolia Cares program guarantees a common core of employee benefits for the Group's 213,000 employees regardless of geographies where nothing is required by law. Unprecedented in its scope, the program offers every employee parental leave, health and death cover, support for caregivers and a paid day off every year to volunteer with a charity or with an environmental protection organization.
  - On March 2, 2023, the Veolia Capital Market Day brought together financiers, analysts and journalists. On the agenda: the presentation of financial results and the Group's specific position on ESG and the positive impact of its activities on all stakeholders regarding environmental, social and governance criteria,
  - At the COP 28 organized in Dubai (UAE), Estelle Brachlianoff reaffirmed its commitment to invest €1.6 billion by 2030 to phase out coal in Europe. At the opening of the COP28, Estelle Brachlianoff also called for a common "Net Zero Water" objective to accelerate the roll-out of existing solutions for ecological transformation,
  - Veolia launched Verso, the first ever popular science YouTube channel on the environment to introduce ecological transformation solutions to as many people as possible. In a fully electric truck, three influencers and experts in popular science travel across France and Europe to meet Veolia experts, clients and partners who work daily in the field to make tomorrow's world more sustainable and attractive,
  - The commitment of Veolia's employees remained very high: the Voice of Resourcers survey conducted at the end of 2023 among 160,000 Group employees in 55 countries again highlighted an engagement rate of 89%,
  - At the 2023 United Nations Water Conference in New York City (March 23, 2023), Veolia, the global leader in ecological transformation, committed $1.5 billion yearly investment in infrastructure, technologies and research & innovation initiatives for water and sanitation to advancing thirteen UN Sustainable Development Goals related to water and sanitation in 52 countries around the world.
  - Following the Sequoia 2023 employee share ownership plan, the sixth annual consecutive plan, with a record-breaking subscription rate (41.5%), employees strengthened their position as leading shareholder of the Group and now hold 7.5% of share capital at the end of 2023. The success of Sequoia 2023 confirms Veolia's willingness to make employee shareholding one of its primary social indicators;
- finally, regarding the contribution to Veolia's exposure, Mrs. Estelle Brachlianoff has fully embraced her position as Veolia Chief Executive Officer since her appointment in July 2022, mainly by promoting the Group's businesses, know-how and exemplarity among all stakeholders.

After applying all these criteria, Mrs. Estelle Brachlianoff's total variable compensation (quantitative and qualitative) **for fiscal year 2023 is therefore €1,462,343,** or 142.0% of her Target bonus base. It is recalled that the cap on variable compensation for 2023 was 160% of her Target bonus base, which in turn is equal to 100% of fixed compensation.

In accordance with Article L. 22-10-34, II of the French Commercial Code, the variable compensation will be paid to Mrs. Estelle Brachlianoff only after approval of the 11th resolution presented to the General Shareholders' Meeting of April 25, 2024.

Summary of the calculation of 2023 variable compensation

Criteria	Weight	Attainment rate	Percentage of the Target bonus base paid	Amount
Financial quantitative	50%	110.3%	138.2%	€711,730
Non-financial quantitative	30%	116.6%	136.3%	€421,013
Qualitative	20%	160.0%	160.0%	€329,600
TOTAL 2023 VARIABLE COMPENSATION	100%	122.1%	142.0%	€1,462,343

Criteria	Weight (base 50%)	Actual	Objective	Attainment rate	Percentage of the quantitative Target bonus base paid
Profitability (CNIGS)	15%	€1,335 million	€1,279 million	104.4%	126.3%
Investment capacity (free cash flow)(1)	10%	€1,683 million	€1,235 million	136.3%	160.0%
Group growth (revenue)(2)	15%	€46,149 million	€44,705 million	103.2%	142.3%
Capital return (ROCE)	10%	8.3%	8.0%	103.8%	128.1%
TOTAL	50%				138.2%

(1) Target free cash-flow used to determine the bonus excludes discretionary investment.
(2) Target revenue used to determine the bonus is calculated at constant exchange rates.

These calculations are based on the following thresholds:

Criteria	Lower limit (0% payment)	Central limit (100% payment)	Upper limit (160% maximum payment)
Profitability (CNIGS)	90%	100%	110%
Investment capacity (free cash flow)(1)	90%	100%	130%
Group growth (revenue)(2)	90%	100%	105%
Capital return (ROCE)	92%	100%	108%

(1) Target free cash-flow used to determine the bonus excludes discretionary investment.
(2) Target revenue used to determine the bonus is calculated at constant exchange rates.

Payment percentages for the 30% non-financial quantitative variable compensation

Indicator	Weight (base 30 %)	Actual	Objective	Attainment rate	Percentage of the quantitative Target bonus base paid
Health and safety	5%	4.95	5.61	111.8%	110.6%
Ethics and compliance	5%	88%	83%	106.0%	140.0%
Climate	5%	€147.2 million	€100 million	147.2%	160.0%
Hazardous waste treatment and recovery	5%	€4,150.3 million	€4,200 million	98.8%	92.9%
Commitment	5%	89%	80%	111.3%	154.0%
Training	5%	28.6 hours	23 hours	124.5%	160.0%
TOTAL	30%				136.3%

These calculations are based on the following thresholds:

			Threshold attained
Criteria	Lower limit (0% payment)	Central limit (100% payment)	Upper limit (160% maximum payment)
Health and safety	20% downturn	10% improvement	20% improvement
Ethics and compliance	75% result	83% result	90% result
Climate	80%	100%	120%
Hazardous waste treatment and recovery	85%	100%	115%
Commitment	70% result	80% result	90% result
Training	21 hours	23 hours	25 hours

Long-term compensation

Performance share grant in respect of fiscal year 2022

Pursuant to the performance share plan authorized by the General Shareholders' Meeting of June 15, 2022 and at the recommendation of the Compensation Committee, the Board of Directors' Meeting of August 2, 2022 decided to grant 21,994 performance shares to Mrs. Estelle Brachlianoff as Chief Executive Officer (representing approximately 0.003% of the share capital compared with 0.02% authorized by the General Shareholders' Meeting), corresponding to 100% of her 2022 annual fixed compensation calculated on a time apportioned basis from July 1, 2022.

The detailed features and performance conditions of this plan are presented in Section 3.4.3 below.

Performance share grant in respect of fiscal year 2023

Pursuant to the performance share plan authorized by the General Shareholders' Meeting of April 27, 2023 and at the recommendation of the Compensation Committee, the Board of Directors' Meeting of May 3, 2023 decided to grant 47,450 performance shares to Mrs. Estelle Brachlianoff as Chief Executive Officer (representing approximately 0.007% of the share capital compared with 0.02% authorized by the General Shareholders' Meeting), corresponding to 133% of her 2023 annual fixed compensation.

The detailed features and performance conditions of this plan are presented in Section 3.4.3 below.

Obligation to hold the performance shares granted and vested

Mrs. Estelle Brachlianoff must hold, until the end of her duties, 40% of total performance shares granted under this plan, net of applicable taxes and social security contributions, until an overall shareholding corresponding to 200% of her gross fixed compensation is ultimately reached.

Compensation awarded as a director

Mrs. Estelle Brachlianoff waived the compensation awarded for her duties as a director by the Company and Group-controlled companies.

Supplementary social protection plan

Mrs. Estelle Brachlianoff, benefits from the collective healthcare and insurance plan in force within the Company under the same conditions as those applicable for the category of employees with which she is assimilated for the setting of social benefits and other ancillary components of her compensation.

Retirement or other similar benefits

Information on pension plans, other benefits, severance payments in the event of termination of the office of Chief Executive Officer and non-compete compensation, is presented in Section 3.4.2 below.

Summary of compensation received by Mrs. Estelle Brachlianoff, Chief Executive Officer from July 1, 2022

The following tables notably present a summary of compensation of all kinds paid or awarded to Mr. Estelle Brachlianoff and have been prepared in accordance with the formats recommended by the AFEP-MEDEF Code and AMF recommendation no. 2012-02. The tables presenting performance shares and share subscription and purchase options can be found in Sections 3.4.3.2 and 3.4.3.3 below.

Summary of total compensation, options and shares awarded to Mrs. Estelle Brachlianoff (AFEP-MEDEF Code Table 1)

(in euros)	Fiscal year 2022	Fiscal year 2023
Compensation awarded for the fiscal year	1,279,288	2,492,343
Value of options granted during the fiscal year	-	-
Value of performance shares granted during the fiscal year	350,584(1)	1,021,124(2)
Value of other long-term compensation plans	-	-
TOTAL	1,629,872	3,513,467

(1) Valuation of the performance shares granted on August 2, 2022 on the basis of the fair value per share in accordance with IFRS 2, i.e. €15.94.
(2) Valuation of performance shares granted as of May 3, 2023 based on the fair value of the share pursuant to IFRS 2 of €21.52.

Summary of compensation paid or payable to Mrs. Estelle Brachlianoff (AFEP-MEDEF Code Table 2)
Chief Executive Officer (from July 1, 2022)

	Fiscal year 2022 (from July 1 to December 31, 2022)		Fiscal year 2023	
(in euros)	Amount awarded	Amount paid	Amount awarded	Amount paid
Fixed compensation	515,000	515,000	1,030,000	1,030,000
Annual variable compensation	764,288(1)	-	1,462,343(2)	764,288
Exceptional compensation	-	-	-	-
Compensation awarded as director	-	-	-	-
Paid by Veolia Environment	-	-	-	-
Paid by controlled companies	-	-	-	-
Benefits in kind	-	-	-	-
TOTAL	1,279,288	515,000	2,492,343	1,794,288

(1) Variable portion for 2022 (as of July 1, 2022) paid in 2023.
(2) Variable portion for 2023 payable in 2024 subject to approval by the General Shareholders' Meeting of April 25, 2024.

Summary of multi-year variable compensation paid or payable to Mrs. Estelle Brachlianoff (AFEP-MEDEF Code Table 10)

(in euros)	Fiscal year 2022	Fiscal year 2023
Estelle Brachlianof, Chief Executive Officer	-	-
TOTAL	-	-

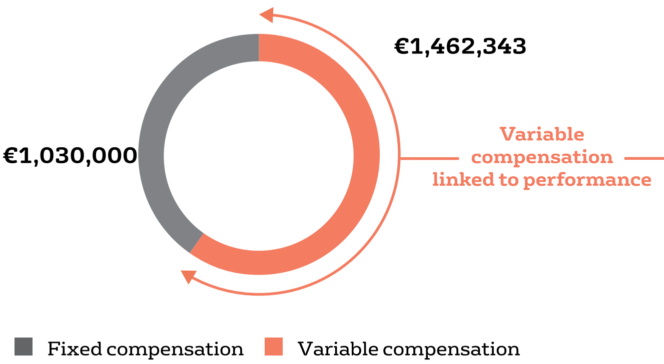
Employment contract, supplementary pension plan and benefits as of December 31, 2023 (AFEP-MEDEF Code Table 11)

	Employment contract		Supplementary pension plan		Compensation or benefits payable or likely to be payable in the event of termination or a change of position		Compensation pursuant to a non-compete covenante	
Executive corporate officer	Yes	No	Yes	No	Yes	No	Yes	No
Estelle Brachlianoff, Chief Executive Officer Start date of term of office: July 1, 2022 End date of term of office: 2026 GSM		X [(1)]	X [(2)]		X [(3)]		X [(3)]	

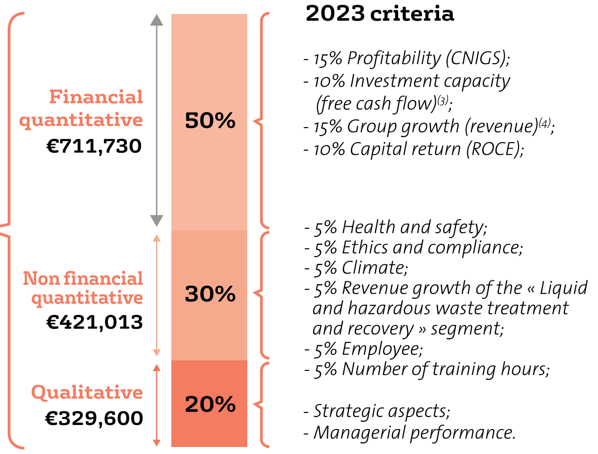
(1) Mrs. Estelle Brachlianoff resigned her employment contract on July 1, 2022.
(2) Mrs. Estelle Brachlianoff is a beneficiary of the supplementary defined benefit group pension plan set up for category 8 and higher executives of Veolia Environnement closed with effect from June 30, 2014. In addition, she is a beneficiary of the supplementary defined contribution pension plan set up notably for category 8 and higher executives, as well as an «Article 82" defined contribution pension plan. These plans are described in Section 3.4.2 below.
(3) Pursuant to a decision adopted by the Board of Directors on April 5, 2022, Mrs. Estelle Brachlianoff is entitled to compensation in the event of termination of her term of office as Chief Executive Officer and non-compete compensation, in accordance with the provisions of the AFEP-MEDEF Code (see Section 3.4.2 below).

Overview and tables summarizing the compensation of the Chief Executive Officer, Mrs. Estelle Brachlianoff

Fixed and variable compensation[(1)]



Performance of the variable compensation[(2)]



€0 (Volontary renonciation)
Director's fees

"Article 82" supplementary benefit plan, leading to a gross payment of €373,851 in respect of 2023

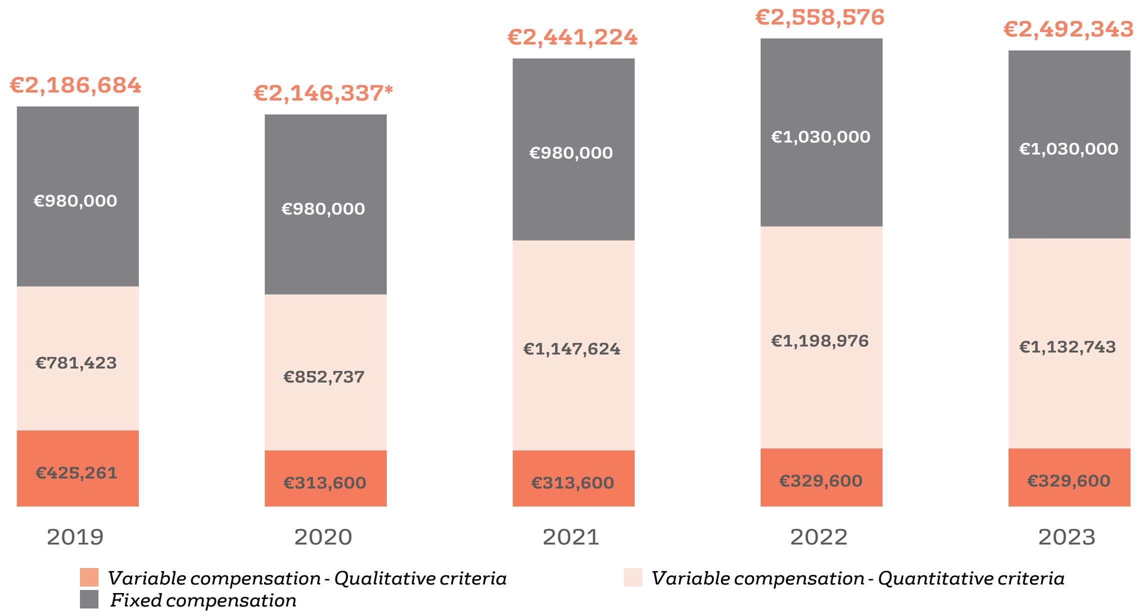
Long-term incentive plan with respect to 2023

2023 performance share plan (maturing May 2026) / Grant of 47,450 performance shares

(1) Variable compensation for 2023 was capped at 160% of the target bonus base, that is €1,648,000.
(2) The objective attainment rate and the amount of the variable compensation were approved by the Board of Directors' Meeting of March 12, 2024 at the recommendation of the Compensation Committee.
(3) Target free cash-flow used to determine the bonus excludes discretionary investment.
(4) Target revenue used to determine the bonus is calculated at constant exchange rates.

Fixed and variable annual compensation trends over the past five years (in euros)

This graph shows the change, over the past five years, in executive corporate officer annual fixed and variable compensation (Mr. Antoine Frérot until June 30, 2022, then Mrs. Estelle Brachlianoff from July 1, 2022).



(*)) After waiver by the Chairman and Chief Executive Officer of 30% of the financial quantitative portion of his variable compensation.

Fairness ratio (executive corporate officer compensation/ median and average compensation of Group employees in France)

The fairness ratios measuring the difference between total compensation paid to executive corporate officers (as presented in AFEP-MEDEF Code Table 2 in Section 3.4.1.1.2 above) and the median and average compensation of employees are presented below.

The ratios were calculated taking account of employees paid directly by all French Group companies. In France, over 78% of employees are non-management staff, 40% of employees are operators/workers.

Account is only taken of permanent employees, that is employees present during the entire year. Full-time fixed equivalent annual compensation is determined for part-time employees.

Fairness ratio – Comparison with average employee compensation in France

	2019	2020	2021	2022(1)	2023(1)
Chairman and Chief Executive Officer (Antoine Frérot until June 30, 2022) (a)	57	56	53	46	17
Change Y/Y-1 (in %)		*-1.8%*	*-5.4%*		
Chief Executive Officer (Estelle Brachlianoff from July 1, 2022) (b)	N/A	N/A	N/A	12	40
Change Y/Y-1 (in %)					
Executive corporate officers (a) + (b)	57	56	53	58	57
Change Y/Y-1 (in %)		*-1.8%*	*-5.4%*	*+9.4%*	*-2.4%*
Chairman of the Board of Directors (Antoine Frérot from July 1, 2022) (b)	N/A	N/A	N/A	8	16
Change Y/Y-1 (in %)					

(1) The separation of duties on July 1, 2022 led to fairness ratios being calculated for only a portion of 2022 (fixed compensation allocated between Chairman and Chief Executive Officer and Chief Executive Officer) and 2023 (variable compensation for 2022 allocated between Chairman and Chief Executive Officer and Chief Executive Officer). The "Executive corporate officer" consolidation provides a comprehensive view.

Fairness ratio – Comparison with median employee compensation in France

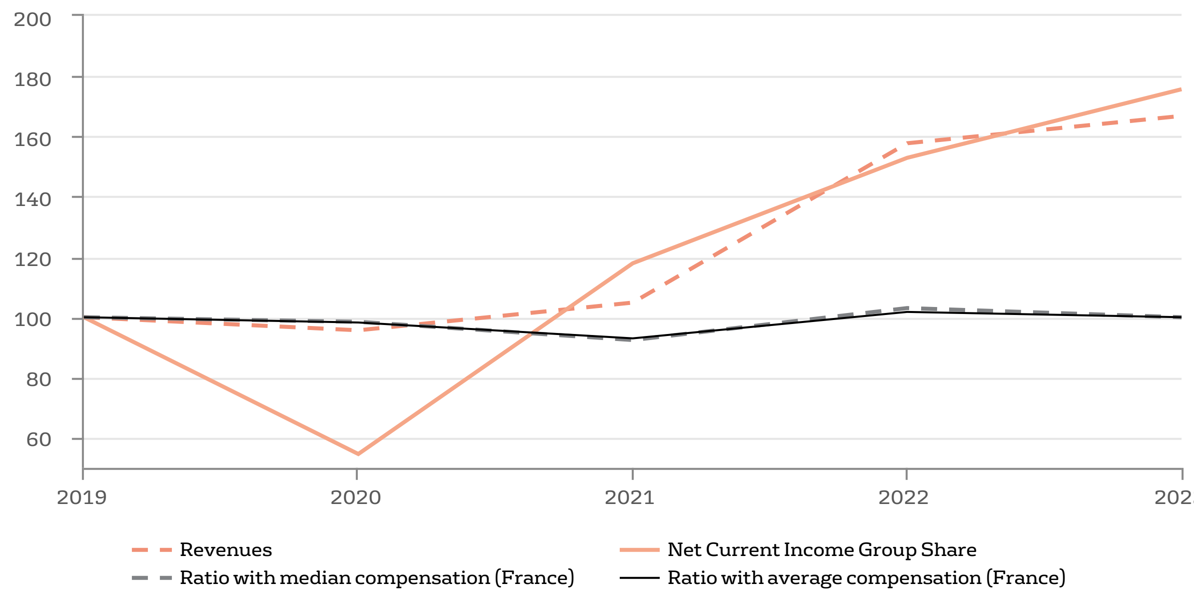
	2019	2020	2021	2022[(1)]	2023[(1)]
Chairman and Chief Executive Officer (Antoine Frérot until June 30, 2022) (a)	66	65	61	54	20
Change Y/Y-1 (in %)		*-1.5%*	*-6.2%*		
Chief Executive Officer (Estelle Brachlianoff from July 1, 2022) (b)	N/A	N/A	N/A	14	46
Change Y/Y-1 (in %)					
Executive corporate officers (a) + (b)	66	65	61	68	66
Change Y/Y-1 (in %)		*-1.5%*	*-6.2%*	*+11.5%*	*-2.5%*
Chairman of the Board of Directors (Antoine Frérot from July 1, 2022) (b)	N/A	N/A	N/A	10	18
Change Y/Y-1 (in %)					

(1) The separation of duties on July 1, 2022 led to fairness ratios being calculated for only a portion of 2022 (fixed compensation allocated between Chairman and Chief Executive Officer and Chief Executive Officer) and 2023 (variable compensation for 2022 allocated between Chairman and Chief Executive Officer and Chief Executive Officer). The "Executive corporate officer" consolidation provides a comprehensive view.

Company performance

	2019	2020	2021	2022	2023
Revenue (in € million)	27189	26010	28508	42885	45,531
Change Y/Y-1 (in %)		*-4.3%*	*+9.6%*	*+50.4%*	*+5.8%*
Net current income - Group share (in € million)	760	415	896	1162	1335
Change Y/Y-1 (in %)		*-45%*	*+115.9%*	*+29.7%*	*+14.9%*

Fairness ratio and Group performance (base 100 in 2019)



3.4.1.1.4 Chairman of the Board of Directors compensation policy for 2024

The Chairman of the Board of Directors' compensation policy was approved by the Board of Directors at the recommendation of the Compensation Committee. It is unchanged and consists solely of fixed compensation and benefits in kind, excluding all variable or exceptional compensation, grants of share subscription options or performance shares and compensation for his duties as a director.

Fixed compensation

At the recommendation of the Compensation Committee and in accordance with the compensation policy, the Board of Directors' Meeting of March 12, 2024 decided to retain the gross annual fixed compensation of the Chairman of the Board unchanged at €700,000.

It is recalled that this compensation was set by a decision of the Board of Directors' Meeting of April 5, 2022, based on a study conducted by the firm, Boracay, and described in Section 3.4.1.1.3 of the 2021 Universal Registration Documentation.

Annual variable compensation

None.

2024 Long-term compensation

None.

Severance payments

None

Compensation awarded as a director

Since 2012, Mr. Antoine Frérot has decided to waive the compensation awarded for his duties as a director paid by the Company and Group-controlled companies. This waiver remains applicable to his duties as Chairman of the Board of Directors.

Pension plan

Mr. Antoine Frérot benefits from a supplementary defined contribution group pension plan applicable since July 1, 2014 and presented in Section 3.4.2 below.

He is eligible for the defined benefit pension plan presented in Section 3.4.2 below, with a theoretical annuity of nil.

Other benefits

Mr. Antoine Frérot benefits from the collective healthcare and insurance plan in force within the Company under the same conditions as those applicable for the category of employees with which he is assimilated for the setting of social benefits and other ancillary components of his compensation.

Mr. Antoine Frérot enjoys the use of a company car.

3.4.1.1.5 Chief Executive Officer compensation policy for 2024

Fixed compensation

At the recommendation of the Compensation Committee and in accordance with the compensation policy, the Board of Directors' Meeting of March 12, 2024 decided to retain the gross annual fixed compensation of the Chief Executive Officer unchanged at €1,030,000.

As a reminder, this compensation was set following the Board of Directors' decision of April 5, 2022 based on the results of a study conducted by the firm Boracay on a group of comparable and rival companies comprising 13 listed European companies such as Centrica, EDP, Enel, Engie, ENI, EON, Iberdrola, Schneider Electric, Vinci, ABB, ACS, Air Liquide and Bouygues.

The companies in the peer group:

- share a common mission: employee and environmental quality with local public authorities;
- conduct several businesses globally and are present on at least four continents;
- report revenue equal to between 50% and 200% of Veolia's revenue.

In addition to the peer group, the Compensation Committee also assessed the executive corporate officer compensation in comparison with CAC 40 companies.

Details of this study are presented in Section 3.4 of the 2021 Universal Registration Documentation.

Annual variable compensation

The 2024 quantitative objectives are in keeping with the 2024 financial outlook announced to the market on February 29, 2024 and the GreenUp 2024-2027 strategic program.

In order to integrate the multifaceted performance indicators relating to the Company's Purpose, the Board of Directors' Meeting of March 12, 2024, at the recommendation of the Compensation Committee, determined the calculation method for variable compensation as follows:

- weight of the auditable quantitative portion (80%) and weight of the qualitative portion (20%) unchanged;
- split of the weight of the auditable quantitative portion (80%) between financial quantitative objectives (50%) and non-financial quantitative objectives (30%) unchanged;
- 2024 target variable compensation (in the event of attainment of the objectives set by the Board of Directors) set at 100% of the annual fixed compensation ("Target bonus base");
- variable compensation capped (in the event objectives are exceeded) at 160% of annual fixed compensation, or €1,648,000.

To take into account the requests of certain investors and proxy agencies, at the governance roadshow, the Board of Directors, at the recommendation of the Compensation Committee, decided to reduce the number of quantitative criteria for 2024 by removing the criteria relating to the increase in revenue.

In addition, the criteria for the 2024 variable compensation were set as follows:

- **with respect to the quantitative criteria**: in line with the outlook and objectives published on February 29, 2024, the criteria for the quantitative portion of variable compensation break down as follows. The quantitative portion is equal to the total of the components resulting from application of each of these criteria separately:
  - **For the 50% financial quantitative portion**:
    - 20% based on the **Profitability indicator (CNIGS)**: Current Net Income, Group Share,
    - 15% based on the **Investment Capacity indicator (free cash flow)**[3]: before financial acquisitions/divestments and dividends but after financial expenses and taxes,
    - 15% based on the **Capital Return indicator (ROCE)**: Group ROCE after tax, including the return on capital employed of joint ventures and companies, after IFRS 16 lease adjustments.

The financial quantitative variable compensation portion will be determined based on the attainment of the 2024 budget objectives which are consistent with the outlook announced to the market on February 29, 2024:

  - **For the 30% non-financial quantitative portion**:
    - 5% based on the **Health and Safety and Well-Being** indicator: improvement and reduction in the injury frequency rate,
    - 5% based on the **Ethics and Integrity** indicator: % of positive answers to the engagement survey question "Are Veolia's values applied in my entity" across all respondents,
    - 5% based on the **Decarbonization of our assets** indicator: decarbonization investments, including the phase-out of coal and methane capture,
    - 5% based on the **Growth and innovation drivers** indicator: revenue growth in priority business segments (energy, water technologies, hazardous waste),
    - 5% based on the **Employee commitment** indicator: commitment rate of employees measured by an engagement survey conducted by an external body (clear objectives, meaning and usefulness, work atmosphere, pride in the Group, willingness to recommend Veolia),

[3] *Target free cash-flow used to determine the bonus excludes discretionary investment.*

   – 5% based on the **Depollution - biodiversity** indicator: progress rate of action plans improving the footprint of environments and biodiversity at sensitive sites.

  The non-financial quantitative variable compensation portion will be determined based on the attainment of the 2024 objectives, that will be audited by an independent third party;

- **with respect to the qualitative criteria:** the qualitative portion (20% of the target bonus) will be based on an overall assessment by the Board of Directors, at the recommendation of the Compensation Committee, based notably on the following individual objectives:
  - strategic aspects,
  - managerial performance,
  - equity story.

In addition, the Board of Directors reserves the right to exercise its power of discretion regarding the determination of the Chief Executive Officer's compensation, in application of legal provisions and in accordance with Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code. It may do so in the event of special and unforeseeable circumstances (such as the Covid-19 pandemic and its uncertainties) that could justify an exceptional adjustment, upwards or downwards, without exceeding the ceiling set in the compensation policy (i.e. 160% of fixed annual compensation), to one or more criteria comprising the Chief Executive Officer's annual variable compensation to ensure that application of the criteria described above produces results reflecting the performance of both the Chief Executive Officer and the Group, as well the alignment of the interests of the Company and its shareholders with those of the Chief Executive Officer.

This adjustment may be made to the Chief Executive Officer's annual variable compensation by the Board of Directors at the recommendation of the Compensation Committee, after the Board of Directors has provided adequate reasoning for its decision. Any exercise of this discretion will be made public.

2024 Long-term compensation

Based on the principles and recommendations of the AFEP-MEDEF Code and at the recommendation of the Compensation Committee, the Board seeks to implement long-term compensation in addition to annual variable compensation, proportionate to annual fixed and variable components and subject to demanding performance conditions to be satisfied over several consecutive years. When drafting a new plan, the performance conditions reflect Veolia's long-term strategic priorities and can include performance conditions that are internal and/or external to the Group. This long-term compensation is not intended to concern only the executive corporate officer, but also senior executives and other employee categories of the Group (e.g. high potential employees and key contributors). The scope of beneficiaries is determined on the implementation of each long-term compensation plan. Should the executive corporate officer leave the Group before expiry of the performance criteria assessment period, the multi-year compensation will not be paid, in the absence of exceptional circumstances justified by the Board. In any case, the performance and acquisition conditions will remain unchanged.

In 2023, during discussions with investors and proxy advisors (governance roadshow), there was an expectation for overweighting to be applied to the Chief Executive Officer's long-term compensation. The Board of Directors was eager to achieve a balance between the three components (fixed, variable and long-term) of this compensation.

At the recommendation of the Compensation Committee, the Board of Directors decided that the Chief Executive Officer would receive a performance share grant equal to and capped at 133% of her fixed compensation.

The Chief Executive Officer's compensation breaks down as follows:

- annual fixed compensation (€1,030,000) for 30%;
- annual variable compensation (€1,030,000 if objectives are attained) for 30%;
- long-term variable compensation (€1,373,000 or 133% of fixed compensation if objectives are attained) for 40%.

In the event of outperformance leading to payment of the maximum amount of variable compensation (equal to the cap of 160% of annual fixed compensation), the breakdown is as follows:

- annual fixed compensation (€1,030,000) for 25%;
- annual variable compensation (€1,648,000 if objectives are exceeded) for 41%;
- long-term variable compensation (€1,373,000 if objectives are exceeded) for 34%.

In this context, the last three long-term compensation plans and the share holding obligations are presented in Section 3.4.3 below.

Proposed Performance Share Grant

At the recommendation of the Compensation Committee, the Board of Directors asks shareholders in the 25th resolution presented to the General Shareholders' Meeting of April 25, 2024 to approve an authorization, for a period of 26 months, to grant performance shares to a group of around 550 beneficiaries and comprising top executives, high potential employees and key contributors of the Group, including the Chief Executive Officer. This plan, which is intended to be launched in 2024 with an expiry date in 2027 following the publication of the 2026 financial statements, would succeed the plan granted in 2023.

The Board of Directors, when implementing this performance share plan, will set the number of performance shares that would be granted to the Chief Executive Officer.

The detailed features and performance conditions of this proposed performance share plan are presented in Section 3.4.3 below.

Obligation to hold the performance shares granted and vested

At the recommendation of the Compensation Committee, the Board of Directors decided, in the context of implementing this performance share plan, to maintain as follows the holding obligations applicable to performance share plans of the Chief Executive Officer: obligation to hold until the end of her duties, 40% of total performance shares granted under this plan, net of applicable social security contributions and taxes, until she has ultimately reached a total shareholding equal to 200% of her gross annual fixed compensation.

Compensation awarded as a director

Mrs. Estelle Brachlianoff waived the compensation awarded for her duties as a director by the Company and Group-controlled companies.

Retirement or other similar benefits

Information on pension plans, other benefits and severance payments due in the event of termination of the office of Chief Executive Officer and compensation under a non-compete clause, is presented in Section 3.4.2 below.

3.4.1.2 Compensation paid to directors [7]

Amount and allocation of compensation awarded to directors in 2023

The General Shareholders' Meeting of April 19, 2018, at the proposal of the Board of Directors and the recommendation of the Compensation Committee, set the maximum total annual amount of compensation awarded to directors at €1,200,000. This request to increase the maximum total amount of compensation was made for the following reasons: the change in the composition of the Board Committees with the addition of members in 2017, the increase in compensation paid to members of the Accounts and Audit Committee from €8,400 to €16,800 in 2018 and the increase in the additional amount payable to Directors and, where applicable, non-voting members (*censeurs*) residing on another continent from €2,000 to €3,000 in 2018.

For 2022, the Board of Directors' Meeting of April 5, 2022, at the recommendation of the Compensation Committee, decided to keep unchanged the total amount and allocation of compensation awarded to its members, except for the additional compensation allocated to each of the members of the Sonate Commission which was not continued and subject to the following adjustments. The Board decided:

- to increase the additional amount for directors residing on another continent from €3,000 to €6,000 per trip (for one or more meetings of the Board and its Committees and for the Board strategic seminar) subject to the physical presence of the relevant Director;
- to maintain the additional amount for non-voting members (*censeurs*) residing on another continent at €3,000 per trip (for one or more meetings of the Board and its Committees and for the Board strategic seminar) subject to the physical presence of the relevant non-voting member (*censeur*);
- to allocate to directors residing in Europe but outside France an additional amount of €3,000 per trip (for one or more meetings of the Board and its Committees and for the Board strategic seminar) subject to the physical presence of the relevant Director;
- to allocate, where applicable, to non-voting members (*censeurs*) residing in Europe but outside France an additional amount of €1,500 per trip (for one or more meetings of the Board and its Committees and for the Board strategic seminar) subject to the physical presence of the relevant non-voting member (*censeur*);
- in the case of the Purpose Committee, the terms of which were approved by the Board of Directors during this meeting, to allocate to the Chairman and the other members of the Committee, in respect of fiscal year 2022, additional amounts identical to those allocated to the Chairman and other members of the Nominations Committee, the Remuneration Committee and the Research, Innovation and Sustainable Development Committee, that is €20,000 for the Chairman and €10,000 for the other members.

For 2023, the Board of Directors' Meeting of March 14, 2023, at the recommendation of the Compensation Committee, decided to keep unchanged the total amount and allocation of compensation awarded to its members.

In addition, on April 5, 2022 and March 14, 2023, the Board of Directors duly noted that Mr. Antoine Frérot and Mrs. Estelle Brachlianoff waived the right to receive compensation for their duties as a director.

The allocation of the basic compensation and the additional amounts for specific duties, based on an attendance rate of 100% and including a fixed portion (40%) and a variable portion (60%), as of December 31, 2023, is as follows:

On a full annual basis	2023 allocation	
Directors (basic compensation)	**€42,000**	*
Additional amount for the Vice-Chairman	€50,000	
Additional amount for the Senior Independent Director	€50,000	
Additional amount for the Chairman of the Accounts and Audit Committee	€67,200	*
Additional amount for the Chairman of the Nominations Committee	€20,000	*
Additional amount for the Chairman of the Compensation Committee	€20,000	*
Additional amount for the Chairman of the Research, Innovation and Sustainable Development Committee	€20,000	*
Additional amount for members of the Accounts and Audit Committee	€16,800	*
Additional amount for members of the Nominations Committee	€10,000	*
Additonal amount for members of the Compensation Committee	€10,000	*
Additionnal amount for members of the Research, Innovation and Sustainable Development Committee	€10,000	*
Non-voting member (censor) (50% of the basic compensation)	€21,000	*
Additional amount payable to directors residing on another continent	€6,000 per trip (for one or more meetings of the Board and its Committees and for the Board strategic seminar) subject to the physical presence of the relevant director	
Additional amount payable to non-voting members (censor) residing on another continent	€3,000 per trip (for one or more meetings of the Board and its Committees and for the Board strategic seminar) subject to the physical presence of the relevant nonvoting member (censeur)	
Additional amount payable to directors residing in Europe outside France	€3,000 per trip (for one or more meetings of the Board and its Committees and for the Board strategic seminar) subject to the physical presence of the relevant director	
Additional amount payable to non-voting members (censor) residing in Europe outside France	€1,500 per trip (for one or more meetings of the Board and its Committees and for the Board strategic seminar) subject to the physical presence of the relevant nonvoting member (censeur)	

The amounts granted are calculated pro rata to the effective duration of the term of office during the fiscal year.
** Amount subject to attendance rate.*
(7) Non-executive corporate officers.

Table of compensation awarded to directors in 2022-2023 (AFEP-MEDEF Code Table 3)

The table below shows the amount of compensation paid in 2023 and 2022 to members of the Board of Directors of Veolia Environnement by the Company and by controlled companies.

Note that since fiscal year 2019, the variable portion of directors' compensation is paid annually in the first quarter of the following year and is no longer paid quarterly.

	2022				2023			
(in euros)	Amounts awarded for the fiscal year		Amounts[1] paid during the fiscal year		Amounts awarded for the fiscal year		Amounts[2] paid during the fiscal year	
Director	By the company	By controlled companies	By the company	By controlled companies	By the company	By controlled companies	By the company	By controlled companies
Olivier Andriès [3]	None	None	None	None	46,684	None	11,794	None
Jacques Aschenbroich [4] [5]	None	None	18,667	None	None	None	None	None
Maryse Aulagnon [5]	132,000	None	145,000	None	162,992	None	153,292	None
Véronique Bédague [6]	None	None	None	None	36,960	None	10,080	None
Estelle Brachlianoff [7]	0	0	0	0	0	0	0	0
Caisse des dépôts et consignations [8]	2,024	None	22,604	None	None	None	None	None
Pierre-André de Chalendar	62,000	None	45,400	None	77,760	None	65,704	None
Isabelle Courville	134,800	None	119,954	None	114,646	None	124,938	None
Antoine Frérot [9]	0	0	0	0	0	0	0	0
Clara Gaymard [10]	52,000	None	49,900	None	16,856	None	53,256	None
Marion Guillou	59,900	None	62,000	None	62,000	None	59,900	None
Franck Le Roux [11]	78,800	None	71,800	None	78,800	None	78,800	None
Agata Mazurek Bak [12]	39,578	None	0	None	73,800	None	66,138	None
Pavel Páša [11]	73,000	None	67,000	None	70,000	None	70,000	None
Nathalie Rachou [5]	119,200	None	132,200	None	119,200	None	119,200	None
Francisco Reynés [13]	None	None	None	None	39,184	None	8,914	None
Louis Schweitzer [5] [14]	142,000	None	129,333	None	46,032	None	122,932	None
Guillaume Texier [5]	68,800	None	86,700	None	68,800	None	68,800	None
Enric Xavier Amiguet i Rovira [15]	15,923	None	0	None	31,500	None	29,723	None
TOTAL	**980,025**	**-**	**950,558**	**-**	**1,045,214**	**-**	**1,043,471**	**-**

N/A: not applicable

(1) Gross amount before tax deductions or withholding tax paid in respect of the fourth quarter of 2021 (fixed portion for the fourth quarter 2021 and annual variable portion for fiscal year 2021) and the first, second and third quarters of 2022 (fixed portion only).

(2)Gross amount before tax deductions or withholding tax paid in respect of the fourth quarter of 2022 (fixed portion for the fourth quarter 2022 and annual variable portion for fiscal year 2022) and the first, second and third quarters of 2023 (fixed portion only).

(3) Mr . Olivier Andriès was appointed a director by the Company's Combined General Meeting of April 27, 2023.

(4) Mr. Jacques Aschenbroich's term of office expired on May 28, 2021.

(5) In consideration for the additional work performed by the members of the special commission dedicated to the Suez merger project (Mrs. Maryse Aulagnon, Mrs. Nathalie Rachou, Mr. Jacques Aschenbroich and Mr. Guillaume Texier), the Board of Directors' Meeting of March 9, 2021, at the recommendation of the Compensation Committee, decided to allocate to each member of this commission additional compensation of €20,000 in respect of fiscal year 2021, within the same limit of the annual budget. Following Mr. Jacques Aschenbroich's resignation from May 28, 2021 and his replacement by Mr. Louis Schweitzer on this commission from May 31, 2021, the Board of Directors' Meeting of April 5, 2022, at the recommendation of the Compensation Committee, decided to allocate the €20,000 additional compensation pro rata to the number of commission meetings attended by Mr. Jacques Aschenbroich up to May 28, 2021 (14/15 meetings, i.e. €18,667) and Mr. Louis Schweitzer from May 31, 2021 (1/15 meetings, i.e. €1,333). The other members of the commission (Mrs. Maryse Aulagnon, Mrs. Nathalie Rachou and Mr. Guillaume Texier) received additional compensation of €20,000 in 2022 in respect of fiscal year 2021.

(6) Mrs. Véronique Bédague was appointed a director by the Company's Combined General Meeting of April 27, 2023.

(7) Mrs. Estelle Brachlianoff was appointed a director by the Company's Combined General Meeting of June 15, 2022. Her full compensation as Chief Executive Officer is presented in Section 3.4.1.1 of the 2023 Universal Registration Documentation. At its meetings of April 5, 2022 and March 14, 2023, the Board of Directors took note of Mrs. Estelle Brachlianoff's decision to waive receipt of compensation for her duties as a director for fiscal years 2022 and 2023.

(8) In addition, the Veolia Environnement Board of Directors' meeting of March 16, 2022 took due note of the resignation of Caisse des dépôts et consignations, represented by Mr. Olivier Mareuse, as a director and member of the Accounts and Audit Committee from January 31, 2022.

(9) His full compensation as Chairman of the Board of Directors is presented in Section 3.4.1.1 of the 2023 Universal Registration Documentation. At its meetings of April 5, 2022 and March 14, 2023, the Board of Directors took note of the renewal of Mr. Antoine Frérot's decision to waive receipt of compensation for his duties as a director for fiscal years 2022 and 2023.

(10) Mrs. Clara Gaymard's term of office expired on April 27, 2023.

(11) Mr. Pavel Páša was nominated as a director representing employees by the Group's European Works Council on October 15, 2014. He joined the Board of Directors at its meeting on November 5, 2014. At its meeting of March 10, 2015, the Board of Directors recorded Mr. Pavel Páša's intention to transfer the compensation awarded for his duties as a director to an organization representing or assisting employees. Mr. Franck Le Roux was appointed by the Group France Works Council on October 15, 2018. Mr. Franck Le Roux's decision to transfer the compensation awarded for his duties as a director to his trade union was recorded.

(12) Mrs. Agata Mazurek-Bąk was appointed a director representing employee shareholders by the Company's Combined General Meeting of June 15, 2022. At its meeting of March 14, 2023, the Board of Directors recorded Mrs. Agata Mazurek-Bąk's intention to transfer the compensation awarded for her duties as a director to a charity.

(13) Mr . Francisco Reynés was appointed a director by the Company's Combined General Meeting of April 27, 2023.

(14) Mr. Louis Schweitzer's term of office expired on April 27, 2023.

(15) Mr. Enric Xavier Amiguet i Rovira was appointed a non-voting member (censeur) on June 15, 2022. Mr. Enric Xavier Amigiet i Rovira's decision to transfer the compensation awarded for his duties as a non-voting member to his trade union was recorded.

Amount and allocation of compensation awarded to directors in 2024

The Board of Directors' Meeting of March 12, 2024, at the recommendation of the Compensation Committee, decided to keep unchanged the total amount and allocation of compensation awarded to its members for 2024 and make the following adjustments:

- allocate to director(s) an additional amount of €6,000 per trip for the Board's annual visit to one or more countries on a different continent to where they reside with physical presence of the relevant director;
- account for an extraordinary Board meeting as a quarter of a meeting and the strategic seminar as two Board meetings.

In addition, the Board of Directors duly noted that Mr. Antoine Frérot and Mrs. Estelle Brachlianoff waived the right to receive compensation for their duties as a director.

3.4.1.3 Compensation of executives excluding corporate officers (Executive Committee members)

All members of the Executive Committee in office on December 31, 2023 (see Section 3.3.3 above), (excluding the Chief Executive Officer) received total gross compensation of €12,843,085 in 2023 (for an Executive Committee comprising thirteen members excluding the Chief Executive Officer), compared with €11,584,659 euros in 2022 (for an Executive Committee comprising thirteen members excluding the Chief Executive Officer).

The tables below show the total gross compensation paid to members of the Company's Executive Committee as of December 31, 2022 and 2023, with the exception of the Chairman and Chief Executive Officer and the Chief Executive Officer, including the fixed and variable compensation paid or payable by Veolia Environnement in respect of these fiscal years, benefits in kind and compensation received by Executive Committee members in respect of directorships held in companies of the Group in France and abroad.

The quantitative and qualitative portions of variable compensation of members of the Executive Committee (excluding the Chairman and Chief Executive Officer and the Chief Executive Officer) are generally determined based on the same weightings applied to their Target bonus base (quantitative portion of 80% and qualitative portion of 20%) and the same quantitative and qualitative criteria applicable to the Chief Executive Officer. Note, however, that a weighting of the attainment of zone-specific indicators to Group indicators is applied for members of the Executive Committee who are zone Senior Executive Vice-Presidents.

The average variable compensation of Executive Committee members for 2023 represents approximately 117.9% of their fixed compensation.

	Fiscal year 2022 (13 members)	
(in euros)	Amounts payable for the fiscal year	Amounts paid during the fiscal year
Fixed compensation	5,729,865	5,770,137
Annual variable compensation	7,091,950	5,765,863
Compensation awarded for duties as director		
Paid by Veolia Environnement	-	-
Paid by controlled companies	-	-
Benefits in kind [(1)]	48,659	48,659
TOTAL	**12,870,474**	**11,584,659**

(1) These figures do not include any housing allowances, or bonuses paid for expatriation/returning home.

	Fiscal year 2023 (13 members)	
(in euros)	Amounts payable for the fiscal year	Amounts paid during the fiscal year
Fixed compensation	5,930,423	5,971,737
Annual variable compensation	6,989,052	6,825,385
Compensation awarded for duties as director		
Paid by Veolia Environnement		-
Paid by controlled companies		-
Benefits in kind [(1)]	45,963	45,963
TOTAL	**12,965,438**	**12,843,085**

(1) These figures do not include any housing allowances, or bonuses paid for expatriation/returning home.

3.4.2 PENSION PLANS AND OTHER POST-EMPLOYMENT BENEFITS

There is no contract between the members of the Board of Directors and the Company or its subsidiaries that provides for the payment of benefits or compensation that is due, or may be due, in the event of members ceasing or changing their duties within the Company or its subsidiaries, other than the Chief Executive Officer's severance payments and non-compete compensation and the supplementary group pension plans described below.

3.4.2.1 Supplementary group pension plan

3.4.2.1.1 Description

Pension plans applicable to corporate officers

Supplementary defined benefit group pension plan in place until June 30, 2014

The defined benefit group pension plan open to all executives of category eight and higher (and the Chairman and Chief Executive Officer) was modified, with effect from July 1, 2013, by the Board of Directors' Meeting of March 14, 2013, upon a motion by the Chairman and Chief Executive Officer and after a favorable opinion by the Works Council and the Nominations and Compensation Committee. The pension plan was capped at 10% of the reference compensation, in turn capped at eight times the annual social security ceiling.

In accordance with the provisions of Articles L. 225-38 and L. 225-40 of the French Commercial Code and on the basis of a special report prepared by the Statutory Auditors, the General Shareholders' Meeting of May 14, 2013 approved these changes to the extent that they concern the Chairman and Chief Executive Officer.

This plan was closed with a freeze on entitlements and closure of the plan to new members with effect from June 30, 2014.

Supplementary defined contribution pension plan in place from July 1, 2014

After a favorable opinion of the Works Council and the Nominations and Compensation Committee, the Board of Directors, decided, at its meeting of March 11, 2014, upon a motion by the Chairman and Chief Executive Officer:

- to close the supplementary defined benefit group pension plan for executives of category eight and higher (including the Chairman and Chief Executive Officer who does not hold an employment contract) with a freeze on entitlements and closure of the plan to new members, with effect from June 30, 2014;
- and to amend, effective July 1, 2014, the existing supplementary defined contribution group pension plan.

In accordance with the provisions of Articles L. 225-38 and L. 225-40 of the French Commercial Code and on the basis of a special report prepared by the Statutory Auditors, the General Shareholders' Meeting of April 24, 2014 approved these changes concerning the Chairman and Chief Executive Officer.

In accordance with the recommendations of the AFEP-MEDEF Code, the value of the benefits provided by the supplementary pension plan is taken into account when setting the total compensation of corporate officers. Furthermore, the group of potential beneficiaries is not limited to corporate officers, but also includes category eight and higher executives employed by the Company.

The reference period used to calculate benefits is the average compensation calculated over three years, excluding compensation paid at the time of employment termination or retirement, as well as any other type of extraordinary compensation.

Following the closure of the supplementary defined benefit group pension plan for executives of category eight and higher with effect from June 30, 2014, any entitlement accumulated under this plan will be calculated according to its value as of June 30, 2014. Accordingly, the reference compensation corresponds to the average of the last three calendar years prior to the closure of the plan and the seniority used for calculation purposes will be that as of June 30, 2014.

Defined contribution pension plan governed by the provisions of Article 82 of the French General Tax Code

When defining the Chief Executive Officer's compensation components and based on the study conducted by the firm Boracay (see Section 3.4 of the 2021 Universal Registration Document), the Compensation Committee wished to improve the competitiveness of the supplementary pension plan proposed to the executive corporate officer. Accordingly, the Board of Directors' Meeting of April 5, 2022, at the recommendation of the Compensation Committee, decided to set-up a defined contribution pension plan governed by the provisions of Article 82 of the French General Tax Code for Mrs. Estelle Brachlianoff.

3.4.2.1.2 Features

Pension plans applicable to corporate officers

Defined benefit pension plan

Pursuant to the former Article D. 22-10-16 of the French Commercial Code, the main features of this plan were as follows:

1. title of the commitment: defined benefit pension plan;
2. legal provisions enabling the identification of the corresponding plan category: Article 39 of the French General Tax Code; Article L. 137-11 of the French Social Security Code;
3. conditions to benefit from the plan and other eligibility conditions:
   - at least five years' service,
   - completion of the beneficiary's career in the Company,
   - presence in the Company workforce at the time of voluntary or involuntary retirement,
   - settlement of the general plan at the full rate (including mandatory basic pensions or supplementary pensions);
4. method for determining the reference compensation under the relevant plan used to calculate the entitlement of beneficiaries: the reference compensation used to determine the amount of the pension was the average of the last three years' full compensation subject to a maximum of eight times the annual social security ceiling (€351,936 in 2023);
5. vesting features: the maximum annual increase in potential pension entitlements was estimated at 0.4%;
6. existence of a ceiling and the amount and method of setting the ceiling: the pension amount was determined based on the number of years' service in the Group and capped at 10% of the reference compensation for beneficiaries with more than 30 years' service (i.e.€35,194 in 2023);
7. funding terms and conditions: by the Company through insurance contracts subscribed with two external insurance companies;
8. estimated amount of the lifetime annuity at the period end: following the closure of the supplementary defined benefit group pension plan for executives of category eight and higher with effect from June 30, 2014, any entitlement accumulated under this plan will be calculated according to its value as of June 30, 2014. Accordingly, the reference compensation corresponds to the average of the last three calendar years prior to the closure of the plan and the seniority used for calculation purposes will be that as of June 30, 2014.

9. related tax and social security contributions borne by the Company:
   - premiums payable to external insurance companies are deductible for income tax purposes,
   - with respect to the special contribution introduced by the Fillon law and applicable to variable entitlement defined benefit pension plans, Veolia Environnement has elected to apply the tax rate of 32% on annuities to annuities settled after January 1, 2013 (and the tax rate of 16% to annuities settled before December 31, 2012).

Supplementary defined contribution pension plan

Pursuant to Article D. 22-10-16 of the French Commercial Code, the main features of this plan are as follows:

1. title of the commitment: defined contribution pension plan;
2. legal provisions enabling the identification of the corresponding plan category: Article 83 of the French General Tax Code (CGI) until March 31, 2021; mandatory retirement savings plan (Plan d'Épargne Retraite Obligatoire, PERO) from April 1, 2021;
3. conditions to benefit from the plan and other eligibility conditions: until March 31, 2023, the beneficiary category consisted of executives of the Company within the meaning of Article 4 of the AGIRC national collective agreement (the supplementary pension fund for executives), whose compensation is greater than or equal to three times the annual social security ceiling (€131,976 in 2023). As from April 1, 2023, the category of beneficiaries was extended to all Company employees with at least one year's service in the Group. Compensation includes all components subject to social security contributions (fixed salary, variable salary, bonuses, benefits in kind);
4. method for determining the reference compensation under the relevant plan, used to calculate the entitlement of beneficiaries: not applicable;
5. vesting features: not applicable;
6. existence of a ceiling and the amount and method of setting the ceiling: not applicable;
7. funding terms and conditions:
   - funding of the plan: contributions to the plan are equal to a percentage of the compensation of the relevant employees,
   - contribution payments break down as follows: 2.25% employer contribution for tranches A, B and C; 1.25% employee contribution for tranches A, B and C; 4.50% employer contribution above tranche C; 2.50% employee contribution above tranche C,
   - optional individual payments: these may be made up to the available tax and social security limits;
8. estimated amount of the lifetime annuity at the period end:
   - the amount of the supplementary pension is not defined in advance. For each employee, it is calculated on the liquidation date for all mandatory and optional pensions based on the reserves held by the insurance company and other parameters assessed on that date.
9. related tax and social security contributions borne by the Company:
   - employer social security contributions are deductible for income tax purposes, liable to a 20% flat-rate social contribution and excluded from the tax base for social security contributions up to the higher of the following two amounts: 5% of the annual social security ceiling and 5% of the compensation adopted capped at five times the annual social security ceiling.

Defined contribution pension plan governed by the provisions of Article 82 of the French General Tax Code

Pursuant to Article D. 22-10-16 of the French Commercial Code, the main features of this plan are as follows:

1. title of the commitment: defined contribution pension plan;
2. legal provisions enabling the identification of the corresponding plan category: Article 82 of the French General Tax Code (CGI);
3. conditions to benefit from the plan and other eligibility conditions: plan for the sole benefit of Mrs. Estelle Brachlianoff;
4. method for determining the reference compensation under the relevant plan, used to calculate the entitlement of beneficiaries: not applicable;
5. vesting features: not applicable;
6. existence of a ceiling and the amount and method of setting the ceiling: not applicable;
7. funding terms and conditions:
   - plan financing: the Company pays an annual amount equal to 15% of the fixed compensation and the annual variable compensation paid to the Chief Executive Officer, it being stipulated that this amount is paid in cash in half to the insurance company managing the pension plan and in half to the Chief Executive Officer given the tax rules applicable to payments to this type of plan. This annual payment is linked to the performance of the Company in so far as the payment base includes the variable compensation linked to the Group's results;
8. estimated amount of the lifetime annuity at the period end:
   - the amount of the supplementary pension is not defined in advance. It is calculated on the liquidation date for all mandatory and optional pensions based on the reserves held by the insurance company and other parameters assessed on that date.
9. related tax and social security contributions borne by the Company:
   - The contributions paid by the Company are deductible for income tax purposes and fully subject to social security contributions and deductions.

3.4.2.1.3 Pension plans applicable to corporate officers

Pension plans applicable to the Chairman of the Board of Directors

Defined contribution pension plan

Mr. Antoine Frérot benefits from the supplementary defined contribution group pension plan applicable since July 1, 2014 and presented above.

Based on the estimated capital at the end of 2023, Mr. Antoine Frérot's defined contribution annual annuity payable when he reaches 66 years old and calculated without payment of survivor benefits, is estimated at approximately €68,000.

Defined benefit pension plan

Mr. Frérot is also eligible under the defined benefit pension plan described above, with a theoretical annuity of nil.

The theoretical annual amount of the lifetime annuity paid by the defined benefit pension plan could represent 6% of his annual reference compensation. This reference compensation is capped at eight times the annual social security ceiling. At the end of 2023, the defined benefit plan annuity payable to Mr. Antoine Frérot, calculated without payment of survivor benefits, is estimated at approximately €20,000.

This theoretical annual lifetime annuity would be reduced by the annuities paid by the Group defined contribution pension plan to which the Chief Executive Officer is entitled by virtue of his affiliation with the Group, calculated without payment of survivor benefits. Accordingly, in our example, given the estimated amount of the defined contribution annual annuity calculated without payment of survivor benefits of €68,000, at the age of 66 years old, the estimated amount of Mr. Antoine Frérot's defined benefit annual annuity would be nil.

Pension plans applicable to the Chief Executive Officer

Defined contribution pension plan

Mrs. Estelle Brachlianoff benefits from the supplementary defined contribution group pension plan applicable since July 1, 2014, described above.

Based on the estimated capital at the end of 2023, Mrs. Estelle Brachlianoff's defined contribution annual annuity payable when she reaches 64 years old and calculated without payment of survivor benefits, is estimated at approximately €33,000 per year.

Defined benefit pension plan

Mrs. Estelle Brachlianoff is also eligible under the defined benefit pension plan described above, with a theoretical annuity of nil.

Provided that she is still present in the Company at the time of retirement in accordance with legal requirements, the theoretical annual amount of the lifetime annuity paid by the defined benefit pension plan to the Chief Executive Officer, could represent 2% of her annual reference compensation. This reference compensation is capped at eight times the annual social security ceiling.

At the end of 2023, the defined benefit plan annuity payable to Mrs. Estelle Brachlianoff, calculated without payment of survivor benefits, is estimated at approximately €5,000.

This theoretical annual lifetime annuity would be reduced by the annuities paid by the Group defined contribution pension plan to which the Chief Executive Officer is entitled by virtue of her affiliation with the Group, calculated without payment of survivor benefits.

Accordingly, in our example, given the estimated amount of the defined contribution annual annuity calculated without payment of survivor benefits of €33,000, at the age of 64 years old, the estimated amount of Mrs. Estelle Brachlianoff's defined benefit annual annuity would be nil.

Defined contribution pension plan governed by the provisions of Article 82 of the French General Tax Code

Mrs. Estelle Brachlianoff benefits from the supplementary defined contribution group pension plan governed by the provisions of Article 82 of the French General Tax Code described above.

Based on the estimated capital at the end of 2023, Mrs. Estelle Brachlianoff's defined contribution annual annuity payable when she reaches 64 years old and calculated without payment of survivor benefits, is estimated at approximately €3,000 per year.

3.4.2.2 Other benefits

Mr. Antoine Frérot is also entitled to a company car and welfare benefits equivalent to those of employees (healthcare and insurance).

Mrs. Estelle Brachlianoff is entitled to welfare benefits equivalent to those of employees (healthcare and insurance).

3.4.2.3 Severance payments in the event of termination of the office of executive corporate officers

Severance payments in the event of termination of the office of the Chief Executive Officer

In accordance with the AFEP-MEDEF Code recommendation, Mrs. Estelle Brachlianoff resigned her employment contract on her appointment as Chief Executive Officer on July 1, 2022.

The Board of Directors' Meeting of April 5, 2022, recording the termination of Mrs. Estelle Brachlianoff's employment contract and, accordingly, the loss of legal provisions and rights under the collective bargaining agreement applicable in the event of dismissal and at the recommendation of the Compensation Committee, decided to grant a severance payment to Mrs. Estelle Brachlianoff in the event of forced departure from the office of Chief Executive Officer (notably in the event of resignation following a change in control or strategy of the Company or a dismissal not resulting from serious or severe misconduct).

In accordance with the AFEP-MEDEF Code, the maximum amount of this severance payment is capped at twice the total gross annual compensation, including the sum of the fixed portion of her compensation for the previous fiscal year ("Fixed Portion") and the average of the variable portions ("Variable Portion") paid or payable in respect of the last three fiscal years ending before the termination of her duties as Chief Executive Officer ("Reference Compensation").

The amount of this severance payment is based on the attainment of performance conditions, via the application of a performance rate corresponding to the objective attainment rate for the last two variable compensation portions paid (with a weighting of 60% for the objective attainment rate for the last variable portion paid and 40% for the objective attainment rate for the previous variable portion paid), it being stipulated that no payment will be made if the performance rate is below 75%.

Non-compete compensation of the Chief Executive Officer

The Board of Directors' Meeting of April 5, 2022, in consideration for Mrs. Estelle Brachlianoff undertaking, during a period of two years from the end of her duties as Chief Executive Officer, not to exercise, directly or indirectly, a competing activity to that of the Company and Veolia group companies, decided to grant her compensation equal to one year's compensation (fixed and variable components, the variable portion to be taken into account in calculating this compensation being the average annual variable compensation paid for the last two years), paid in 24 equal and successive monthly installments.

In accordance with the AFEP-MEDEF Code, the total of severance payments plus non-compete compensation cannot exceed two year's compensation (fixed and variable, with variable compensation for the purpose of calculating these payments equal to the average annual variable compensation paid for the last two years). Accordingly, in the event the Board should decide to implement the non-compete clause, severance payments would be capped at one year's compensation.

The Board of Directors may, on the departure of the Chief Executive Officer, waive application of this clause, in which case no compensation would be due.

3.4.3 LONG-TERM INCENTIVE PLANS

3.4.3.1 Company policy for share subscription or purchase options, free shares and performance shares

Long-term incentive plans are set-up each year to build loyalty and associate senior executives, managers and employees with the Group's performance. The grant policy, including holding obligations, the main features of current plans as of December 31, 2023 and adjustments to these plans are presented below.

When the plans concern performance shares, free shares or subscription options, grants are decided by the Board of Directors pursuant to resolutions voted by General Shareholders' Meeting.

Adjustment to the 2019, 2020 and 2021 performance share plans following the share capital increase with preferential subsription rights (PSR) of October 8, 2021

On October 8, 2021, the Chairman and Chief Executive Officer, pursuant to the delegation of authority granted by the Board of Directors on September 14, 2021 and after consulting the Compensation Committee, adjusted the rights under the 2019, 2020 and 2021 performance share plans following the share capital increase performed the same date, in order to preserve the rights of beneficiaries.

Accordingly, the number of share rights vesting under the 2019, 2020 and 2021 performance share plans was adjusted on the following basis:

- share value before detachment of PSR: €29.25;
- share value after detachment of PSR: €28.23;
- adjustment ratio: 29.25/28.23 = 1,036.

For example, 1,000 performance share rights are now, after adjustment, 1,036 performance share rights, with the number of share rights rounded down to the nearest whole number.

Company policy with regard to holding obligations applicable to performance shares granted and vested

From the implementation of the 2018 performance share plans, the Board of Directors, at the recommendation of the Compensation Committee, decided to apply a policy requiring **executive corporate officers and members of the Company's Executive Committee** to hold performance shares granted and vested. This policy is constant and intended to be applied unchanged to the proposed 2024 performance share plan (subject to the approval by the General Shareholders' Meeting of April 25, 2024 of the 25th resolution). It is recalled that the shareholding obligations applicable to the performance share plans are as follows:

- for **executive corporate officers**, obligation to hold, until the end of their duties, 40% of total performance shares granted under this plan, net of applicable taxes and social security contributions, until an overall shareholding corresponding to 200% of their gross fixed compensation is ultimately reached;
- for **members of the Company's Executive Committee**, obligation to hold, until the end of their duties on the Executive Committee, 25% of total performance shares granted under this plan, net of applicable taxes and social security contributions, until an overall shareholding corresponding to 100% of their gross fixed annual compensation is ultimately reached.

Company policy for performance share grants in 2021 (Plan no. 4)

The Board of Directors' Meeting of March 9, 2021, at the recommendation of the Compensation Committee, set the Company's general policy with respect to incentive and long-term compensation arrangements for executives and managers of the Group for 2021.

In this context, the Board of Directors decided, for fiscal year 2021, to favor the grant of performance shares (with a three-year vesting period relating to fiscal years 2021, 2022 and 2023).

In accordance with the Group's compensation policy and the authorization granted by the Veolia Environnement General Shareholders' Meeting of April 22, 2021, the Board of Directors decided on May 4, 2021, at the recommendation of the Compensation Committee, to grant:

- 937,182 performance shares, i.e. 0.20% of the share capital at this date, to approximately 450 beneficiaries including top executives, high-potential employees and key contributors of the Group.

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

In addition, 897,666 performance shares (i.e. 0.15% of the share capital, with a fair value under IFRS 2 of €22,414,720) were granted to other employee beneficiaries as follows:

- key positions (219 beneficiaries including the Executive Committee and the Management Committee): 570,666 performance shares (i.e. 0.10% of the share capital);
- high potential employees (104 beneficiaries): 154,000 performance shares (i.e. 0.03% of the share capital);
- key contributors (102 beneficiaries): 173,000 performance shares (i.e. 0.03% of the share capital).

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

- beneficiaries must remain with the Group until the end of the three-year **vesting period** i.e. until expiry of the plan scheduled for 2024; and
- a **performance condition tied to the attainment of the following internal and external criteria:**
  - **financial criteria in the amount of 50%**,
  - **non-financial quantitative criteria in the amount of 50% linked to the Company's Purpose**.

The **non-financial criteria** (50%) comprise:

- a **Profitability indicator (Current Net Income, Group Share or CNIGS)** (economic performance criteria) for 25% of performance shares granted, assessed on expiry of the plan, based on target average growth in Current Net Income, Group Share (CAGR: Compound Annual Growth Rate) of 7% per year from 2019, over the reference period comprising fiscal years 2021, 2022 and 2023;
  - if CNIGS as of December 31, 2023 is less than or equal to €818 million, no performance shares will vest under this indicator;

- if CNIGS is equal to or more than €900 million, all performance shares granted under this indicator will vest;
- shares will vest on a proportional basis between these two thresholds.

- a **relative TSR** indicator (stock market performance criteria) for **25%** of performance shares granted, measuring the relative performance of the total shareholder return (TSR) of the Veolia Environnement share (including dividends) compared with the Stoxx 600 Utilities (Price) SX6P (European Utilities) index ("the Index"). This performance will be determined as of December 31, 2023 and calculated over the three fiscal years, 2021, 2022 and 2023, corresponding to the reference period (the "Reference Period"). This performance condition will be applied over the reference period as follows.

  If the TSR of the Veolia Environnement share over three years:

  - is less than the Index: no shares would vest under this criterion,
  - increases in the same amount as the Index: 50% of the performance share granted under this indicator would vest,
  - increases by 10% or more compared with the Index: all performance shares granted under this indicator would vest,
  - increases between the Index and 10% higher than the Index: the number of shares that vest under this criterion would be determined by linear interpolation (proportional basis).

The non-financial quantitative criteria (50%) comprise:

- a **Climate** indicator (for **5%** of performance shares granted) corresponding at the end of 2023, to the annual contribution to avoided GHG emissions in metric tons of CO_2 equivalent:
  - if the indicator is less than or equal to 13 million metric tons, no performance shares will vest,
  - if the indicator is equal to or more than 15 million metric tons, all performance shares granted under this indicator will vest,
  - between these two thresholds, the number of shares that vests under this indicator is determined by linear interpolation (proportional basis);
- a **Customer satisfaction** indicator (for **5%** of performance shares granted) corresponding to the measurement of customer satisfaction using the Net Promoter Score (NPS) methodology:
  - if more than 50% of revenue is covered by the NPS approach on a scope covering at least 75% of Group consolidated revenue, based on the following scores:
    - if the overall NPS score is less than 20, no performance shares will vest,
    - if the overall NPS score is equal to or more than 30, all performance shares granted under this indicator will vest,
    - between these two thresholds, the number of shares that vests under this indicator is determined by linear interpolation (proportional basis);
  - if less than 50% of revenue of the relevant scope is covered, no performance shares will vest in respect of this indicator;
- a **Diversity** indicator (for **10%** of performance shares granted) corresponding to the percentage of women appointed among executive officers during the period 2021-2023:
  - if the indicator is less than or equal to 35%, no performance shares will vest,
  - if the indicator is equal to 42%, 50% of performance shares granted under this indicator will vest,
  - if the indicator is equal to or more than 50%, all performance shares granted under this indicator will vest,
  - between these thresholds, the number of shares that vests under this indicator will be determined by linear interpolation (proportional basis);
- an **Access to essential services** indicator (for **5%** of performance shares granted) corresponding to the increase in the number of inhabitants benefiting from inclusive systems to access or retain access to water and sanitation services under Veolia contracts at constant scope:
  - if the indicator is less than or equal to the 2019 updated baseline (5.7 million inhabitants), no performance shares will vest,
  - if the indicator increases 12% compared to the baseline, all performance shares granted under this indicator will vest,
  - between these two thresholds, the number of shares that vests under this indicator i determined by linear interpolation (proportional basis);
- an **Innovation** indicator (for **5%** of performance shares granted) corresponding at the end of 2023 to the inclusion by the Group in 10 contracts of at least 12 different innovations based on a predefined list presented in Section 3.4.4.2 of the 2020 Universal Registration Document:
  - if the indicator is less than 6, no performance shares will vest,
  - if the indicator is equal to or more than 12, all performance shares granted under this indicator will vest,
  - between these two thresholds, the number of shares that vests under this indicator is determined by linear interpolation (proportional basis);
- a **Water resource protection** indicator (for **5%** of performance shares) corresponding at the end of 2023 to the improvement in the efficiency of drinking water networks (volume of drinking water consumed/volume of drinking water produced):
  - if the indicator is less than or equal to 72.5%, no performance shares will vest,
  - if the indicator is equal to or more than 75%, all performance shares granted under this indicator will vest,
  - between these thresholds, the number of shares that vests under this indicator is determined by linear interpolation (proportional basis);
- a **Circular economy/Plastics** indicator (for **5%** of performance shares granted): by the end of 2023, increase in the volume of transformed plastic, in metric tons of products leaving plastic transformation plants, as follows:
  - if the indicator is less than or equal to 520 thousand metric tons, no performance shares will vest,
  - if the indicator is equal to or more than 610 thousand metric tons, all performance shares granted under this indicator will vest,
  - between these two thresholds, the number of shares that vests under this indicator is determined by linear interpolation (proportional basis);
- a **Socio-economic footprint** indicator for Veolia's activities in countries where the Group operates (for **5%** of performance shares granted) corresponding at the end of 2023 to the measure of wealth created and the number of jobs supported by Veolia in the world using the Local Footprint methodology, calculated by the company Utopies:

- if there is an external annual assessment in each of the three years (2021, 2022, 2023) of the global impacts and impacts by geographic zone in at least 45 countries, all performance shares granted under this indicator will vest,
- if there is an external annual assessment in two of the three years of the global impacts and impacts by geographic zone in at least 45 countries, 66% of performance shares granted under this indicator will vest,
- if there is an external annual assessment in one of the three years of the global impacts and impacts by geographic zone in at least 45 countries, 33% of performance shares granted under this indicator will vest,
- if there are no annual assessments of the global impacts and impacts by geographic zone in at least 45 countries, no performance shares granted under this indicator will vest;

- a **Biodiversity** indicator (for **5%** of performance shares granted) corresponding to the measure of the rate of progress with action plans aimed at improving the impact on the environment and biodiversity at sensitive sites:
  - if the indicator is less than or equal to 37.5%, no performance shares will vest,
  - if the indicator is equal to or more than 75%, all performance shares granted under this indicator will vest,
  - between these two thresholds, the number of shares that vests under this indicator is determined by linear interpolation (proportional basis);

As the plan performance conditions are measured over the period 2021-2023, the attainment rate is presented in Section 3.4.3.3.

Company policy for free share grants in 2022 (Plan no. 5)

Exceptionally, to take account of the successful acquisition of the Suez group and pursuant to the authorization granted by the Veolia Environnement General Shareholders' Meeting of June 15, 2022, the Board of Directors decided on June 15, 2022, at the recommendation of the Compensation Committee, to grant 145,200 free shares, representing approximately 0.02% of the share capital at that date, to around 20 beneficiaries.

The vesting of the free shares without performance conditions would be subject to the presence of beneficiaries in the Group until the end of the three-year vesting period i.e. until expiry of the plan scheduled for 2025.

Company policy for free share grants in 2022 (Plan no. 6)

The Board of Directors' Meeting of April 5, 2022, at the recommendation of the Compensation Committee, set the Company's general policy with respect to incentive and long-term compensation arrangements for executives and managers of the Group for 2022.

In this context, the Board of Directors decided, for fiscal year 2022, to favor the grant of performance shares (with a three-year vesting period relating to fiscal years 2022, 2023 and 2024).

In accordance with the Group's compensation policy and the authorization granted by the Veolia Environnement General Shareholders' Meeting of June 15, 2022, the Board of Directors decided on August 2, 2022, at the recommendation of the Compensation Committee, to grant:

- 1,461,971 performance shares, i.e. 0.21% of the share capital at this date, to approximately 550 beneficiaries, including former Suez employees and comprising top executives, high-potential employees and key contributors of the Group.

In this context, 21,994 performance shares were granted to Mrs. Estelle Brachlianoff (i.e. approximately 0.003% of the share capital compared with 0.02% authorized by the General Shareholders' Meeting).

In addition, 1,439,977 performance shares (i.e. 0.21% of the share capital, with a fair value under IFRS 2 of €22,953,233) were granted to other employee beneficiaries as follows:

- key positions (282 beneficiaries including the Executive Committee and the Management Committee): 945,977 performance shares (i.e. 0.14% of the share capital);
- high potential employees (136 beneficiaries): 237,500 performance shares (i.e. 0.03% of the share capital);
- key contributors (135 beneficiaries): 256,500 performance shares (i.e. 0.04% of the share capital);

These performance shares will vest subject to the following conditions:

- beneficiaries must remain with the Group until the end of the three-year **vesting period** i.e. until expiry of the plan scheduled for 2025; and
- a **performance condition tied to the attainment of the following internal and external criteria assessed over fiscal years 2022, 2023 and 2024** (the "Reference Period"):
  - **financial criteria in the amount of 50%**,
  - **non-financial quantitative criteria in the amount of 50% linked to the Company's Purpose**.

All the criteria are calculated for a scope including Suez.

The **non-financial criteria** (50%) comprise:

- a **Profitability indicator (CNIGS) (economic performance criteria)** for **25%** of performance shares granted, assessed on expiry of the plan, based on average annual growth (CAGR) of 10% per year from 2021, in fiscal years 2022, 2023 and 2024 (the "Reference Period"), including Suez and the Synergies:
  - if CNIGS as of December 31, 2024 is less than or equal to €1.35 billion, no performance shares would vest under this indicator,
  - if CNIGS is equal to or more than €1.5 billion, 100% of performance shares will vest under this indicator;
  - between these two thresholds, the number of shares that vests under this criteria would be determined by linear interpolation (proportional basis);
- a **relative TSR** indicator (stock market performance criteria) for **25%** of performance shares granted, measuring the relative performance of the total shareholder return (TSR) of the Veolia Environnement share (including dividends) compared with the Stoxx 600 Utilities (Price) SX6P (European Utilities) index ("the Index"). This performance will be determined as of December 31, 2024 and calculated over the Reference Period as follows. If the TSR of the Veolia Environnement share over three years:
  - is less than the Index: no shares would vest under this criterion,
  - increases in the same amount as the Index: 50% of the performance share granted under this indicator would vest,
  - increases by 10% or more compared with the Index: all performance shares granted under this indicator would vest,

- increases between the Index and 10% higher than the Index: the number of shares that vest under this criterion would be determined by linear interpolation (proportional basis).

The **non-financial quantitative criteria (50%)** comprise:

- a **Climate** indicator (for **12.5%** of performance shares granted) corresponding at the end of 2024, to the annual contribution to avoided GHG emissions in metric tons of CO_2 equivalent:
  - if the indicator is less than or equal to 12.150 million metric tons, no performance shares would vest,
  - if the indicator is equal to or more than 14.250 million metric tons, all performance shares granted under this indicator would vest,
  - between these two thresholds, the number of shares that vests under this indicator is determined by linear interpolation (proportional basis);
- a **Diversity** indicator (for **12.5%** of performance shares granted) corresponding to the percentage of women among executive officers at the end of 2024:
  - if the indicator is less than or equal to 22%, no performance shares would vest,
  - if the indicator is equal to 24%, 50% of performance shares granted under this indicator would vest,
  - if the indicator is equal to 26%, all performance shares granted under this indicator would vest,
  - between these thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis);
- an **Access to essential services** indicator (for **12.5%** of performance shares granted) corresponding to the increase by 2024 in the number of inhabitants benefiting from inclusive systems to access or retain access to water and sanitation services under Veolia contracts at constant scope:
  - if the indicator is less than or equal to 6.7 million inhabitants, no performance shares would vest,
  - if the indicator is equal to 7.3 million inhabitants, all performance shares granted under this indicator would vest,
  - between these two thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis);
- a **Circular economy/Plastics** indicator (for **12.5%** of performance shares granted) corresponding at the end of 2024 to the volume of transformed plastic, in metric tons of products leaving plastic transformation plants:
  - if the indicator is less than or equal to 545 thousand metric tons, no performance shares would vest,
  - if the indicator is equal to or more than 640 thousand metric tons, all performance shares granted under this indicator would vest,
  - between these two thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis).

Company policy for free share grants in 2023 (Plan no. 7)

The Board of Directors' Meeting of May 3, 2023, at the recommendation of the Compensation Committee, set the Company's general policy with respect to incentive and long-term compensation arrangements for executives and managers of the Group for 2023.

In this context, the Board of Directors decided, for fiscal year 2023, to favor the grant of performance shares (with a three-year vesting period relating to fiscal years 2023, 2024 and 2025).

In accordance with the Group's compensation policy and the authorization granted by the Veolia Environnement General Shareholders' Meeting of April 27, 2023, the Board of Directors decided on May 3, 2023, at the recommendation of the Compensation Committee, to grant:

- 1,006,109 performance shares, i.e. 0.14% of the share capital at this date, to approximately 510 beneficiaries including top executives, high-potential employees and key contributors of the Group.

In this context, 47,450 performance shares were granted to Mrs. Estelle Brachlianoff (i.e. approximately 0.007% of the share capital compared with 0.02% authorized by the General Shareholders' Meeting).

In addition, 958,659 performance shares (i.e. 0.13% of the share capital, with a fair value under IFRS 2 of €20,630,342) were granted to other employee beneficiaries as follows:

- key positions (250 beneficiaries including the Executive Committee and the Management Committee): 557,659 performance shares (i.e. 0.08% of the share capital);
- high potential employees (131 beneficiaries): 191,000 performance shares (i.e. 0.03% of the share capital);
- key contributors (132 beneficiaries): 210,000 performance shares (i.e. 0.03% of the share capital);

These performance shares will vest subject to the following conditions:

- beneficiaries must remain with the Group until the end of the three-year **vesting period** i.e. until expiry of the plan scheduled for 2026; and
- a **performance condition tied to the attainment of the following internal and external criteria assessed over fiscal years 2023, 2024 and 2025** (the "Reference Period"):
  - **financial criteria in the amount of 50%**,
  - n**on-financial quantitative criteria in the amount of 50% linked to the Company's Purpose**.

The non-financial criteria (50%) comprise:

- a **Profitability indicator (CNIGS) (economic performance criteria)** for **25%** of performance shares granted, assessed on expiry of the plan, based on average annual growth (CAGR) of 10% per year from 2022, in fiscal years 2023, 2024 and 2025 (the "Reference Period"):
  - if CNIGS as of December 31, 2025 is less than or equal to €1.48 billion, no performance shares would vest under this indicator,
  - if CNIGS is equal to or more than €1.65 billion, 100% of performance shares will vest under this indicator;
  - between these two thresholds, the number of shares that vests under this criteria would be determined by linear interpolation (proportional basis);
- a **relative TSR** indicator (stock market performance criteria) for **25%** of performance shares granted, measuring the relative performance of the total shareholder return (TSR) of the Veolia Environnement share (including dividends) compared with the Stoxx 600 Utilities (Price) SX6P (European Utilities) index ("the Index"). This performance will be determined as of December 31, 2025 and calculated over the Reference Period as follows.

If the TSR of the Veolia Environnement share over three years:

- is less than the Index: no shares would vest under this criterion,
- increases in the same amount as the Index: 50% of the performance share granted under this indicator would vest,
- increases by 10% or more compared with the Index: all performance shares granted under this indicator would vest,
- increases between the Index and 10% higher than the Index: the number of shares that vest under this criterion would be determined by linear interpolation (proportional basis).

The **non-financial quantitative criteria (50%)** comprise:

- a Diversity indicator (for 10% of performance shares granted) corresponding to the percentage of women among executive officers at the end of 2025:
  - if the indicator is less than or equal to 25.3%, no performance shares would vest,
  - if the indicator is equal to 26%, 50% of performance shares granted under this indicator would vest,
  - if the indicator is equal to 27.3%, all performance shares granted under this indicator would vest,
  - between these thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis).
- an **Access to essential services** indicator (for **10%** of performance shares granted) corresponding by 2025 to the number of inhabitants benefiting from inclusive systems to access or retain access to water and sanitation services under Veolia contracts at constant scope:
  - if the indicator is less than or equal to 8.6 million inhabitants, no performance shares would vest,
  - if the indicator is equal to 9.1 million inhabitants, all performance shares granted under this indicator would vest,
  - between these two thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis).
- a **Circular economy/Plastics** indicator (for **10%** of performance shares granted) corresponding by 2025 to the revenue of entities that generate over 50% of their revenue (at constant recyclate/energy prices) from activities relating to the circular economy:
  - if the indicator is less than or equal to €8.4 billion, no performance shares would vest,
  - if the indicator is equal to or more than €9 billion, all performance shares granted under this indicator would vest,
  - between these two thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis).
- a **Climate** indicator representing **20%** of performance shares granted and comprising two sub-indicators:
  - GHG emissions canceled at Veolia customers due to its services (10% of performance shares granted) corresponding at the end of 2025 to the annual contribution to canceled GHG emissions, in million metric tons of CO_2 equivalent (14.1 million metric tons canceled in 2022):
    - if the indicator is less than or equal to 13.2 million metric tons, no performance shares would vest,
    - if the indicator is equal to or more than 14.8 million metric tons, all performance shares granted under this indicator would vest,
    - between these two thresholds, the number of shares that vests under this indicator is determined by linear interpolation (proportional basis);
  - reduction in GHG emissions (Scopes 1 & 2) (for 10 % of performance shares granted) at the end of 2025, compared with emissions measured in 2021 at sites operated at that time by Veolia:
    - if the indicator is nil, no performance shares would vest,
    - if the indicator is equal to or more than 1.9 million metric tons, all performance shares granted under this indicator would vest,
    - between these two thresholds, the number of shares that vests under this indicator is determined by linear interpolation (proportional basis);

Company policy for performance share in 2024

At the recommendation of the Compensation Committee, the Board of Directors asks shareholders in the 25th resolution presented to the General Shareholders' Meeting of April 25, 2024, to approve an authorization, for a period of twenty-six months, to grant performance shares to a group of around 550 beneficiaries including top executives, high potential employees and key contributors of the Group, including the Chief Executive Officer. This plan, which is intended to be launched in 2024 with an expiry date in 2027 following the publication of the 2026 financial statements, succeeds the plan granted in 2023.

At the recommendation of the Compensation Committee, the Board of Directors stipulated that the Chief Executive Officer would receive a performance share grant equal to and capped at 133% of her fixed compensation (see Section 3.4.1.1.5 above). As for the annual variable compensation, the proposed changes in performance conditions for this new plan seek to reflect Veolia's commitment to multifaceted performance under the GreenUp 2024-2027 strategic program, as detailed in Chapter 1, Profile, above and Chapter 4 below of the 2023 Universal Registration Document.

These performance shares would vest subject to the following conditions:

- beneficiaries must remain with the Group until the end of the three-year **vesting period** i.e. until expiry of the plan scheduled for 2027; and
- a **performance condition tied to the attainment of the following internal and external criteria assessed over fiscal years 2024, 2025 and 2026** (the "Reference Period"):
  - **financial criteria in the amount of 50%**,
  - **non-financial quantitative criteria in the amount of 50% linked to the Company's Purpose**.

The **non-financial criteria (50%)** comprise:

- a **Profitability indicator (CNIGS)** (economic performance criteria) for **25%** of performance shares granted, assessed on expiry of the plan, based on average annual growth (CAGR) of 9% per year from 2023, in fiscal years 2024, 2025 and 2026 (the "Reference Period"), at constant 2023 exchange rates:
  - if CNIGS over the reference period is less than 5%, no performance shares would vest under this indicator,
  - if CNIGS is more than 9%, 100% of performance shares would vest under this indicator;

- between these two thresholds, the number of shares that vests under this criteria would be determined by linear interpolation (proportional basis);

- a **relative TSR** indicator (stock market performance criteria) for **25%** of performance shares granted, measuring the relative performance of the total shareholder return (TSR) of the Veolia Environnement share (including dividends) compared with the Stoxx 600 Utilities (Price) SX6P (European Utilities) index ("the Index"). This performance will be determined as of December 31, 2026 and calculated over the Reference Period as follows.

  If the TSR of the Veolia Environnement share over three years:

  - is less than that of the Index by 10% or more: no shares would vest under this criterion,
  - is identical to that of the index; 50% of the performance share granted under this indicator would vest,
  - is 10% or more above that of the Index: all performance shares granted under this indicator would vest,

Between these thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis).

The **non-financial quantitative criteria (50%)** comprise:

- a **Diversity** and inclusion indicator (for **10%** of performance shares granted) corresponding to the percentage of women among executive officers at the end of 2026:
  - if the indicator is less than 30%, no performance shares would vest,
  - if the indicator is equal to or more than 30%, all performance shares granted under this indicator would vest,
- a **Support to local communities** indicator (**5%** of performance shares granted) corresponding by 2026 to the increase in the number of residents benefiting from inclusive solutions to access essential services (all activities) for the Group scope as of January 1, 2024:
  - if the indicator is less than to 7.8 million inhabitants, no performance shares would vest,
  - if the indicator is equal to or more than 8.3 million inhabitants, all performance shares granted under this indicator would vest,
  - between these two thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis).
- a **Freshwater savings and resource regeneration** indicator (for **10%** of performance shares granted) corresponding by 2026 to the annual value of freshwater saved, equal to the sum of (i) the annual volume of water reused after treatment, (ii) the annual value of water desalinated and (iii) the annual volume of water preserved by freshwater networks thanks to improvements in yield compared to 2023:
  - if the indicator is less than 1.35 billion m^3, no performance shares would vest,
  - if the indicator is equal to or more than 1.45 billion m^3, all performance shares granted under this indicator would vest,
  - between these two thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis).
- a **Customer and consumer satisfaction** index (for **5%** of performance shares granted), corresponding by 2026 to the customer satisfaction rate measured using the Extended Net Promoter Score methodology:
  - if the NPS is less than 20 or the coverage rate is less than 60% of revenue, no performance shares would vest,
  - if the NPS is equal to or more than 30 and the coverage rate is equal to or more than 75% of revenue, all performance shares granted under this indicator would vest,
  - between these two thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis for the score and the coverage);
- a **Decarbonization** indicator representing **20%** of performance shares granted and comprising two sub-indicators:
  - Decarbonization of our customers (Scope 4): customer GHG emissions erased thank to Veolia services (for 10% of performance shares granted) corresponding at the end of 2026 to the annual contribution to GHG emissions erased in metric tons of CO_2 equivalent (13.8[1] million metric tons erased in 2023):
    - if the indicator is less than 15 million[1] metric tons, no performance shares would vest,
    - if the indicator is equal to or more than 17 million[1] metric tons, all performance shares granted under this indicator would vest,
    - between these two thresholds, the number of shares that vests under this indicator is determined by linear interpolation (proportional basis);
  - Reduction in GHG emissions (Scopes 1 & 2) (for 10 % of performance shares granted) at the end of 2026, compared with emissions measured in 2021 at sites operated at that time by Veolia :
    - if the indicator is less than 10%, no performance shares would vest,
    - if the indicator is equal to or more than 14%, all performance shares granted under this indicator would vest,
    - between these two thresholds, the number of shares that vests under this indicator is determined by linear interpolation (proportional basis);

In the context of these plans, the Board of Directors may grant new or existing shares, on one or more occasions and up to a maximum of 0.35% of the share capital, assessed at the date of this General Shareholders' Meeting, subject to a sub-limit of 0.02% of the share capital for performance shares granted to Mrs. Estelle Brachlianoff, the Chief Executive Officer.

This authorization would be granted for a period of twenty-six months and cancel the authorization granted by the General Shareholders' Meeting of April 27, 2023 that was used in 2023 for an amount equal to 0.14% of the share capital.

(1) *Assessed using the measurement protocol defined in the Global Report reporting tool*

3.4.3.2 Performance shares

Overview of performance share grants under current plans as of December 31, 2022 (AFEP-EF Code Table 9)

	Plan no. 4	Plan no. 4	Plan no. 5	Plan no. 6
Meeting date	04/22/2021	06/15/2022	06/15/2022	04/27/2023
Date of the Board of Directors' Meeting	05/04/2021	06/15/2022	08/02/2022	05/03/2023
Number of shares granted (before adjustment)	937,182	145,200	1,461,971	1,006,109.00
• of which total number of shares granted (before adjustment) to Mr. Antoine Frérot, Chairman and Chief Executive Officer until June 30, 2022	39,516	—	-	-
• of which total number of shares granted (before adjustment) to Mr. Antoine Frérot, Chairman of the Board of Directors from June 30, 2022	N/A	—	—	—
• of which total number of shares granted to Mrs. Estelle Brachlianoff, Chief Executive Officer from July 1, 2022	N/A	N/A	N/A	21,994
Share vesting date	05/05/2024	06/16/2025	08/03/2025	05/04/2026
End of lock-up period	05/05/2024	06/16/2025	08/03/2025	05/04/2026
Performance condition	See Section 3.4.3.1 above	See Section 3.4.3.1 above	See Section 3.4.3.1 above	See Section 3.4.3.1 above
Number of shares vested as of 12/31/2023	—	—	—	—
Total number of shares canceled or expired	43,248.00	0	35,132	20,814
Performance shares at the year-end	927,786 (1)	145,200	1,426,839	985,295

(1) After adjustment for non-dilution following the share capital increase with preferential subscription rights (PSR) of October 8, 2021.

Performance share plan no. 3 was implemented on May 5, 2020 by decision of the Board of Directors. This plan expired on May 6, 2023. At the expiry date, 809,508 shares vested to plan beneficiaries, corresponding to a performance condition attainment rate of 87.5% (it being recalled that the number of shares initially granted was reduced by the adjustment neutralizing fiscal year 2020 when measuring the internal economic performance criteria).

3.4.3.3 Attainment of performance conditions by expired plans

Attainment of performance conditions by the 2021 performance share plan (Plan no. 4)

As the performance conditions of the 2021 performance share plan concern fiscal years 2021, 2022 and 2023, the attainment rates for these conditions could be determined with the following results:

Performance Indicator	Weight	Description of the indicator and payment thresholds Minimum threshold: no shares vest Target threshold: 100% of shares vest	Result	Payment rate
Profitability (CNIGS)	25%	CNIGS 2023 Minimum: €818 million Target: €900 million	€1,335 million	100%
Relative TSR	25%	Performance over three years of Veolia TSR compared to the Stoxx 600 Utilities (Price) SX6P (European Utilities) index Minimum: change in Veolia TSR equal to the index Target: change in Veolia TSR 10% above the index.	The TSR of the Veolia share outperformed by more than 70 points the reference index (+70.5% vs +0.2%).	100%
Climate	5%	At the end of 2023, annual contribution to avoided GHG emissions in million metric tons of CO_2 equivalent Minimum: contribution ﬃ 13 million metric tons of CO_2 equivalent Target: contribution ﬂ 15 million metric tons of CO_2 equivalent	15.5 million metric tons of CO_2 equivalent avoided [1]	100%
Customer satisfaction	5%	At the end of 2023, i) revenue covered by the Net Promoter Score (NPS) approach in the 10 largest Business Units and ii) overall NPS score Minimum: less than 37.5% of revenue covered + NPS less than 20. Target: more than 50% of revenue covered + NPS equal to or more than 30.	82% of revenue covered and overall NPS score of 53	100%

Performance Indicator	Weight	Description of the indicator and payment thresholds Minimum threshold: no shares vest Target threshold: 100% of shares vest	Result	Payment rate
Diversity	10%	Over the period 2021-2023, percentage of women appointed among top executives Minimum: ≤ 42%. Target: ≥ 50%.	30.7% of top executives appointed were women	0%
Access to essential services	5%	At the end of 2023, increase in the number of inhabitants benefiting from inclusive systems to access or retain access to water and sanitation services under Veolia contracts at constant scope Minimum: +0% Target: +12%	+27,4%	100%
Innovation	5%	At end of 2023, inclusion by the Group of innovations in contracts Minimum: less than 6 different innovations in 10 contracts. Target: at least 12 different innovations in 10 contracts.	17 different innovations were included by the Group in at least 10 contracts.	100%
Protect water resources	5%	At end of 2023, efficiency rate of drinking water networks (volume of drinking water consumed/ volume of drinking water produced) Minimum: indicator ≤ 72.5%. Target: indicator ≥ 75.0%.	Network efficiency of 76.4%	100%
Circular economy/ plastics	5%	At end of 2023, volume of transformed plastic (products leaving plastic transformation plants) Minimum: indicator ≤ 520 thousand metric tons Target: indicator ≥ 610 thousand metric tons	465 thousand metric tons	—%
Socio-economic footprint	5%	Annual publication of wealth created and the number of jobs supported by Veolia in the world (calculated by Utopies using the local footprint methodology) Minimum: external publication in one of the three years in less than 45 countries Target: publication in the three years in at least 45 countries	Publication in 52 countries in 2021, 50 countries in 2022 and 58 countries in 2023	100%
Biodiversity	5%	Progress rate of action plans improving the footprint of environments and biodiversity at sensitive sites Minimum: indicator ≤ 37.5%. Target: indicator ≥ 75%.	Progress rate of 85%	100%
TOTAL PAYMENT RATE				**85%**

(1) Calculated based on emission factors used when setting the target.

Beneficiaries meeting the presence condition will receive 85% of the number of shares granted.

Attainment of performance conditions by previous plans

2018 performance share plan (Plan no. 1): plan performance conditions were attained with a payment rate of 100%.

2019 performance share plan (Plan no. 2): plan performance conditions were attained with a payment rate of 100%.

2020 performance share plan (Plan no. 3): plan performance conditions were partially attained with a payment rate of 87.5%.

It is recalled that, for each of these three plans, an adjustment was applied to neutralize fiscal year 2020 for the CNIGS criteria, accompanied by a one-third reduction in the initial number of performance shares granted for this criteria.

3.4.3.3.1 Performance shares granted during fiscal year 2023 to executive corporate officers by Veolia Environnement and any other Group company (AFEP-MEDEF Code Table 6)

Executive corporate officer	Plan number and date	Number of shares granted during the fiscal year	Value of shares using the method adopted in the consolidated financial statements *	Vesting date	Availability date	Performance conditions
Mrs. Estelle Brachlianoff, Chief Executive Officer	Plan no. 7 2023	47,450	1,021,124 (1)	46,146	46,146	See Section 3.4.3.1 above

(1) Valuation of performance shares granted as of May 3, 2023 based on the fair value of the share pursuant to IFRS 2 of €21.52.

3.4.3.3.2 Performance shares that became available during fiscal year 2023 to executive corporate officers (AFEP-MEDEF Code Table 7)

Executive corporate officer	Plan number and date	Number of shares that became available during the fiscal year
Mr. Antoine Frérot, Chairman of the Board of Directors (1)	Plan no. 3 2020 of 05/05/2020	43,204
Mrs. Estelle Brachlianoff, Chief Executive Officer (2)	Plan no. 3 2020 of 05/05/2020	13,225

(1)) Shares granted to Mr. Antoine Frérot in connection with his duties as Chairman and Chief Executive Officer.
(2) Shares granted to Mrs. Estelle Brachlianoff in connection with her duties as Chief Operating Officer, and member of the Executive Committee. granted to Mrs. Estelle Brachlianoff in connection with her duties as Chief Operating Officer, and member of the Executive Committee.

To recap, at the recommendation of the Compensation Committee, the Board of Directors' Meeting of April 5, 2022 decided that share rights under the 2020 and 2021 performance share plans that vested in 2023 for the 2020 plan and will vest in 2024 for the 2021 plan, subject to performance conditions, will be retained in the context of the change in the Company's governance from July 1, 2022. These provisions were approved by the General Shareholders' Meeting.

The Board of Directors made this choice in light of Mr. Antoine Frérot's essential contribution to Veolia's transformation to a world champion of ecological transformation.

Mr. Antoine Frérot left his executive functions immediately following the successful completion of the largest transformational acquisition in Veolia's history, which has already created significant value for its shareholders and will continue to do so as the projected synergies are realized.

In accordance with AFEP-MEDEF recommendations, he will no longer receive performance share grants (or annual variable compensation) and will therefore no longer be associated with value creation despite being its instigator.

The Compensation Committee considered that it would be fair to leave him the benefit of all performance shares granted in prior years but not yet delivered.

These shares remain subject to the planned performance conditions and will only be paid after the attainment of the performance criteria. The presence condition will be considered to be met by Mr. Antoine Frérot's continued membership of the Board of Directors. As the performance criteria were set in the past by the Board of Directors, without the presence of Mr. Antoine Frérot, there is no conflict of interest.

3.4.3.3.3 Performance shares granted to the top ten employee beneficiaries other than corporate officers and shares vesting to them

Performance shares granted to the top ten employee beneficiaries other than corporate officers and performance shares vesting to them	Number of shares granted/vested	Value of shares using the method adopted in the consolidated financial statements	Plan number
Shares granted during fiscal year 2023 by Veolia Environnement and any company within the scope of the share grant, to the ten employees of Veolia Environnement and any other company included within this scope, having received the greatest number of shares	82,021	1,765,092 (1)	Plan n° 7
Shares vested during fiscal year 2023 to the ten employees of Veolia Environnement and the aforementioned companies, to whom the greatest number of shares vested *	72,833	2,064,087 (2)	Plan n° 3

(1) Valuation of performance shares granted as of May 3, 2023 based on the fair value of the share pursuant to IFRS 2 of €21.52.
(2) Valuation of performance shares vested as of May 6, 2023 based on the vesting price as of May 8, 2023 of €28.34, as May 6 and 7, 2023 were public holidays on the Euronext Paris regulated market.
**Excluding shares vested to employees who have left the Group.*

3.4.3.4 Attainment of performance conditions by expired plans

Overview of share subscription and/or purchase option grants as of December 31, 2023 (AFEP- MEDEF Code Table 8)

None.

With regard to the share subscription or purchase option grant policy for Company executive corporate officers, as of the date of filing of this Universal Registration Document, it is recalled that the Company does not intend to grant any financial instruments of this nature to these individuals, nor to seek authorizations from the General Shareholders' Meeting to grant this type of financial instrument.

3.4.3.4.1 Share subscription or purchase options granted to and/or exercised by executive corporate officers in fiscal year 2023

Share subscription or purchase options granted during the fiscal year to executive corporate officers by Veolia Environnement and any other Group company (AFEP-MEDEF Code Table 4)

Executive corporate officer	Plan number and date	Number of options	Value of options	Number of options granted during the fiscal year	Strike price (in euros)	Exercise period
Mr. Antoine Frérot, Chairman of the Board of Directors	None	-	-	-	-	-
Mrs. Estelle Brachlianoff, Chief Executive Officer	None	-	-	-	-	-

Share subscription or purchase options exercised during the fiscal year by executive corporate officers (AFEP-MEDEF Code Table 5)

Executive corporate officer	Plan number and date	Number of options exercised during the fiscal year	Strike price (in euros)
Mr. Antoine Frérot, Chairman of the Board of Directors	None	-	-
Mrs. Estelle Brachlianoff, Chief Executive Officer	None	-	-

3.4.3.4.2 Share subscription or purchase options granted to the top ten employee beneficiaries other than corporate officers and options exercised by them

Share subscription or purchase options granted to the top ten employee beneficiaries other than corporate officers and options exercised by them	Total number of options granted/ shares subscribed or purchased	Average weighted price **	Plan number
Options granted during fiscal year 2023 by Veolia Environnement and any company within the scope of the option grant, to the ten employees of Veolia Environnement and any other company included within this scope, having received the greatest number of shares	None	-	-
Options held in Veolia Environnement and the companies referred to above exercised during fiscal year 2023 by the ten employees of Veolia Environnement and the aforementioned companies, having exercised the greatest number of options*	None	-	-

**Excluding options exercised by employees who have left the Group.*
***Strike price after legal adjustments.*

3.4.4 COMPONENTS OF COMPENSATION SUBJECT TO SHAREHOLDER VOTE IN ACCORDANCE WITH ARTICLE L.22-10-34 AND ARTICLE L.22-10-8 OF THE FRENCH COMMERCIAL CODE

3.4.4.1 Approval of the fixed, variable and exceptional components of total compensation and benefits of all kind paid during 2023 or awarded in respect of the same fiscal year to Mr. Antoine Frérot, as Chairman of the Board of Directos ("Ex post vote")

(Resolution 10)

Pursuant to the provisions of Article L. 22-10-34 of the French Commercial Code, shareholders are asked in the 10th resolution to approve based on the Corporate Governance report, firstly, in application of Article L. 22-10-34, I of the French Commercial Code, the information mentioned in Article L. 22-10-9, I of the French Commercial Code which is presented therein and, secondly, in application of Article L. 22-10-34, II of the French Commercial Code, the fixed, variable and exceptional components of total compensation and benefits of all kind paid to Mr. Antoine Frérot in 2023 or awarded in respect of the same fiscal year by virtue of his duties as Chairman of the Board of Directors. Note that all these components are presented in Chapter 3, Section 3.4 of the 2023 Universal Registration Document and summarized in the table below.

Compensation component	Amount	Comments
Fixed compensation	€700,000	In accordance with the compensation policy approved by the General Shareholders' Meeting of April 27, 2023 which provides for gross annual fixed compensation of €700,000. This amount will remain unchanged during his current term of office.
Variable compensation	None.	Mr. Antoine Frérot does not receive any annual variable compensation.
Multi-year variable compensation	None.	Mr. Antoine Frérot does not receive any multi-year variable compensation.
Exceptional compensation	None.	Mr. Antoine Frérot does not receive any exceptional compensation.
Compensation awarded as a director	None.	Mr. Antoine Frérot does not receive compensation as a director of Veolia Environnement and in respect of the offices he holds in Group companies.
Grant of stock options and/or performance shares	None.	No long-term compensation was granted to Mr. Antoine Frérot in 2023. In accordance with the compensation policy approved by the General Shareholders' Meeting of June 15, 2022, the provisions regarding share rights under the 2020 and 2021 performance share plans in the context of the change in the Company's governance from July 1, 2022, which vested in 2023 for the 2020 plan and which will vest in 2024 for the 2021 plan, subject to performance conditions, have been applied (see Section 3.4.3.3.2 of the 2023 Universal Registration Document).
Severance payment / Non-compete compensation	None.	Mr. Antoine Frérot is not entitled to a severance payment or non-compete compensation.
Supplementary pension plan	€58,071 (Company contribution to the defined-contribution plan)	Mr. Antoine Frérot benefits from the supplementary defined contribution group pension plan applicable since July 1, 2014. His rights under this plan were maintained on the change in his corporate office. Mr. Frérot is also eligible under the defined benefit pension plan described above, with a theoretical annuity of nil.
Collective healthcare and insurance plans	€13,215 (Company contribution to the plans)	Mr. Antoine Frérot benefits from the collective healthcare and insurance plan in force within the Company under the same conditions as those applicable for the category of employees with which he is assimilated for the setting of social benefits and other ancillary components of his compensation.
Benefits in kind	€2,125	Mr. Antoine Frérot enjoys the use of a company car.

Tenth resolution – Vote on the compensation components paid during 2023 or awarded in respect of the same fiscal year to Mr. Antoine Frérot, Chairman of the Board of Directors

The Shareholders' Meeting, acting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings and having considered the report of the Board of Directors and the Corporate Governance report referred to in Article L. 225-37 of the French Commercial Code, approves, firstly, pursuant to Article L. 22-10-34, I of the French Commercial Code, the information mentioned in Article L. 22-10-9, I of the French Commercial Code which is presented therein and, secondly, pursuant to Article L. 22-10-34, II of the French Commercial Code, the fixed, variable and exceptional components of total compensation and benefits of all kinds paid to Mr. Antoine Frérot in 2023 or awarded in respect of the same fiscal year by virtue of his duties as Chairman of the Board of Directors, as set forth in Chapter 3, Section 3.4 of the 2023 Universal Registration Document.

3.4.4.2 Approval of the fixed, variable and exceptional components of total compensation and benefits of all kind paid during 2023 or awarded in respect of the same fiscal year to Mrs. Estelle Brachlianoff, as Chief Executive Officer ("Ex post vote")

(Resolution 11)

Pursuant to the provisions of Article L. 22-10-34 of the French Commercial Code, shareholders are asked in the 11th resolution to approve based on the Corporate Governance report, firstly, in application of Article L. 22-10-34, I of the French Commercial Code, the information mentioned in Article L. 22-10-9, I of the French Commercial Code which is presented therein and, secondly, in application of Article L. 22-10-34, II of the French Commercial Code, the fixed, variable and exceptional components of total compensation and benefits of all kind paid to Mrs. Estelle Brachlianoff in 2023 or awarded in respect of the same fiscal year by virtue of her duties as Chief Executive Officer. Note that all these components are presented in Chapter 3, Section 3.4 of the 2023 Universal Registration Document and summarized in the table below.

Compensation component	Amount	Comments
Fixed compensation	€1,030,000	In accordance with the compensation policy approved by the General Shareholders' Meeting of April 27, 2023 which provides for gross annual fixed compensation of €1,030,000.
Variable compensation	€1,462,343	The Board of Directors' Meeting of March 12, 2024, at the recommendation of the Compensation Committee, set and approved the total amount of Mrs. Estelle Brachlianoff's variable compensation (quantitative and qualitative components) for fiscal year 2023 at €1,462,343. The quantitative objectives for 2023 were determined in the context of the 2020-2023 strategic plan and notably the implementation of the Company's Purpose and all its performance indicators for stakeholders (multifaceted performance). In order to integrate the multifaceted performance indicators relating to the Company's Purpose, the Board of Directors' Meeting of March 14, 2023, at the recommendation of the Compensation Committee, determined the calculation method for variable compensation as follows: • weight of the auditable quantitative portion (80%) and weight of the qualitative portion (20%) unchanged; • split of the weight of the auditable quantitative portion (80%) between financial quantitative objectives (50%) and non-financial quantitative objectives (30%) unchanged; • target variable compensation (in the event of attainment of the objectives set by the Board of Directors) set at 100% of the annual fixed compensation ("Target bonus base"); • variable compensation is capped (in the event objectives are exceeded) at 160% of annual fixed compensation for 2023, or €1,648,000. Using this method and based on the attainment of the criteria determining the calculation of the variable portion, the amount of this variable portion for fiscal year 2023 was determined as follows: i) **with respect to the quantitative criteria**: in line with the outlook and objectives published on March 2, 2023, equal to the total of the components resulting from application of each of these criteria separately: For the 50% financial quantitative portion: • 15% based on the **Profitability indicator (CNIGS)**: Current Net Income, Group Share; €1,335 million as of December 31, 2023, representing an attainment rate of 104.4% (objective of €1,279 million) and a payment rate of 126.3%; • 10% based on the **Investment Capacity indicator (free cash flow)**: before financial acquisitions/divestments and dividends but after financial expenses and taxes; €1,683 million as of December 31, 2023(1), representing an attainment rate of 136.5% (objective of €1,235 million) and a payment rate of 160%; • 15% based on the **Group Growth indicator (revenue)**: Group organic revenue excluding acquisitions and divestitures of more than €100 million but including acquisitions of privatized public services; €46,149 million as of December 31, 2023(2), representing an attainment rate of 103.2% (objective of €44,705 million) and a payment rate of 142.3%; • 10% based on the **Capital Return indicator (ROCE)**: Group ROCE after tax and including the return on capital employed of joint ventures and companies and after IFRS 16 lease adjustments; 8.3% as of December 31, 2023, representing an attainment rate of 103.8% (objective of 8.0%) and a payment rate of 128.1%. These financial indicators are defined in Chapter 5, Section 5.5 of the Universal Registration Document. The attainment level for each indicator of the financial and non-financial quantitative variable compensation portion was determined based on the attainment of the 2023 budget objectives which are consistent with the outlook announced to the market on March 2, 2023. The payment rate follows the payout rule established for each indicator based on the requirements defined in the 2020-2023 strategic plan.

(1) Target free cash-flow used to determine the bonus excludes discretionary investment.
(2) Target revenue used to determine the bonus is calculated at constant exchange rates.

Compensation component	Amount	Comments
Variable compensation	€1,462,343	The financial quantitative variable portion equals €711,730 reflecting an overall payment rate of 138.2%. for the 30% non-financial quantitative portion: • 5% based on the Health and Safety indicator: improvement and reduction in the injury frequency rate; 4.95 as of December 31, 2023 (objective of 5.61), representing an attainment rate of 111.8% and a payment rate of 110.6%; • 5% based on the Ethics and Compliance indicator: percentage of positive answers to the engagement survey question "Are Veolia's values applied in my entity"; 88% as of December 31, 2023 (objective of 83%), representing an attainment rate of 106.0% and a payment rate of 140%; • 5% based on the Climate indicator (invest in the transition to carbon neutrality to achieve zero facilities powered by coal in Europe by 2030, for facilities where the Group controls investment): completion rate for scheduled investment to reduce greenhouse gas emissions; €147.2 million as of December 31, 2023 (objective of €100 million), representing an attainment rate of 147.2% and a payment rate of 160%; • 5% based on the Hazardous waste treatment and recovery indicator: consolidated revenue growth of the "Liquid and hazardous waste treatment and recovery" segment; €4,150.3 million as of December 31, 2023 (objective of €4,200 million), representing an attainment rate of 98.8% and a payment rate of 92.9%; • 5% based on the Employee commitment indicator: commitment rate of employees measured by an engagement survey conducted by an external body (clear objectives, meaning and usefulness, work atmosphere, pride in the Group, willingness to recommend Veolia); 89% as of December 31, 2023 (objective of 80%), representing an attainment rate of 111.3% and a payment rate of 154%; • 5% for the Training indicator: average number of training hours per employee per year (upskilling training actions); 28.6 hours as of December 31, 2023 (objective of 23 hours), representing an attainment rate of 124.5% and a payment rate of 160%. The non-financial quantitative variable compensation portion was determined based on the attainment of the 2023 objectives for the indicators concerned as detailed in Chapter 3, Section 3.4 of the 2022 Universal Registration Document and recalled in the Notice and information brochure to the General Shareholders' Meeting of April 27, 2023. The non-financial quantitative variable portion equals €421,013 reflecting an overall payout ratio of 136.3%. ii) **With respect to the qualitative criteria:** the Board of Directors' meeting of March 12, 2024 decided to allocate €329,600 to Mrs. Estelle Brachlianoff in respect of the qualitative variable portion (20% of the target bonus) of her 2023 compensation, with a payment rate of 160% of the qualitative portion based on an overall assessment founded on the attainment of the following individual criteria: • strategic aspects, with a payment rate of 160%; • managerial performance, with a payment rate of 160%. The assessment of those criteria by the Board of Directors is detailed in Chapter 3 Section 3.4.1.1.3 of the 2023 Universal Registration Document. Following the comments of certain of our shareholders, notably during the General Shareholders' Meeting, the level of transparency has been strengthened since 2023. Mrs. Estelle Brachlianoff's total variable compensation for fiscal year 2023 therefore amounts to €1,462,343, equal to 142,0% of her Target bonus base. In accordance with Article L. 22-10-34, I of the French Commercial Code, the variable compensation will be paid to Mrs. Estelle Brachlianoff only after approval of the 11th resolution of the General Shareholders' Meeting of April 25, 2024.
Multi-year variable compensation	No payment	Mrs. Estelle Brachlianoff, did not receive any multi-year variable compensation in 2023.
Exceptional compensation	N/A	Mrs. Estelle Brachlianoff did not receive any exceptional compensation.
Compensation awarded as a director	N/A	Mrs. Estelle Brachlianoff has waived her right to receive compensation as a director of Veolia Environnement and in respect of the offices she holds in Group companies.

Compensation component	Amount	Comments
Grant of stock options and/or performance shares	Grant of performance shares to a group of around 550 Group top executives, high potential managers and key contributors, including the Chief Executive Officer	In accordance with the Group's compensation policy and the authorization granted by the Veolia Environnement Extraordinary General Meeting of April 27, 2023, the Board of Directors decided on May 3, 2023, at the recommendation of the Compensation Committee, to grant 1,006,109 performance shares (representing around 0.14% of the share capital out of a General Shareholders' Meeting authorization of 0.35%), to approximately 510 beneficiaries comprising top executives, high potential employees and key contributors of the Group. In this context, 47,450 performance shares were granted to Mrs. Estelle Brachlianoff as Chief Executive Officer (i.e. approximately 0.007% of the share capital compared with 0.02% authorized by the General Shareholders' Meeting). This allocation was capped at 133% of her fixed compensation in accordance with the compensation policy approved by the General Shareholders' Meeting of April 27, 2023. These performance shares will vest subject to the following conditions: • **beneficiaries must remain with the Group** until the end of the three-year vesting period i.e. until expiry of the plan scheduled for 2026; and • a **performance condition** tied to the attainment of the following internal and external criteria assessed over fiscal years 2023, 2024 and 2025: • **financial criteria in the amount of 50%,** • **non-financial quantitative criteria in the amount of 50% linked to the Company's Purpose**. The performance and presence conditions governing the vesting of the performance shares are presented in Chapter 3, Section 3.4.3 of the 2023 Universal Registration Documentation.
	Obligation to hold the performance shares granted and vested	At the recommendation of the Compensation Committee, the Board of Directors' Meeting of May 3, 2023 decided, in the context of the implementation of this performance share plan, to renew the following holding obligations: • for the **Chief Executive Officer**, obligation to hold, until the end of her duties, 40% of total performance shares granted under this plan, net of applicable taxes and social security contributions, until an overall shareholding corresponding to 200% of her gross fixed compensation is ultimately reached; • for **members of the Company's Executive Committee**, obligation to hold, until the end of their duties on the Executive Committee, 25% of total performance shares granted under this plan, net of applicable taxes and social security contributions, until an overall shareholding corresponding to 100% of their gross fixed annual compensation is ultimately reached.
Termination benefits on forced departure		Mrs. Estelle Brachlianoff is entitled to a severance payment in the event of termination of her duties as Chief Executive Officer, applicable solely in the event of "forced departure". In accordance with the AFEP-MEDEF Corporate Governance Code, the maximum amount of this severance payment is capped at twice the total gross annual compensation (excluding compensation awarded as a director (it being stipulated that she has waived all compensation of this nature) and benefits in kind), including the sum of the fixed portion of her compensation for the previous fiscal year ("Fixed Portion") and the average of the variable portions ("Variable Portion") paid or payable in respect of the last two fiscal years ending before the termination of her duties as Chief Executive Officer ("Reference Compensation"). The amount of this severance payment and its fixed and variable portions depends in both cases on the extent to which performance conditions were attained. The reference compensation is equal to the fixed compensation paid in respect of the last fiscal year plus the average of the variable compensation paid or payable in respect of the last two fiscal years; no payment will be made if the performance rate is below 75%. The severance payment is equal to the maximum amount multiplied by the performance rate, the performance rate being equal to 60% of the objective attainment rate for the last variable portion, plus 40% of the objective attainment rate for the previous variable portion. Mrs. Estelle Brachlianoff resigned from her employment contract on her appointment as Chief Executive Officer on July 1, 2022.
Non-compete compensation		The Board of Directors' Meeting of April 5, 2022, in consideration for Mrs. Estelle Brachlianoff undertaking, during a period of two years from the end of her duties as Chief Executive Officer, not to exercise, directly or indirectly, a competing activity to that of the Company and Veolia group companies, decided to grant her compensation equal to one year's compensation (fixed and variable components, the variable portion to be taken into account in calculating this compensation being the average annual variable compensation paid for the last two years), paid in 24 equal and successive monthly installments. In accordance with the AFEP-MEDEF Code, the total of severance payments plus non-compete compensation cannot exceed two year's compensation (fixed and variable, with variable compensation for the purpose of calculating these payments equal to the average annual variable compensation paid for the last two years). Accordingly, in the event the Board should decide to implement the non-compete clause, severance payments would be capped at one year's compensation. The Board of Directors may, on the departure of the Chief Executive Officer, waive application of this clause, in which case no compensation would be due.
Supplementary pension	€91,725 (Company contribution to the defined contribution plan)	Mrs. Estelle Brachlianoff benefits from the supplementary defined contribution group pension plan applicable since July 1, 2014. She is also eligible under the defined benefit pension plan described above, with a theoretical annuity of nil.

Compensation component	Amount	Comments
	€373,851 (15% gross contribution payable by the Company in respect of 2023)	Mrs. Estelle Brachlianoff benefits from an “Article 82” supplementary benefit plan financed by payments by the Company into an individual account at a net contribution rate of 7.5%, or a gross rate of 15%, with the difference paid to the Chief Executive Officer due to the taxation on entry of contributions to this type of pension plan.
Collective healthcare and insurance plans	€13,683 (Company contribution to the plans)	Mrs. Estelle Brachlianoff, benefits from the collective healthcare and insurance plan in force within the Company under the same conditions as those applicable for the category of employees with which she is assimilated for the setting of social benefits and other ancillary components of her compensation.
Benefits in kind	None	None

Eleventh resolution – Vote on the compensation components paid during 2023 or awarded in respect of the same fiscal year to Mrs. Estelle Brachlianoff, as Chief Executive Officer

The Shareholders’ Meeting, acting in accordance with the quorum and majority requirements for Ordinary Shareholders’ Meetings and having considered the report of the Board of Directors and the Corporate Governance report referred to in Article L. 225-37 of the French Commercial Code, approves, firstly, pursuant to Article L. 22-10-34, I of the French Commercial Code, the information mentioned in Article L. 22-10-9, I of the French Commercial Code which is presented therein and, secondly, pursuant to Article L. 22-10-34, II of the French Commercial Code, the fixed, variable and exceptional components of total compensation and benefits of all kinds paid to Mrs. Estelle Brachlianoff in 2023 or awarded in respect of the same fiscal year by virtue of her duties as Chief Executive Officer, as set forth in Chapter 3, Section 3.4 of the 2023 Universal Registration Document.

3.4.4.3 Vote on the Chairman of the Board of Directors’ compensation policy (“Ex ante vote”)

(Resolution 13)

Pursuant to the provisions of Article L. 22-10-8, II of the French Commercial Code, shareholders are asked in the 13th resolution to approve the Chairman of the Board of Directors’ compensation policy. Note that all these components are presented in Chapter 3, Section 3.4 of the Company’s 2023 Universal Registration Document and summarized in the table below.

The Chairman of the Board of Directors’ compensation policy was approved by the Board of Directors at the recommendation of the Compensation Committee. It consists solely of fixed compensation and benefits in kind, excluding all variable or exceptional compensation, grants of share subscription options or performance shares and compensation for his duties as a director.

The fixed annual compensation was set in 2022 at €700,000 based on a panel of comparable and CAC 40 companies. At this time, consideration was particularly given to the results of a study conducted by the firm Boracay and including (i) five comparable companies (ABB, Centrica, EDP, Enel, ENI) and (ii) CAC 40 companies that have separated the duties of Chairman of the Board of Directors and Chief Executive Officer.

2024 compensation policy	Amount	Comments
Fixed compensation	€700,000	In accordance with the recommendations of the Compensation Committee, the Board of Directors' Meeting of April 5, 2022 decided that Mr. Antoine Frérot's fixed compensation for his duties as Chairman of the Board of Directors would remain unchanged during his term of office. In application of this compensation policy, the gross annual fixed compensation of the Chairman of the Board of Directors would be €700,000.
Annual or multi-year variable compensation		None
Exceptional compensation		None
Shares/subscription options		None
Severance payments		None
Non-compete compensation		None
Compensation awarded as a director		None
Pension plan		Mr. Antoine Frérot benefits from a supplementary defined contribution group pension plan applicable since July 1, 2014 and presented in Section 3.4.4.1 above. He is eligible for a defined benefit pension plan with a theoretical annuity of nil, presented in Section 3.4.4.1 above.
Other		Mr. Antoine Frérot benefits from the collective healthcare and insurance plan in force within the Company under the same conditions as those applicable for the category of employees with which he is assimilated for the setting of social benefits and other ancillary components of his compensation. Mr. Antoine Frérot enjoys the use of a company car.

Thirteenth resolution - Vote on the Chairman of the Board of Directors' compensation policy for 2024

The Shareholders' Meeting, acting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings and having considered the report of the Board of Directors and the Corporate Governance report referred to in Article L. 225-37 of the French Commercial Code describing the components of the compensation policy of the corporate officers, approves pursuant to Article L. 22-10-8, II of the French Commercial Code, the Chairman of the Board of Directors' compensation policy for 2024, as set forth in Chapter 3, Section 3.4 of the 2023 Universal Registration Document.

3.4.4.4 Vote on the Chief Executive Officer's compensation policy ("Ex ante vote")

(Resolution 14)

Pursuant to Article L. 22-10-8, II of the French Commercial Code, shareholders are asked in the 16th resolution to approve the Chief Executive Officer's compensation policy for fiscal year 2024. Note that all these components are presented in Chapter 3, Section 3.4 of the Company's 2023 Universal Registration Document and summarized in the table below.

In addition to fixed, variable and exceptional compensation components, the Chief Executive Officer would be entitled to a supplementary defined contribution pension plan, a supplementary defined contribution pension plan governed by Article 82 of the French General Tax Code and a collective healthcare and insurance plan. In addition, she would be entitled to a severance payment and compensation under a non-compete clause as approved by the Board of Directors' Meeting of April 5, 2022 and detailed in Chapter 3.4.2.3 of the 2023 Universal Registration Document. Finally, she could receive performance share grants. She waived the right to receive compensation for her duties as a director, and does not benefit from multi-year cash compensation or have an employment contract within the Group.

The payment of the her variable compensation for fiscal year 2024 is subject to the approval of said compensation's components by an Ordinary General Meeting held after December 31, 2024, under the terms of Article L. 22-10-34, II of the French Commercial Code (Ex post vote).

In addition, the Board of Directors reserves the right to exercise its power of discretion regarding the determination of the Chief Executive Officer's compensation, in application of legal provisions and in accordance with Articles L. 22-10-8 and L. 22-10-34 of the French Commercial Code. It may do so in the event of special and unforeseeable circumstances (such as the Covid-19 pandemic and its uncertainties) that could justify an exceptional adjustment, upwards or downwards, without exceeding the ceiling set in the compensation policy (i.e. 160% of fixed annual compensation), to one or more criteria comprising the Chief Executive Officer's annual variable compensation to ensure that application of the criteria described above produces results reflecting the performance of both the Chief Executive Officer and the Group, as well the alignment of the interests of the Company and its shareholders with those of the Chief Executive Officer.

This adjustment may be made to the Chief Executive Officer's annual variable compensation by the Board of Directors at the recommendation of the Compensation Committee, after the Board of Directors has provided adequate reasoning for its decision. Any exercise of this discretion will be made public.

For 2024, the Board of Directors, at the recommendation of the Compensation Committee, decides to maintain the components of the Chief Executive Officer's compensation policy. This compensation policy was set taking account of (i) Mrs. Estelle Brachlianoff's experience and expertise, (ii) the change in the Group's size and the extension of its activities following the acquisition of Suez, and (iii) the compensation amount but also the positioning of these components compared with executive corporate officers with a comparable profile and in CAC 40 companies, while ensuring the consistency of the Chief Executive Officer's compensation with that of Executive Committee members and compensation practices within the Company.

At the recommendation of the Compensation Committee and in accordance with the compensation policy, the Board of Directors' Meeting of March 12, 2024 decided to retain the gross annual fixed compensation of the Chief Executive Officer unchanged at €1,030,000.

As a reminder, this compensation was set following the Board of Directors' decision of April 5, 2022 based on the results of a study conducted by the firm Boracay on a group of comparable and rival companies comprising 13 listed European companies such as Centrica, EDP, Enel, Engie, ENI, EON, Iberdrola, Schneider Electric, Vinci, ABB, ACS, Air Liquide and Bouygues.

The companies in the peer group:

- share a common mission: employee and environmental quality with local public authorities;
- conduct several businesses globally and are present on at least four continents;
- report revenue equal to between 50% and 200% of Veolia 's revenue.

Details of this study are presented in Section 3.4 of the 2021 Universal Registration Documentation.

In 2023, during discussions with investors and proxy advisors (governance roadshow), there was an expectation for overweighting to be applied to the Chief Executive Officer's long-term compensation. The Board of Directors was eager to achieve a balance between the three components (fixed, variable and long-term) of this compensation. At the recommendation of the Compensation Committee, the Board of Directors decided that the Chief Executive Officer would receive a performance share grant equal to and capped at 133% of her fixed compensation.

The Chief Executive Officer's compensation breaks down as follows:

- annual fixed compensation (€1,030,000) for 30%;
- annual variable compensation (€1,030,000 if objectives are attained) for 30%;
- long-term variable compensation (€1,373,000 or 133% of fixed compensation if objectives are attained) for 40%.

In the event of outperformance leading to payment of the maximum amount of variable compensation (equal to the cap of 160% of annual fixed compensation), the breakdown is as follows:

- annual fixed compensation (€1,030,000) for 25%;
- annual variable compensation (€1,648,000 if objectives are exceeded) for 41%;
- long-term compensation (€1,373,000 if objectives are exceeded) for 34%.

2024 compensation policy	Amount	Comments
Fixed compensation	€1,030,000	In application of this compensation policy, the gross annual fixed compensation of the Chief Executive Officer would be €1,030,000 (unchanged on 2023).
Variable compensation		The proposed 2024 quantitative objectives are in keeping with the 2024 financial outlook announced to the market on February 29, 2024 and the GreenUp 2024-2027 strategic program. On March 12, 2024, the Board of Directors, at the recommendation of the Compensation Committee, decided to set as follows the components of the Chief Executive Officer's compensation policy: • weight of the auditable quantitative portion set at 80% and weight of the qualitative portion set at 20%; • weight of the auditable quantitative portion (80%) consisting 50% of financial quantitative objectives and 30% of non-financial quantitative objectives; • 2024 target variable compensation (in the event of attainment of the objectives set by the Board of Directors) set at 100% of the annual fixed compensation ("Target bonus base"); • variable compensation capped (in the event objectives are exceeded) at 160% of annual fixed compensation for 2024, or €1,648,000. i) **with respect to the quantitative criteria**: in line with the outlook and objectives published on February 29, 2024, the criteria for the quantitative portion of variable compensation break down as follows. The quantitative portion is equal to the total of the components resulting from application of each of these criteria separately: For the 50% financial quantitative portion: • 20% based on the Profitability indicator (CNIGS): Current Net Income - Group share; • 15% based on the Investment Capacity indicator (free cash flow)[1]: before financial acquisitions/ divestments and dividends but after financial expenses and taxes; • 15% based on the Capital Return indicator (ROCE): Group ROCE after tax and including the return on capital employed of joint ventures and companies, after IFRS 16 lease adjustments.
Variable compensation		These financial indicators are defined in Chapter 5, Section 5.5 of the 2023 Universal Registration Document. The financial quantitative variable compensation portion will be determined based on the attainment of the 2024 budget objectives, which are consistent with the outlook announced to the market on February 29, 2024. For **the 30% non-financial quantitative portion**: • 5% based on the **Health and Safety and Well-Being** indicator: improvement and reduction in the injury frequency; • 5% based on the **Ethics and Compliance** indicator: % of positive answers to the engagement survey question "Are Veolia's values applied in my entity" across all respondents; • 5% based on the **Decarbonization of our assets** indicator: decarbonization investments, including the phase-out of coal and methane capture; • 5% based on the **Growth and innovation drivers** indicator: revenue growth in priority business segments (energy, water technologies, hazardous waste); • 5% based on the **Employee commitment** indicator: commitment rate of employees measured by an engagement survey conducted by an external body (clear objectives, meaning and usefulness, work atmosphere, pride in the Group, willingness to recommend Veolia), • 5% based on the **Depollution - Biodiversity** indicator: progress rate of action plans improving the footprint of environments and the biodiversity of sites; The non-financial quantitative variable compensation portion will be determined based on the attainment of the 2024 objectives for the indicators concerned as detailed in Chapter 3, Section 3.4 of the 2023 Universal Registration Document and recalled in the Notice and information brochure for the General Shareholders' Meeting of April 25, 2024: ii) **with respect to the qualitative criteria**: the qualitative portion (20% of the target bonus) will be based on an overall assessment by the Board of Directors, at the recommendation of the Compensation Committee, based notably on the following individual objectives: • strategic aspects; • managerial performance; • equity story.

(1) Target free cash-flow used to determine the bonus excludes discretionary investment.

2024 compensation policy	Amount	Comments
Planned grant of performance shares to a group of around 550 Group executives, high potential managers and key contributors, including the chief executive officer		At the recommendation of the Compensation Committee, the Board of Directors asks shareholders in the 25th resolution presented to the General Shareholders' Meeting of April 25, 2024, to approve an authorization, for a period of 26 months, to grant performance shares to a group of around 550 beneficiaries and comprising top executives, high potential employees and key contributors of the Group, including the Chief Executive Officer. This plan, which is intended to be launched in 2024 with an expiry date in 2027 following the publication of the 2026 financial statements, would succeed the plan granted in 2023. This plan would be subject to the following limits: • a **global limit** of 0.35% of the share capital, assessed at the date of this General Shareholders' Meeting, **including a maximum sub-limit** of 0.02% of the share capital for the grant of performance shares to the chief executive officer. These performance shares would vest subject to the following conditions: • beneficiaries must remain with the Group until the end of the **three-year vesting period** i.e. until expiry of the plan scheduled for 2027; and • a **performance condition tied to the attainment of the following internal and external criteria assessed over fiscal years 2024, 2025 and 2026** (the "Reference Period"): • **financial criteria in the amount of 50%,** • **non-financial quantitative criteria in the amount of 50% linked to the Company's Purpose.** The number of performance shares that vest under this plan will depend on the attainment of criteria as detailed in Section 3.4.3.1 of the 2023 Universal Registration Documentation.
	Obligation to hold performance shares granted and vested	At the recommendation of the Compensation Committee, the Board of Directors' Meeting of March 12, 2024 decided, in the context of the implementation of this performance share plan (subject to the approval by today's General Shareholders' Meeting of the 25th resolution), to maintain the holding obligations applicable to the previous performance share plans: for the Chief Executive Officer, obligation to hold, until the end of her duties, 40% of total performance shares granted under this plan, net of applicable taxes and social security contributions, until an overall shareholding corresponding to 200% of her gross fixed compensation is ultimately reached; for members of the Company's Executive Committee, obligation to hold, until the end of their duties on the Executive Committee, 25% of total performance shares granted under this plan, net of applicable taxes and social security contributions, until an overall shareholding corresponding to 100% of their gross fixed annual compensation is ultimately reached. In accordance with the provisions of the AFEP-MEDEF Code, the Board of Directors, when implementing this performance share plan expected in 2024, will set the percentage of compensation corresponding to the performance shares that would be granted, in particular, to the Chief Executive Officer. At the recommendation of the Compensation Committee, taking into account the expectations expressed by certain investors and proxy agencies (see Section 3.4.1.1.5 of the 2023 Universal Registration Document), the Board of Directors stipulated that the Chief Executive Officer would receive a performance share grant capped at 133% of her annual fixed compensation (if all performance conditions are met).
Termination benefits on forced departure		Mrs. Estelle Brachlianoff is entitled to a severance payment in the event of termination of her duties as Chief Executive Officer, applicable solely in the event of "forced departure". In accordance with the AFEP-MEDEF Corporate Governance Code, the maximum amount of this severance payment is capped at twice the total gross annual compensation (excluding compensation awarded as a director (it being stipulated that she has waived all compensation of this nature) and benefits in kind), including the sum of the fixed portion of her compensation for the previous fiscal year ("Fixed Portion") and the average of the variable portions ("Variable Portion") paid or payable in respect of the last two fiscal years ending before the termination of her duties as Chief Executive Officer ("Reference Compensation"). The amount of this severance payment and its fixed and variable portions depends in both cases on the extent to which performance conditions were attained. The reference compensation is equal to the fixed compensation paid in respect of the last fiscal year plus the average of the variable compensation paid or payable in respect of the last two fiscal years; no payment will be made if the performance rate is below 75%. The severance payment is equal to the maximum amount multiplied by the performance rate, the performance rate being equal to 60% of the objective attainment rate for the last variable portion, plus 40% of the objective attainment rate for the previous variable portion. Mrs. Estelle Brachlianoff resigned from her employment contract on her appointment as Chief Executive Officer on July 1, 2022.

2024 compensation policy	Amount	Comments
Non-compete compensation		The Board of Directors' Meeting of April 5, 2022, in consideration for Mrs. Estelle Brachlianoff undertaking, during a period of two years from the end of her duties as Chief Executive Officer, not to exercise, directly or indirectly, a competing activity to that of the Company and Veolia group companies, decided to grant her compensation equal to one year's compensation (fixed and variable components, the variable portion to be taken into account in calculating this compensation being the average annual variable compensation paid for the last two years), paid in 24 equal and successive monthly installments. In accordance with the AFEP-MEDEF Code, the total of severance payments plus non-compete compensation cannot exceed two year's compensation (fixed and variable, with variable compensation for the purpose of calculating these payments equal to the average annual variable compensation paid for the last two years). Accordingly, in the event the Board should decide to implement the non-compete clause, severance payments would be capped at one year's compensation. The Board of Directors may, on the departure of the Chief Executive Officer, waive application of this clause, in which case no compensation would be due.
Pension plan		Mrs. Estelle Brachlianoff is eligible to participate in the supplementary defined contribution group pension plan applicable since July 1, 2014, presented in Section 3.4.2 of this Universal Registration Document. She is also eligible under the defined benefit pension plan described in Section 3.4.2 of this Universal Registration Document, with a theoretical annuity of nil. In addition, the Chief Executive Officer benefits from an "Article 82" supplementary benefit plan financed by payments by the Company into an individual account at a net contribution rate of 7.5%, or a gross rate of 15%, with the difference paid to the Chief Executive Officer due to the taxation on entry of contributions to this type of pension plan.
Other		Mrs. Estelle Brachlianoff, benefits from the collective healthcare and insurance plan in force within the Company under the same conditions as those applicable for the category of employees with which she is assimilated for the setting of social benefits and other ancillary components of her compensation.

Fourteenth resolution – Vote on the Chief Executive Officer's compensation policy for 2024

The Shareholders' Meeting, acting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings and having considered the report of the Board of Directors and the Corporate Governance report referred to in Article L. 225-37 of the French Commercial Code describing the components of the compensation policy of the corporate officers, approves pursuant to Article L. 22-10-8, II of the French Commercial Code, the Chief Executive Officer's compensation policy for 2024, as set forth in Chapter 3, Section 3.4 of the 2023 Universal Registration Document.

3.5 Corporate officer and executive share ownership

Pursuant to Article L. 621-18-2 of the French Monetary and Financial Code and Article 223-22 of the AMF's general regulations, members of the Board of Directors and Company executives and key senior management, or any person with close ties to them, are required to notify the AMF of any acquisitions, sales, subscriptions or exchanges of Company securities or financial instruments, within three business days of completing the transaction.

In addition, directors and executives are also subject to French regulations on breach of duty and insider trading, which penalize the use or disclosure of inside information.

Finally, directors and executives are required to comply with the Company's Code of conduct governing trading in its securities (see Chapter 4, Section 4.6.5.4 below and Chapter 3, Section 3.2.1.8 above).

This Code was updated for the provisions of Regulation (EU) no. 596/2014 of April 16, 2014 on market abuse and the positions-recommendations issued by the AMF and set out in its guidance on permanent reporting and the management of inside information and its guidance on periodic reporting. In this context, the Inside Information Committee created in November 2016 (see Chapter 4, Section 4.6.2.2 below), classified the members of the Company's Executive Committee as permanent insiders. They can therefore only purchase or sell Company securities, directly or through an intermediary, under certain conditions (notably after consulting the Inside Information Committee) and during specific, time-limited periods, in particular after the publication of the Company's annual, half-yearly and quarterly results.

3.5.1 TRANSACTIONS IN VEOLIA ENVIRONNEMENT SECURITIES BY DIRECTORS

To the Company's knowledge, on December 31, 2023, members of the Board of Directors held a total of 224,789 Veolia Environnement shares, representing 0.03% of the Company's share capital as of that date.

The table below details transactions in Veolia Environnement securities during fiscal year 2023 performed by members of the Board of Directors of the Company.

To the best of the Company's knowledge, no other transactions involving the purchase or sale of Veolia Environnement securities by members of the Board of Directors of the Company or any person with close personal links to them were reported during fiscal year 2023.

Name of the Board of Directors's member	Financial instrument	Type of transaction	Transaction date	Transaction location	Unit price *(in euros)*	Volume of securities	Total transaction amount *(in euros)*
Antoine Frérot	Shares	Acquisition[1]	05/06/2023	Outside a trading platform	-	43,204	-
Francisco Reynés	Shares	Acquisition	07/03/2023	Euronext Paris	29.21	750	21,907.50

(1) Vesting of rights to performance shares granted on May 5, 2020 in his capacity as Chairman and Chief Executive Officer (acquisition price: €28.34).

3.5.2 TRANSACTIONS IN VEOLIA ENVIRONNEMENT SECURITIES BY EXECUTIVES

The table below details transactions in Veolia securities during fiscal year 2023 performed by members of the Company's Executive Committee (see Section 3.3 above). To the best of the Company's knowledge, no other transactions involving the purchase or sale of Veolia securities by members of the Executive Committee or any person with close personal links to them were reported during fiscal year 2023:

Name of Executive Committee member	Financial instrument	Type of transaction	Transaction date	Transaction location	Unit price *(in euros)*	Volume of securities	Total transaction amount *(in euros)*
Estelle Brachlianoff	Shares	Acquisition (1)	05/06/2023	Outside a trading platform	-	13,225	-
Isabelle Calvez	Shares	Subscription (4)	12/13/2023	Outside a trading platform	22.1300	1,821	40,298.73
Sébastien Daziano	Shares	Subscription (4)	12/13/2023	Outside a trading platform	22.1300	1,120	24,785.60
Gavin Graveson	Shares	Acquisition (2)	05/06/2023	Outside a trading platform		6,098	-
	Shares	Disposal	05/08/2023	Euronext Paris	28.2102	2,867	80,878.64
Philippe Guitard	Shares	Acquisition (2)	05/06/2023	Outside a trading platform	-	6,319	-
	Shares	Subscription (4)	12/13/2023	Outside a trading platform	22.1300	1,015	22,461.95
Eric Haza	Shares	Acquisition (2)	05/06/2023	Outside a trading platform	-	5,911	-
	Shares	Subscription (4)	12/13/2023	Outside a trading platform	22.1300	597	13,211.61
Claude Laruelle	Shares	Acquisition (2)	05/06/2023	Outside a trading platform	-	13,225	-
	Shares	Subscription (4)	12/13/2023	Outside a trading platform	22.1300	5,753	127,313.89
Anne Le Guennec	Shares	Acquisition (2)	05/06/2023	Outside a trading platform	-	5,090	-
	Shares	Subscription (4)	12/13/2023	Outside a trading platform	22.1300	1,368	30,273.84
Christophe Maquet	Shares	Acquisition (2)	05/06/2023	Outside a trading platform	-	2,975	-
	Company mutual fund shares	Disposal (3)	06/16/2023	Outside a trading platform	27.7094	1,245.0662	34,500.00
	Shares	Subscription (4)	12/13/2023	Outside a trading platform	22.1300	2,630.0000	58,207.90
Jean-François Nogrette	Shares	Acquisition (2)	05/06/2023	Outside a trading platform	-	6,319	-
	Shares	Subscription (4)	12/13/2023	Outside a trading platform	22.1300	1,523	33,703.99
Laurent Obadia	Shares	Acquisition (2)	05/06/2023	Outside a trading platform	-	5,272	-
	Shares	Disposal	05/08/2023	Euronext Paris	28.2102	2,478	69,904.88
	Shares	Subscription (4)	12/13/2023	Outside a trading platform	22.1300	3,244	71,789.72
Helman le Pas de Sécheval	Shares	Acquisition (2)	05/06/2023	Outside a trading platform	-	7543	-
	Shares	Subscription (4)	12/13/2023	Outside a trading platform	22.1300	9,244	204,569.72
Frédéric Van Heems	Shares	Acquisition (2)	05/06/2023	Outside a trading platform	-	7,637	-
	Shares	Disposal	05/08/2023	Euronext Paris	28.2102	3,388	95,576.16
	Shares	Subscription (4)	12/13/2023	Outside a trading platform	22.13	12,138	268,613.94

(1) Vesting of rights to performance shares granted on May 5, 2020 in her capacity as Chief Operating Officer (vesting price: €28.34).
(2) Vesting of rights to performance shares granted on May 5, 2020 (vesting price: €28.34).
(3) Sale in the context of the Group savings plan.
(4) Subscription (Company mutual fund shares) in the context of the Group's share ownership plan for 2023.

3.6 Statutory Auditors' special report on regulated agreements

Shareholders' Meeting held to approve the financial statements for the year ended December 31, 2022.

This is a free translation into English of the Statutory Auditors' special report on regulated agreements that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements should be read in conjunction, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related-party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders' Meeting of Veolia Environnement S.A.,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements brought to our attention or which we may have discovered during the course of our audit, as well as the reasons justifying that such agreements are in the Company's interest, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-31 of the French Commercial Code (*code de commerce*), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information stipulated in Article R. 225-31 of the French Commercial Code relating to the implementation during the past year of agreements previously approved by the General Shareholders' Meeting, if any.

We performed the procedures that we deemed necessary with regard to the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. These guidelines require that we verify the consistency of the information provided to us with the relevant source documents.

1. AGREEMENTS PRESENTED TO THE GENERAL SHAREHOLDERS' MEETING FOR APPROVAL

Agreements authorized and entered into during the fiscal year

Pursuant to Article L. 225-40 of the French Commercial Code, the following agreements entered into during the year and previously authorized by the Board of Directors, have been brought to our attention.

1.1 Sponsorship and assistance agreement between your Company and the non-profit organization, Terra Academia

Board of Directors' Meeting of November 8, 2023

Agreement signed between your Company and the non-profit organization, Terra Academia.

Persons concerned: Mrs. Estelle Brachlianoff, Director and Chief Executive Officer of Veolia Environnement and founder and member of the Board of Directors of Terra Academia and Mr. Antoine Frérot, Chairman of the Board of Directors of Veolia Environnement and founder and member of the Board of Directors of Terra Academia.

In addition to its membership of the non-profit organization, Terra Academia, for an amount of €100,000 excluding VAT paid in 2023, your Company wished to contribute to the start-up of its activities by providing it with the means to operate and develop in its initial years. To this end, your Board of Directors authorized the conclusion of two agreements:

- a sponsorship agreement, motivated by the common objectives of your Company and Terra Academia with regard to ecological transformation, ecology and sustainable development. This agreement in in your Company's interest: (1) in terms of image, which as a champion of ecological transformation, realizes its ambition by accompanying and encouraging Terra Academia's program to mobilize a coalition of parties who share the conviction that ecological transformation requires a profound change in collaboration and training methods, and (2) in terms of action, as your Company will be able to benefit from certain training courses provided by Terra Academia for identified employees and access the organization's premises.

  Amount: a maximum of €18,500,000, subject to an annual limit of €2,500,000, excluding VAT, in 2023, €5,000,000, excluding VAT, in 2024 and 2025 and €3,000,000, excluding VAT, in 2026 and 2027;

  Your Company recorded sponsorship expenses towards Terra Academia for an amount of €2,500,000 excluding VAT for fiscal year 2023.
- an assistance agreement, also motivated by the common objectives of your Company and Terra Academia with regard to ecological transformation, ecology and sustainable development. Your Company assists Terra Academia by performing on its behalf certain support services necessary to its operation, such as human resources services (including provision of one or more Veolia employees), real estate, IT and cybersecurity, communication, legal and tax services. Amount: services other than IT and cybersecurity services (estimated to total approximately €112,000, excluding VAT, for hardware and equipment purchases in 2023 and approximately €46,000, excluding VAT, for annual recurring costs) are billed on a man/day basis at a rate of €200 to €600, excluding VAT, depending on the qualifications and seniority of the individuals. Your Company and Terra Academia may however agree a total fixed amount for certain services at the beginning of the year or per assignment. Your Company recorded expenses assistance re-invoiced to Terra Academia for an amount of €631,254 excluding VAT for fiscal year 2023.

The Board of Directors of your Company authorized the signature of the assistance agreement on November 15, 2023 and the sponsorship agreement on November 16, 2023. Mrs. Estelle Brachlianoff, Director and Chief Executive Officer of Veolia Environnement and founder and member of the Board of Directors of Terra Academia and Mr. Antoine Frérot, Chairman of the Board of Directors of Veolia Environnement and founder and member of the Board of Directors of Terra Academia did not take part in the discussions or vote on this decision in accordance with Article L. 225-40 of the French commercial Code.

1.2 Second amendment to the brand license agreement

Board of Directors' Meeting of August 2, 2023

Agreement signed between your Company and its subsidiary Veolia Eau-Compagnie Générale des Eaux (99.99% shareholding).

Person concerned: Mrs. Estelle Brachlianoff, Director and Chief Executive Officer of Veolia Environnement and Joint Managing Director of Veolia Eau-Compagnie Générale des Eaux.

The purpose of this second amendment to the brand license agreement between your Company and Veolia Eau - Compagnie Générale des Eaux was to establish that the license fee granted to Veolia Eau-Compagnie Générale des Eaux would now be invoiced by Veolia Environnement to the EIG Veolia Eau France, which will then rebill the corresponding amounts to Veolia Eau-Compagnie Générale des Eaux (in its capacity as licensee) and to the other Veolia Eau France companies that are members of the EIG (in their capacity as sub-licensees).

This amendment was authorized by the Board of Directors of your Company on August 2, 2023. Mrs. Estelle Brachlianoff, Director and Chief Executive Officer of Veolia Environnement and Joint Managing-Director of Veolia Eau-Compagnie Générale des Eaux did not take part in the discussions or vote on this decision in accordance with Article L. 225-40 of the French commercial Code.

2. AGREEMENTS AUTHORIZED AND ENTERED INTO SINCE THE YEAR END

We have been advised of the following agreements, authorized and entered into since the year end, previously authorized by your Board of Directors.

2.1 Agreement for the sale of the trademark and domain names

Board of Directors' Meeting of February 28, 2024

Agreement signed between your Company and the non-profit organization, Terra Academia.

Persons concerned: Mrs. Estelle Brachlianoff, Director and Chief Executive Officer of Veolia Environnement and founder and member of the Board of Directors of Terra Academia and Mr. Antoine Frérot, Chairman of the Board of Directors of Veolia Environnement and founder and member of the Board of Directors of Terra Academia.

In addition to its membership of the non-profit organization, Terra Academia, your Company wished to contribute to the start-up of its activities by providing it with the means to operate and develop in its initial years. To this end, it was agreed to enter into an agreement for the sale of the trademark and domain names to Terra Academia. This agreement is motivated by Terra Academia's desire to own the trademark (n°4922691) and domain names (terra-academia.com, terra-academia.fr and terra-academia.org) registered and reserved by Veolia Environnement prior to the creation of Terra Academia. Transfer consideration: €5,490, excluding VAT.

The Board of Directors of your Company authorized the signature of this agreement on February 28, 2024. Mrs. Estelle Brachlianoff, Director and Chief Executive Officer of Veolia Environnement and founder and member of the Board of Directors of Terra Academia and Mr. Antoine Frérot, Chairman of the Board of Directors of Veolia Environnement and founder and member of the Board of Directors of Terra Academia did not take part in the discussions or vote on this decision in accordance with Article L. 225-40 of the French commercial Code.

2.2 Third amendment to the brand license agreement

Board of Directors' Meeting of February 28, 2024

Agreement signed between your Company and its subsidiary Veolia Eau-Compagnie Générale des Eaux (99.99% shareholding).

Person concerned: Mrs. Estelle Brachlianoff, Director and Chief Executive Officer of Veolia Environnement and Joint Managing Director of Veolia Eau-Compagnie Générale des Eaux.

The purpose of this third amendment to the brand license agreement between your Company and Veolia Eau - Compagnie Générale des Eaux is to modify the brand license fee and set it at 0.4% of revenue realized by Veolia Eau - Compagnie Générale des Eaux and its sub-licensees from January 1, 2024, to reflect the strengthened position of the VEOLIA brand with customers and end consumers with the acquisition of Suez's business.

The Board of Directors of your Company authorized the signature of this amendment on February 28, 2024. Mrs. Estelle Brachlianoff, Director and Chief Executive Officer of Veolia Environnement and Joint Managing-Director of Veolia Eau-Compagnie Générale des Eaux did not take part in the discussions or vote on this decision in accordance with Article L. 225-40 of the French commercial Code.

3. AGREEMENTS PREVIOUSLY APPROVED BY ANNUAL GENERAL MEETING

Previously approved agreements that remained in force during the year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed of the following agreements, previously approved by shareholders in prior years and having continuing effect during the year.

3.1 Brand license

Board of Directors' meetings of November 5, 2014 and February 24, 2016.

Agreement signed between your Company and its subsidiary Veolia Eau-Compagnie Générale des Eaux (99.99% shareholding).

Person concerned: Mrs. Estelle Brachlianoff, Director and Chief Executive Officer of Veolia Environnement and Joint Managing Director of Veolia Eau-Compagnie Générale des Eaux.

Your Group launched a transformation plan to simplify, structure and integrate its organizational set-up by country. This integration is reflected in particular by the use of a single "Veolia" brand (and a single logo) for the whole Group to ensure better convergence and readability of the customer offers and to ensure their cross-cutting nature.

To take account of this new organizational set-up and the roll-out of the single "Veolia" brand, your Board of Directors authorized the signature, with the "head" entities designated by country or geographic zone and with Veolia Eau-Compagnie Générale des Eaux in particular (it is their responsibility to break down these contracts locally), of a new usage license for the "Veolia" brands in accordance with the following key conditions:

- one-year term automatically renewable for one or several annual periods with retroactive effect as of January 1, 2014;
- royalty fee set at 0.3% of the revenue of each of the license holders (or sub-license holders).

The Board of Directors' Meeting of February 24, 2016, duly noted and authorized as necessary the tacit renewal of this agreement for the period January 1 to December 31, 2015, as well as the amendment of the term of this agreement from one year to indefinite with effect from January 1, 2016.

Your Company recorded royalty fee income of €8,949,004 from Veolia Eau-Compagnie Générale des Eaux for fiscal year 2023.

3.2 Agreements concerning the remuneration of guarantees issued by your Company on behalf of its subsidiaries

Board of Directors' Meeting of May 17, 2011

Agreements signed between your Company and its subsidiary Veolia Eau-Compagnie Générale des Eaux (99.99% shareholding).

Persons concerned: Mrs. Estelle Brachlianoff, Director and Chief Executive Officer of Veolia Environnement and Joint Managing Director of Veolia Eau-Compagnie Générale des Eaux.

The parties agreed on the need to ensure your Company is fairly remunerated for services rendered to Veolia Eau-Compagnie Générale des Eaux subsidiaries through the issue of endorsements and guarantees of any nature, granted to any third party. The remuneration payable depends on the country in which the guarantee operates, the nature and the term of the guarantee issued as well as the amount of the commitment given. These contracts were entered into for an indefinite term.

For fiscal year 2023, your Company recorded income of €1,942,671 in respect of commitments issued on behalf of Veolia Eau-Compagnie Générale des Eaux subsidiaries.

Paris-La Défense, March 18, 2024

The Statutory Auditors

KPMG SA		ERNST & YOUNG et Autres	
Eric Jacquet	Baudouin Griton	Jean-Yves Jégourel	Quentin Séné

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CORPORATE SOCIAL RESPONSIBILITY AFR

Information from the Annual Financial Report is clearly identified in the table of contents by the pictogram AFR

The Veolia CSR policy is part of its strategy, its economic model and its sustainability. Convinced that it holds part of the solution to the collective challenges of our times, provided it serves its stakeholders with balance, Veolia defines itself as a sustainable company able to achieve its economic, social and societal missions.

Its CSR policy is therefore enshrined in its business model as demonstrated by the Purpose (see Chapter 1, Section 1.1.2 above) and the related multifaceted performance commitments, objectives and targets (see Profile Section above and Section 4.1 below).

This chapter describes their environmental performance (see Section 4.2 below), human resources performance (see Section 4.4 below) and social performance (see Section 4.3 below) components as well as the compliance approach (see Section 4.6 below).

As part of the multifaceted performance of the GreenUp 2024-2027 strategic program (see. Profile Section, *p.18-19*), 10 of the 15 objectives are presented in this chapter dedicated to environmental, social and societal responsibility (vs. 12 out of 18 objectives in the previous Impact 2023 program), each with an Executive Committee member sponsor:

Multifaceted performance objectives	Executive Committee Sponsor
Decarbonization of our customers - Scope 4	Christophe Maquet
Decarbonization – scopes 1 and 2 reduction	Claude Laruelle
Decarbonization – transformation of our assets (including phase-out of coal and methane capture)	Philippe Guitard
Freshwater savings and resource regeneration	Gustavo Migues
Depollution - Biodiversity	Sébastien Daziano
Health, safety and well-being	Estelle Brachlianoff
Employee commitment	Laurent Obadia
Diversity and inclusion	Helman le Pas de Sécheval
Ethics and compliance	Eric Haza
Support to local communities	Isabelle Calvez

This year, Veolia has published for the third time the information required under European Green Taxonomy principles (see Section 4.5 below), as part of the sustainable finance policy rolled out by the European Union.

French regulations on the Vigilance plan (see Section 4.7 below) and the Non-Financial Performance Statement (see Section 4.8 below) also offer a framework for these initiatives.

Except for Section 4.5 relating to the taxonomy, all information linked to the Non-Financial Performance Statement is verified by an independent third party body (see Section 4.10 below). For fiscal year 2023, the indicators noted by the symbol (√) were checked with a reasonable level of assurance.

Veolia is actively preparing the move to the CSRD in 2024
The current non-financial reporting NFPS (Non-Financial Performance Statement) will be replaced in early 2025 for the 2024 fiscal year by a so-called “sustainability” report as part of the new CSRD (Corporate Sustainability Reporting Directive), combining Environmental, Social and Governance aspects with the financial vision. Veolia considers this new reporting chapter to be an opportunity to better put into perspective its various businesses, in a dual materiality approach: the materiality of the positive and negative impacts the Company has on the outside world and the materiality of the financial risks and financial opportunities induced on Veolia by external factors. This approach should enable us to better inform all our stakeholders about the added value we create for the environment through all our policies and action plans. The start of this new regulation coincides perfectly with Veolia’s strategic agenda and its new GreenUp plan. The material challenges, grouped into six themes (decarbonizing, depolluting, saving and regenerating resources, providing essential services, attracting and retaining talent, engaging stakeholders in ecological transformation) and impacts, risks and opportunities (IRO) have already been defined. The corresponding reporting tools are under development.

Non-financial ratings

Veolia Environnement's non-financial performance is rated externally based on published information and statements. This rating is valuable, as it is an independent measure of the Group's performance and allows it to remain attentive to expert opinion.

	2019	2020	2021	2022	2023
DJSI	inclusion in World and Europe DJSI indices	inclusion in World and Europe DJSI indices	inclusion in World and Europe DJSI indices	inclusion in World and Europe DJSI indices	inclusion in World and Europe DJSI indices
FTSE4Good	inclusion	inclusion	inclusion	inclusion	inclusion
S&P Global - CSA score (Sustainability Yearbook)	81 (Bronze)	82 (Silver)	82[(1)] (Bronze)	83 (Bronze)	83 Ist in Multi and Water Utilities [(3)]
ISS-ESG	Prime, 1st decile, B	Prime, 1st decile, B	Prime, 1st decile, B	Prime, 1st decile, B-	Prime, 1st decile, B [(4)]
Moody's Analytics	66	68	71[(2)]	71	72
CDP Climate change	Management, B	Leadership, A-	Management, B	Leadership, A	Leadership, A-
CDP Water security	Management, B-	Leadership, A-	Leadership, A-	Leadership, A	Leadership, A-
Ecovadis	/	70/100, 98th percentile	68/100, 95th percentile	75/100, 98th percentile	/

(1) DJSI Annual Review 11/12/2021.
(2) Since December 2021.
(3) CSA score as of 12/22/2023
(4) As of 10/17/2023

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Organization and Governance

Governance

Board of Directors

Purpose Committee (*)	Nominations Committee (*)	Compensation Committee (*)	Accounts and Audit Committee (*)	Research, Innovation and Sustainable Development Committee (*)

Ethics Committee

Executive Management

Risk, internal control and internal audit management *(See Section 2.1 above)*

Topics	Environment & Social Responsibility	Human resources	Preventing corruption & Human rights	
Functional committees	ESG Committee	Group French Works Council and Group European Works Council	Ethics and Compliance Committee	Human Rights and Duty of Care Committee

Sectors

Sustainable Development	Human Resources	Compliance
• Multifaceted Performance and Sustainable Development Department • Sustainable Development Officers (zones) • Technical and Performance Department (Environmental Management Systems) (See Sections 4.2 and 4.3 below)	• Human Resources Department • HR network (Business Units) • Health & Safety Center of Excellence • Labor relations bodies • Veolia Campus network (See Section 4.4 below)	• Compliance Department • Network of Compliance Officers (zones) (See Section 4.6 below)

Internal collaborations

Development, Strategy and Innovation, Business Support and Performance, Purchasing, Insurance, Legal, Finance, Public Affairs, Information Systems, Security, Communications, Tax, Governance, Veolia Institute, Veolia Foundation

External stakeholders

Critical Friends Committee

Prospects, clients, economic partners, suppliers, public institutions, non-financial rating agencies and investors, NGOs and local opinion leaders, local communities, academic experts

EXTERNAL AUDIT

REGULATIONS

(*) Committee of the Veolia Environnement Board of Directors (see Chapter 3, Section 3.2.2 above).

4.1 Environmental, social and human resources performance commitments

4.1.1 ENVIRONMENTAL, SOCIAL AND HUMAN RESOURCES PERFORMANCE COMMITMENTS

In 2019, Veolia defined its Purpose (see Chapter 1, Section 1.1.2 above) and in 2020, the related multifaceted performance commitments, objectives and targets, (see the Profile, *pages 8-11* above), under its Impact 2023 strategic plan.

Veolia's commitments for environmental, social and human resources performance are as follows:

- combat pollution and accelerate the ecological transformation (see Section 4.2 below);
- support regional development through responsible means (see Section 4.3 below);
- give meaning to our employees' work and help them with career development and engagement (see Section 4.4 below).

Each of these commitments breaks down into objectives for which illustrative indicators were defined, together with 2023 targets. Each is sponsored by an Executive Committee member.

Aspect	Commitment	Objective	SDG	Indicator – definition	2020 Results	2021 Results	2022 Results	2023 Results	2023 Target
Human resources performance	Give meaning to our employees work and help them with career development and engagement	**Employee commitment**	8 DECENT WORK AND ECONOMIC GROWTH	• Rate of engagement of employees, measured through an independent survey	87%	87%	89%	**89%(√)**	80%
		Safety at work	8 DECENT WORK AND ECONOMIC GROWTH	• Lost time injury frequency rate	6.60	6.65	5.61	**4.95(√)**	5
		Employee training and employability	4 QUALITY EDUCATION	• Average number of training hours per employee per year	17h	21 h	26h	**29h(√)**	23 h
		Diversity	5 GENDER EQUALITY	• Proportion of women appointed among Executive Resourcers from 2020 to 2023 [(1)]	28.3%	30.4%	30.3%	**30.7%**	50%

Aspect	Commitment	Objective	SDG	Indicator – definition	2020 Results	2021 Results	2022 Results	2023 Results	2023 Target
Environmental performance	Combat pollution and accelerate the ecological transformation	**Combating climate change**	13 Climate action	• Reducing GHG emissions: progress of the investment plan to phase-out coal in Europe by 2030	8.1% of investment to be achieved	17% of investment to be achieved	30% of investment to be achieved	**42% of investment to be achieved**	30% of investment to be achieved (4)
				• Avoided emissions: annual contribution to avoided GHG emissions (assessed with regard to a reference scenario) - FE IEA2013 [3]	12.5 million metric tons of CO2 eq	12.4 million metric tons CO2 eq	14.1 million metric tons of CO2 eq	**15.5 million metric tons of CO2 eq (6)**	15 million metric tons of CO2 eq
		Circular economy: plastic recycling	12 Responsible consumption and production; 13 Climate action	• Volume of recycled plastic in Veolia transformation plants [5]	391 thousand metric tons	476 thousand metric tons	490 thousand metric tons	**465 thousand metric tons**	610 thousand metric tons
		Protection of environments and biodiversity	14 Life below water; 15 Life on land	• Progress rate of action plans aimed at improving the environment and biodiversity footprint in sensitive sites [6]	1.7 %	30 %	66 %	**85 %**	75 %
		Sustainable management of water resources	6 Clean water and sanitation	• Efficiency of drinking water networks (Volume of drinking water consumed/Volume of drinking water produced) [7]	73.4 %	75.6 %	76.3 %	**76.4 % (√)**	> 75%
Social performance	Support regional development through responsible means	**Job and wealth creation in the territories**	11 Sustainable cities and communities	• Socio-economic footprint of Veolia's activities in the countries where the Group operates, with regard to jobs supported and wealth created	• 1,105,388 jobs supported • € 51 billion of added value created in 51 countries	• 1,033,623 jobs supported • €49 billion of added value created in 52 countries	• 1 ,147,238 jobs supported • € 53 billion of added value created in 50 countries	**• 1 ,561,629 jobs supported • € 77.5 billion of added value created in 58 countries**	Annual assessment of impacts, overall and by geography in at least 45 countries
		Ethics and compliance	8 Decent work and economic growth	• Rate of positive answers to this question of the engagement survey "Veolia's values and ethics are put into practice within my entity"	83 % of all respondents	84 % off all respondents	85 % of all respondents (10)	**88 % off all respondents**	≥ 80% of all respondents
		Access to essential services (water and sanitation)	6 Clean water and sanitation	• Number of inhabitants benefiting from inclusive measures for access to water or sanitation within contracts (constant 2019 scope)	6.12 million inhabitants (+7%)	6.71 million inhabitants (+17.5%)	6.92 million inhabitants (+21.3%)	**7,27 million inhabitants (+27.4%)**	+12% vs 2019 at constant scope

(1) Formerly referred to as the Top 500 senior executives of the Group.
(2) The KPI is calculated with the initial investment budget in new forms of energy aimed at eliminating coal in Europe by 2030, estimated in 2019 at €1.274 billion. For information, this budget was revalued at €1.65 billion at the end of 2023.
(3) Emissions factors (EF IEA) for electricity used to set the Impact 2023 plan target.
(4) The 2023 EF IEA updated in the Global Report reporting tool in 2023 shows a value of 14.2 million metric tons of CO2 eq in 2023.
(5) Since 2021, this indicator includes plastic volumes recycled in Veolia transformation plants processing WEEE and volumes recycled in plants acquired or sold by Veolia during the year. Iin the case of non-consolidated joint ventures, the indicator includes volumes of recycled plastics in proportion to Veolia's stake in these joint ventures.
(6) 2019-2022 pro forma data.
(7) For networks serving over 50,000 inhabitants. At constant scope.

As part of its GreenUp 2024-2027 strategic program, its multifaceted performance commitments were renewed, and new objectives and targets were defined (see Profile section, *p.18-19,* above).

These commitments to sustainable development supplement the Group's voluntary adherence to the United Nations Global Compact, which it signed in June 2003. In so doing, it has committed to supporting and promoting the Global Compact's 10 principles on human rights, labor law, the environment and the fight against corruption. The practical principles adopted by Veolia are also consistent with various international reference texts, such as the Universal Declaration of Human Rights and its additional covenants and the Organization for Economic Cooperation and Development's guidelines for multinational enterprises.

Veolia's commitments to a multifaceted performance apply to all of its activities and all of its employees, in all of the countries where it operates. They are upheld and managed at the highest corporate level (see the Profile, *page 9* above).

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4.1.2 CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Between 2000 and 2015, Veolia was a major contributor to the United Nations Millennium Development Goals (MDGs) for access to water and wastewater services (see Section 4.3.4.3.1 below). It remains an active player in ensuring that the United Nations Sustainable Development Goals (SDGs) adopted in 2015 are attained.

An initial study consulting internal and external stakeholders was conducted in 2017. This aimed to provide an initial overview of the way Veolia's businesses can help attain the SDGs. It concluded that Veolia contributes to a greater or lesser extent to implementing each of the 17 SDGs and has a direct or indirect impact on 65 of the 169 SDG targets, representing a contribution to 40% of targets.

Supporting promotion of the SDGs and reinforcing a common understanding
In order to help promote understanding and adoption of the SDGs, the Veolia Foundation supported the creation of a Massive Open Online Course (MOOC) dedicated to the SDGs. Launched in 2018 by the Virtual Environment and Development University (UVED), it presents the 17 SDGs and how they interact with each other. It provides tools to better take the SDGs into account on a daily basis, offers ideas to implement positive actions and promotes initiatives and experiences already in place. Veolia shared its feedback regarding adoption of the SDGs by a company. The MOOC was updated in 2019 and a second session was launched in September. Overall, nearly 25,000 people have familiarized themselves with these global requirements that are essential to developing world peace, protecting the planet, bringing an end to poverty and reducing inequality. The SDG MOOC has been translated into five languages and won the "Best MOOC developed by a university or school" prize at the MOOC of the Year awards.

Veolia's Purpose fits directly into the SDG framework: "Veolia's Purpose is to contribute to human progress by firmly committing to the Sustainable Development Goals set by the UN to achieve a better and more sustainable future for all. It is with this aim in mind that Veolia sets itself the task of 'Resourcing the world' through its environmental services business."

The SGDs provided input for the drafting of this text, by setting objectives and aligning the Purpose with international challenges. The multifaceted performance indicators were drawn up to help provide a better response to these issues.

Finally, the SGDs also challenge the ability to forge new more innovative relationships to collectively invent new solutions to take up the challenges relating to the preservation of resources and population issues.

Veolia therefore plays a major role for 13 SDGs whose challenges are directly linked to its Purpose:

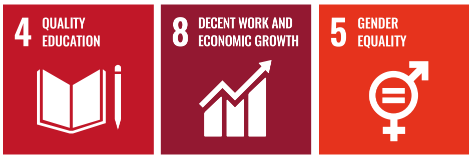
Nine objectives linked to its activities

As an urban services provider, Veolia plays a major role in managing essential services in water and sanitation (SDG 6), energy (SDG 7) and waste (SDG 11, which includes a waste management target). Veolia promotes innovative industrial production methods (SDG 9) and responsible consumption through the circular economy (SDG 12). Finally, through its solutions, Veolia contributes directly to meeting climate (SDG 13) and ecosystem conservation (SDG 14 and 15) challenges.

Finally, by promoting access to essential services, Veolia contributes to reducing inequalities (SDG 10).

Three objectives linked to organization priorities as a responsible company

Veolia acts to develop the skills of its workforce to improve employability, but also to create value for its customers and regions thought its Campus network (SDG 4). The Group is committed to gender equality and acts to increase the number of women in its businesses and strengthen the percentage of women managers (SDG 5). Veolia supports sustainable growth by promoting decent working conditions for all, in compliance with human rights and the rights of its employees, subcontractors and suppliers (SDG 8).



One key objective to drive attainment of SDGs

Veolia is a local operator and interacts with all its stakeholders, to build solutions adapted to regional challenges together. Its commitment to attaining the SDGs leads Veolia to extend its economic activity chain in order to widen its areas of action and build new alliances with other players to meet the needs of the public covered by the SDGs. By developing new partnerships and notably by calling on additional expertise contributed by its partners and shared value creation, Veolia contributes to strengthening SDG implementation resources (SDG 17), Alliance to End Plastic Waste, etc.

4.1.3 STAKEHOLDER RELATIONS

4.1.3.1 Strategy and approach

The Group's relations with its stakeholder are at the core of Veolia's purpose. The multifaceted performance strategy proposes to adopt the same level of focus and standards for the Group's economic and financial, commercial, human resource, social and environmental performance, with respect to the five main stakeholder categories – employees, customers, shareholders, society and the planet.

The competition and rapid developments in the markets in which Veolia operates, associated with its multiple geographic locations, require dialogue and continual collaboration with all stakeholders, whether local, national or international. The need for a close relationship with public authorities, civil society, international organizations, multi-stakeholder platforms, local communities and consumers creates an opportunity for the Group to ascertain their expectations, establish itself locally in the long-term and create innovative solutions together with different partners.Having an exceptional relationship with its stakeholders enables better adaptation to change, and faced with the growing expectations of civil society and regulations, Veolia must be a regional player in solidarity with others to facilitate the roll-out of solutions to implement ecological transformation.

This is why the opening of the Group to its stakeholders goes much further than mere dialogue and consultation. The challenge is to build a community that acts together to create value and build valuable solutions with a strong positive impact for all. Veolia has therefore structured its stakeholder relations approach under the banner "Resourcing together", which focuses on three areas: listening and exchanging, co-construction and seeking solutions, commitment and sincerity with regard to the impacts created.

This search for cooperation with its ecosystem is based on regular interactions between the Group, in particular its governing bodies, and its stakeholders through various discussion forums: the Critical Friends Committee, the open-ended consultation process "+1, ecology turned into action", the Veolia Institute Foresight Committee, dialogue with labor and management, cooperation with academic, scientific and technical partners, meetings with high-level experts, participation in working groups, conferences and international events.

An in-house methodology guide "Understanding, talking and acting with our local stakeholders" enables each Group entity to embrace this commitment to dialogue and cooperation with its stakeholders, by proposing methodological tools and case studies to analyze, identify and prioritize its stakeholders and to implement this approach and the various means of engaging with them effectively over the long term in line with objectives and local contexts. The guide is currently being updated and a training course is being designed to enable CSR managers and operational teams to make progress in their approaches and better address the various challenges.

4.1.3.2 Listening to stakeholders

The various tools for listening to and collecting Veolia's stakeholders' expectations provide a more detailed vision of ecological transformation challenges and the Group's response to them.

Ecological Transformation Barometer

In 2022, Veolia and Elabe launched the first ecological transformation barometer to fuel a constructive and proactive debate with its the Group's stakeholders on the acceptability of changes necessary to face the environmental emergency. This unprecedented opinion poll covered 25 countries across five continents and a sample of almost half the human world's population. Countries were selected for their demographic weight and for their relevance (countries on the front line of climate change but also pioneering countries for in terms of ecological policies) to give the survey yet more scientific credibility.

This barometer, the second edition of which was launched at the end of 2023, is designed to assess the global and local level of acceptability for existing ecological solutions and identify the main levers that facilitate the implementation of solutions as well as the obstacles that may delay their implementation.

Net Promotor Score (NPS)

Veolia has developed a unique program called "Voice of customers" to measure customer satisfaction and monitor the commercial performance of all the Group's BUs. The Group uses the calculation of the Net Promotor score indicator, which measures customer satisfaction by submitting a simple survey to customers, then incorporates the obtained responses into a formula that generates a single figure - the Net Promotor score indicator - for benchmarking purposes.

In its relations with its customers, even though Veolia ensures above all compliance with its legal and contractual obligations, the Group is fully committed to implementing solutions that meet the needs and expectations of its public and private customers and the beneficiaries of the services entrusted to it. In cooperation with its customers and relevant organizations, Veolia strives to develop the means of improving access to essential services for all. The preservation and protection of asset integrity guarantees the Group's service quality and performance. Thanks to this NPS program, Veolia can listen to customers, assess its commercial performance and implement action plans to better meet their expectations.

CSR issue materiality analysis

In 2020, Veolia updated the materiality analysis of its CSR issues. This was an opportunity for the Group to assess the perception, by its external and internal stakeholders, of the decisions taken by the Group with regard to its Purpose. This was the first step of renewed reflection that continued into 2021 on the organization of the Group's stakeholder relation strategy, under the banner "Resourcing Together".

To conduct the analysis, 24 CSR issues were identified based on a documentary study of data taken from several databases, taking into account the multifaceted performance indicators defined under the Impact 2023 strategic plan.

They were then assessed by 188 internal and external stakeholders (customers, suppliers, competitors, associations and NGOs, local residents, end consumers, regulatory authorities, etc.) during an online consultation organized from April to November 2020 by the firm Des Enjeux et des Hommes in eight Veolia Business Units: Water France, Germany, UK, Czech Republic, China, Australia, USA, Colombia. The Africa – Middle East region was included in the overall results based on consultations held between 2017 and 2019 by the firm BL Évolution. A selection of "corporate" stakeholders and head office employees were also consulted. Internal stakeholders were asked to assess the impact of CSR issues on Veolia's activity, while external stakeholders commented on their expectation in relation to the Group.

To complete this analysis, 75 interviews were held with voluntary stakeholders, some of whom answered the questionnaire. These interviews were organized to discuss the risks and opportunities associated with the CSR issues, and to strengthen dialogue with stakeholders.

In this survey, the 10 most significant issues were identified worldwide, analyzed by country and stakeholder category.

Materiality matrix of Veolia CSR issues

KEY FIGURES

315 stakeholders canvassed
188 responses to the online survey
75 interviews held

The 10 most significant challenges for Veolia's external and internal stakeholders

- Security of facilities and services provided to consumers
- Quality of essential services, customer and consumer satisfaction
- Employee health and safety
- Sustainable management of resources (water, energy, waste)
- Management of pollution of resources (water, enrgy, waste)
- Business ethics
- Innovation for sustainable solutions
- Responsible corporate governance
- Combating climate change
- Promoting the circular economy

OUR COMMERCIAL PERFORMANCE | OUR ENVIRONMENTAL PERFORMANCE | OUR HUMAN RESOURCES PERFORMANCE | OUR ECONOMIC AND FINANCIAL PERFORMANCE | OUR SOCIAL PERFORMANCE

4.1.3.3 Dialogue and cooperate

To strengthen relations with stakeholders, the Group regularly conducts discussions with them on various issues, and regularly includes them into the many projects involved in ecological transformation.

Critical Friends Committee

Created in 2013, the Veolia *Critical Friends* Committee is today made up of around a dozen independent people, experts in human resources and social and environmental issues, from institutions, the academic community and non-profit organizations and company partners, including a representative of young climate activists. The Committee is chaired by Jean-Michel Severino, CEO of Investisseurs & Partenaires.

This collective forum of discussion provides Veolia Executive Management with an external viewpoint on strategic topics in relation to its corporate responsibility, in order to foster and support the Group's initiative to make continuous progress. Members contributed to establishing the Group's Purpose and expressed opinions on its accomplishment. In 2023, the *Critical Friends* Committee met before Antoine Frérot and Estelle Brachlianoff and adressed various topics:

- the lessons learned after three years of implementing the multifaceted performance as part of the preparation of the 2024-2027 strategic program;
- the school ecological transformation project - Terra Academia;
- Veolia's 1.5°climate strategy.

Veolia's *Critical Friends* Committee in Japan also met once with local management to exchange views with experts on Veolia's strategy in this region. In China, the Committee met with BU ExCom teams to discuss topics relating to the reduction of CO2 emissions and the circular economy.

The Veolia Institute: looking to the future

The Veolia Institute looks to the future and considers challenges relating to both the environment and society. It develops its activities through ongoing dialogue in economic and intellectual circles and with practitioners that lead their field in the areas it studies. Through conferences, a review (Institute Review – FACTS reports) and forward-looking working groups, the Veolia Institute brings together and circulates the experience and expertise of different players (researchers, academic experts, public powers, companies, NGOs, international organizations, etc.) to gain different viewpoints on certain major planetary issues and shed light on the future:

- In November 2023, the Veolia Institute published a edition of its review dedicated to innovation for ecological transformation, which brought together academic contributions (MINES Paris- PSL, Jawaharlal Nehru University, Singapore Management University, Transition Campus) as well as contributions from multilateral organizations (UNDP, OECD), CSOs (Paris 2024 Olympic and Paralympic Games Organizing Committee, Fédération Envie, Inner Development Goals, imagine H2O, Net Zero cities, etc.), and businesses (Veolia, GIST impact, circulate Capital, seedlings, Biomimicry 3.8, etc.). A conference, accessible online, was organized at Veolia's headquarters to mark the publication of this new edition. It is available for free on the Institute's website.
- The Veolia Institute also organized a series of meetings with experts on innovation and commodity markets as well as a first scientific meeting on health and the environment.

Thanks to the international reputation of its members and their expertise, the Veolia Institute Foresight Committee guides the activities of the Institute during its annual meeting. In October 2023, this committee met to discuss the topic of "Water scarcity: future threats and possible solutions".

The "+1, ecology turned into action" consultation process

To strengthen this dialogue in our geographical areas, BUs and at the heart of our contracts in the territories. Veolia designed and developed the "+ 1, ecology turned into action" cooperation process in order to accelerate multifaceted performance.

It is an innovative methodology for dialogue between stakeholders on the challenges of ecological transformation. The aim? Initiate exchanges and discussions between players from different backgrounds so that they can work together to deploy useful solutions to as many people as possible.

Shared in open source to enable other companies and organizations to benefit from it, it can be transposed to different contexts, geographical areas and topics.

The "+1" variations currently in the works

The +1 method was adopted for Veolia's corporate strategy to prepare Veolia's 2024-2027 strategic program. The "+1 Inspire 24-27" consultation promoted an open dialogue with the Group's stakeholders: a committee comprising representatives of employees, customers, shareholders, society and the planet was set up in each of the Group's 8 zones, at Business Unit level (Australia / New Zealand, Colombia, the United States, France, Italy, Japan, Czech Republic and Japan).

These 8 committees contributed to discussions to develop the next strategic program through three complementary work sessions applicable to different contexts and issues (contracts, projects, Business Units, etc.). At the end of the consultation, the analysis of the responses resulted in a summary shared with the Group's top management and then all employees and zones to fuel and inspire the program.

Other variations of the method were implemented in 2023: an exchange with France and Europe employee representatives as part of the development of the strategic program or the launch of governance at a Veolia site in Nice.

The "+1, employee representatives"
Twenty or so employee representatives, members of the France and European Works Councils were interviewed using the +1 method on two occasions in November 2022 and May 2023 about their priorities and focal points regarding the Group's next strategic program.

"+1" for Group contracts
Veolia and the Nice Cote d'Azur Metropolitan area have devised for the Arianeo contract – the new green energy production center in the Nice metropolitan area – an open and participative governance inspired by the " +1, ecology turned into action" initiative. An Environmental and Societal High Council bringing together the stakeholders of the contract, namely the Nice Côte d'Azur Metropolitan Area, neighborhood committees, Banque des Territoires, and Veolia, met for the first time on January 24, 2024.

Dialogue with international, European and national authorities

As a partner to international organizations, Veolia continues to cooperate with international bilateral organizations and donor agencies to give effect to the commitments made when it joined the United Nations Global Compact in June 2003, and to contribute to the achievement of the Sustainable Development Goals (SDGs). Each year, the Group renews its commitment to respect and implement the ten principles of the United Nations Global Compact, in particular by publishing information on its progress (Communication on Progress) on the UN Global Compact website. The Group is an active member of the France network and acts as Vice-Chairman in charge of major businesses on the Board of Directors.

Veolia actively contributes to international debates on the environment such as during the climate Conference of Parties (COP) or summits on biodiversity.

Since COP21, the Group has worked to play a part at these conferences and contribute to debates on mitigating and adapting to climate change.

Veolia was present in December 2023 at the COP28 in Dubai. This event was an opportunity for the Group to reaffirm its commitment to invest €1.6 billion by 2030 to phase out coal in Europe. The Group's Chief Executive Officer spoke in several high-level panels, including an event organized by President Emmanuel Macron on the phase-out of coal. The Group's employees participated in around ten events, including side events co-organized by the WBCSD and the Japanese METI on avoided emissions.

Veolia also participated in the United Nations Water Conference in New York in March 2023. The Group has committed to investing $1.5 billion annually in infrastructure, technology, and research and innovation to contribute globally to the achievement of the 13 United Nations Sustainable Development Goals relating to water and sanitation.

In addition, Estelle Brachlianoff announced the Group's commitment to accelerate ecological transformation and deploy solutions to achieve a Net Zero Water impact.

Finally, the conferences attended by Veolia representatives provided an opportunity to share nature-based solutions developed by the Group with regard to climate change adaptation.

In its commitment to multi-stakeholder platforms, such as competitiveness clusters, associations and local and international scientific institutes, the Group develops synergies with its regional ecosystem. Veolia is a player in partnership ventures such as the WBCSD, or those locally in France, such as Comité 21, EPE (French Association of Companies for the Environment), ORSE (French Observatory of Corporate Social Responsibility), Vivapolis – Institute for sustainable cities, the French Partnership for Water (PFE), and competitiveness clusters (Efficacity, Montpellier Water cluster, Brittany-Atlantic Maritime cluster in Brest and the Mediterranean Maritime cluster in Toulon).

Representation of Veolia's interests and contributions during the discussions, consultations and work relating to changes in management of environmental services, carried out with international, European and national authorities, are discussed in Section 4.6.5.3.

Dialogue with representatives of civil society and the academic world

In 2022, Veolia joined the Boston-based Change Chemistry Alliance (formerly the Green Chemistry and Commerce Council), which has more than one hundred stakeholders (NGOs, businesses, universities, etc.) that combine their R&I practices to develop chemistry that is more sustainable and responsible. This partnership, which is part of the prospective "Chemical transition" program, aims to develop life cycle analysis research and new approaches for the safer design of our solutions and processes. This work will continue in 2024 on the development of green chemistry principles, training requirements and material loops.

In 2023, Veolia renewed its membership with the National Association of Research and Technology (ANRT) to discuss with other industrialists, start-ups and other R&I ecosystems all aspects of ecological transformation, with a focus in 2023 on energy transition, industrial and technological transition, training and research tax credit. For 2024, these exchanges will continue on the development of practices in terms of partnerships and alliances, industrial and technological transition and the future of measurement.

In 2022, the Group also signed agreements, notably with Telecom Paris as a sponsor of the 2025 year group, and ENSAM Ecole Nationale des Arts et Métiers, which trains high-level operational engineers, through a specific commitment to the Paris, Aix en Provence, Lille and Bordeaux campuses. Through these cooperation agreements with very high-level institutions, the Group strengthens the appeal of its employer brand to students training in strategic professions for the future of its activities, both in the digital professions and in operational and industrial engineering.

4.1.3.4 Local and territorial commitment

In addition to sponsorship, Veolia creates the conditions for strong local integration and a relationship of trust with the regional ecosystem.

Fondation d'entreprise Veolia Environnement
Hereinafter referred to as the Veolia Foundation (www.fondation.veolia.com) or the Foundation, its priority areas are development assistance and humanitarian emergencies, support for transition to employment and social cohesion and environmental and biodiversity protection. The Veolia Foundation's projects involve the Group's employees, as sponsors of supported projects (financial sponsorship), or Veoliaforce network volunteers (skills sponsorship through expertise provided in the field or remotely). In 2023, Veolia Foundation provided financial support totaling €812 310 to 31 new projects or action plans.

Dialogue with local communities

Veolia implements initiatives to foster dialogue with local communities and residents: targeted information and awareness campaigns, including neighborhood meetings, meetings with elected officials and local associations, facility visits and open days to inform the general public, as well as volunteering.

Veolia is involved with these communities in various ways, including through regional socio-economic analyses, community links and the provision of methodological tools to organize dialogue with stakeholders at regional level.

In Australia in 2022, Veolia reaffirmed its historic commitment to defending the rights of Aboriginal Australian and Torres Strait Islander peoples by launching the fourth Reconciliation Action Plan (RAP) 2022-2025 (see Section 4.3.2.3.2 below).

Veolia works with numerous international and local organizations to exercise its responsibility with regard to sustainable development: preservation and protection of the environment (see Section 4.2 below), and support for socioeconomic development in the countries where the Group operates (see Section 4.3 below).

For its employees, Veolia promotes equal opportunities within the Company through its Human Resources policy (see Section 4.4 below). Veolia is convinced that developing social dialogue with its employees contributes to improving local working conditions, particularly in emerging countries, and encourages the creation of employee dialogue forums (see Section 4.4.5 below).

For its customers and consumers, the Group develops processes adapted to local requirements (see Section 4.3.3 below).

Eco-responsible third places

Veolia supports the territories and participates in their economic, social and environmental development by promoting, with its local partners, the set-up of third places dedicated to civic commitment, where ecological transformation takes place locally.

Since 2018, Veolia has been working to roll out this innovative model by proposing, where relevant, a third place in its contracts. The challenge is to mobilize its stakeholders (customers, citizens, NGOs, subcontractors, etc.) around the contract's environmental and societal issues but also to engage local populations in the topics of waste reduction, preservation of resources and biodiversity or the fight against climate change. Several projects are under development, in France and internationally.

4.2 Environmental performance

4.2.1 ENVIRONMENTAL POLICY AND ENVIRONMENTAL & INDUSTRIAL MANAGEMENT SYSTEM

4.2.1.1 Commitments and objectives

In connection with its Purpose, defined in 2019 and its Impact 2023 strategic program, Veolia drew up new multifaceted performance commitments, objectives and targets in 2020 (see the Profile, pages 8-10 above).

In terms of environmental performance, Veolia undertakes to combat pollution and accelerate ecological transition. This commitment breaks down into several objectives:

- combat climate change (see Section 4.2.3 below);
- promote the circular economy (see Section 4.2.2 below);
- protect environments and biodiversity (see Section 4.2.4 below);
- manage water resources sustainably (see Section 4.2.5 below).

As part of its GreenUp 2024-2027 strategic program, this commitment has been renewed and implemented according to the following objectives:

- decarbonize;
- preserve freshwater and regenerate resources;
- depollute and protect biodiversity.

4.2.1.2 The Environmental & Industrial Management System

Since 2021, the application scope of the Group's Environmental Management System (EMS), rolled out within its BUs in 2002, has expanded to include industrial risks. This new Environmental & Industrial Management System (EIMS) now has a new unified list of environmental and industrial risks as well as risk management resources (essentials, standards and internal Group best practices).

Veolia's Environmental Policy and Environmental and Industrial Management System cover all of the Group's activities (see Chapter 1, Section 1.3 above). Its main joint ventures, particularly in China, are fully integrated into the EIMS and environmental reporting.

Veolia's responsible purchasing policy also includes requirements in terms of environmental protection, applicable to suppliers and subcontractors (see. Section 4.3.2.3.4 below).

Environmental criteria are taken into account by engagement committees when considering new organic growth or business acquisition projects.

The EIMS:

- allows the Group to measure its environmental and industrial impacts, with the ultimate goal of reducing them, in accordance with the commitments defined in the Impact 2023 strategic program;
- makes it possible to control the risks and opportunities relating to the environment. It provides a framework that helps the Group to achieve its environmental objectives based on a review and annual assessment of its environmental performance.
- is based on a continuous improvement approach in which the BUs and their managers play a key role. Each year, the BU director, its Executive Committee and the EIMS correspondent carry out a systematic assessment of the following aspects: assessment and steering of the past year's operational environmental performance, definition of targets for the years to come and sharing of the action plan, update of the BU's environmental and industrial risk challenges and exposure, definition and sharing of improvement plans to reduce this exposure, assessment of the past year's environmental and industrial incidents and finally the identification of best practices to share within the Group.

The objective (initially set for 2023) to attain an EIMS deployment rate of 95% was already achieved by 2021.

This common framework is strengthened locally by environmental and industrial management systems recognized externally: ISO 14001 and ISO 50001, Process Safety Management certification, labels, compliance with contractual commitments, etc.

4.2.1.3 Control and deployment

ESG Committee	Co-chaired by the Group General Counsel, the Senior Executive Vice President for Strategy and Innovation and the Senior Executive Vice President for Human Resources, it brings together functional departments in charge of environmental, social, societal, compliance and governance matters and ensures their coordination. It defines the Company's strategic priorities and approves its environmental policy, objectives and management system.
Group Business Support and Performance Department	The Environmental & Industrial Management System (EIMS) is overseen by the Group Business Support and Performance Department, supported by the Director of each Business Unit and deployed by local managers. The Executive Committee monitors its deployment and the results obtained on an annual basis. Within the Executive Committee, the Group Business Support and Performance Director is responsible for ensuring that this system is effective.
Group Internal Audit Department	This department verifies the correct deployment of the Environmental & Industrial Management System and its application by operating managers.
Risk Department and Risk Committee	The Risk Department coordinates the identification, assessment and control of Group risks, particularly environmental and industrial risks. It works with a Risk Committee that brings together the members of the Executive Committee and is chaired by the Company's General Counsel and run by the Risk, Insurance and Internal Control Coordination Director. This committee validates and monitors the effectiveness of the implemented action plans covering the significant risks identified in the mapping (see Chapter 2, Section 2.1.1 above).

The Group also has a warning system and a crisis management procedure throughout its locations, particularly to monitor environmental risks and violations.

These procedures mean that any necessary measures can be taken on a timely basis and at an appropriate level (see Chapter 2, Section 2.2.2.2 above).

Change in certifications and internal EIMS

	2019	2020	2021	2022	2023	2023 Target
Roll-out of the internal EIMS [1] (as % of revenue)	90.0 %	94.9 %	98.9 %	98.2 %	99.2 %	> 95 %
ISO 14001 certifications (% of revenue covered)	67.7 %	68.8 %	69.3 %	64.5 %	59.7 %	/
ISO 9001 certifications (% of revenue covered)	74.8 %	75.8 %	75.5 %	73.3 %	67.4 %	/
ISO 50001 certifications (% of revenue covered)	32.3 %	33.3 %	33.8 %	32.5 %	33.6 %	/

(1) Extended to include industrial risks since 2021 to become an Environmental and Industrial Management System.

4

4.2.1.4 2020-2023 Environmental Plan

In addition to the 2023 targets associated with its environmental performance commitment (see Section 4.1.1 above), the Group has broken down its environmental policy into 3-year objectives. These objectives apply to the entire Group scope and each entity must supplement, where relevant, these general objectives with local objectives decided based on an analysis of the major environmental impacts identified for its scope.

The 2020-2023 Environmental plan was prepared in line with the Impact 2023 strategic plan, based on a materiality analysis of environmental challenges, and in conjunction with the Purpose. The selected indicators and defined objectives therefore take into account Veolia's strategic, operational, commercial and environmental challenges.

Combat climate change*

Indicator	2023 Results	2023 Target
Reduction in GHG emissions: progress with the investment plan to eliminate coal in Europe by 2030 [1] [2]	42 %	30 %
Avoided emissions: annual contribution to avoided emissions [1]	15.5 million metric tons of CO_2 eq.	15 million metric tons of CO_2 eq.
Reduction in scope 1 and 2 GHG emissions/2018 operations reference scope (Science Based Target)	-5.2 %	-3 %
Methane capture rate (current scope)	58.5 %	55 %
Percentage of biomass in energy consumption of energy production plants	25 %	24 %
Production of renewable and recovered energy	+23,4 %/2019	+15 %/2019
Traceability of biomass (wood) for energy production (as a%) [3]	97.6 %	98 %
Biomass (wood) certification for energy production (as a%) [3]	70.0 %	80 %
Energy performance of cogeneration energy production (heat and electricity)	74.2 %	> 70 %
CO2 emissions relating to waste collection	1.2 kg	<1.4 kg
Energy efficiency of:		
• wastewater treatment [4] (pro forma 2019-2023)	328 Wh/m³	< 335 Wh/m³
• drinking water production (excluding seawater desalination) [5] (pro forma 2019-2023)	241 Wh/m³	< 250 Wh/m³
Rate of implementation of an adaptation plan for flood risk at high-risk sites	30 %	↑

** For more details see Section 4.2.3 below.*
(1) Multifaceted performance indicators (see Section 4.1.2 above).
(2) The KPI is calculated with the initial investment budget for new forms of energy aimed at eliminating coal in Europe by 2030, estimated at €1.274 billion in 2019. This budget was revalued at €1.65 billion at the end of 2023.
(3) Thermal plants selling more than 100 GWh/year.
(4) WWTP with a population equivalent capacity of over 100,000.
(5) WTP exceeding 60,000m3/day.

Promote the circular economy

Indicator	2023 Results	2023 Target
Volume of recycled plastic in Veolia transformation plants [1]	465 thousand metric tons	610 thousand metric tons
Circular economy revenue	€8.4 billion	€6.3 billion
Material recovery rate from treated waste	16 %	20 %
Energy recovery rate from treated waste	27 %	30 %
Recovery rate for residual bottom ash from waste incineration	91 %	90 %
Recovery rate for combustion waste in the Energy business (fly ash, bottom ash)	77 %	> 70 %
Recovery rate for wastewater treatment sludge	74 %	> 75 %
Abatement rate for hazardous waste treated	84 %	↑

(1) Multifaceted performance indicator (see Section 4.1.2 above).

Protect environments and biodiversity

Indicator	2023 Results	2023 Target
Rate of progress with action plans aimed at improving the impact on environments and biodiversity at sensitive sites* (*pro forma* 2019-2023)	85 %	75 %
Percentage of sites[1] with zero use of phytosanitary products (*pro forma* 2019-2023)	65 %	75 %
Implementation rate of ecological management at sites(1) with more than one hectare of green spaces (*pro forma* 2019-2023)	64 %	75 %
Percentage of sites[1] having raised awareness internally or externally of issues concerning the protection of environments and biodiversity (*pro forma* 2019-2023)	59 %	50 %
Wastewater treatment[2]:		
• BOD_5 treatment efficiency	95.6 %	≥ 95%
• COD treatment efficiency	91.6 %	≥ 90%
Incineration emissions:		mg/Nm
• NO_x	129	< 115
• SO_x	13	< 40
• dust	2	< 10
Energy production emissions[3] (per MWh of energy consumed):		
• NO_x	182	< 270 g/MWh
• SO_x	120	< 210 g/MWh
• dust	10	< 13 g/MWh
• mercury	2.8	< 5 mg/MWh

* *Multifaceted performance indicator (see Section 4.1.1 above).*
(1) Reporting scope: Waste business (all sites); Water business (wastewater treatment plants with a population equivalent capacity of over 100,000 and drinking water plants of over 60,000 m3/day); Energy business (energy production facilities selling over 100 GWh/year).
(2) WWTP with a population equivalent capacity of over 100,000.
(3) Thermal plants selling more than 100 GWh/year.

Sustainably manage water resources

Indicator	2023 Results	2023 Target
Yield rate of drinking water networks*[1]	76.4 % (√)	≥ 75%
Volume of water reused from collected and treated wastewater	1,144 million m³	↑
Deployment rate of water diagnoses at sites with significant water stress issues [2]	67 %	95%
Percentage of customers with progressive rates	77 %	80%
Number of smart meter solutions	10.11 million	6 million

* *Multifaceted performance indicators (see Section 4.1.2 above).*
(1) For networks serving over 50,000 inhabitants. At constant scope.
(2) The climate exposure analysis of around 2,000 sites operated by Veolia has replaced in 2023 the water stress analyses. - see breakdown of the methodology in Chapter 4.2.5.

4.2.1.5 2024-2027 Environmental Plan

The new 2024-2027 Environmental Plan is an extension of the previous plan, based on the same principles of materiality and connection with the Group's purpose. It also illustrates the Group's new environmental commitments, particularly with regard to climate, taking into account the changing expectations of its stakeholders.

Development of the internal EIMS	2027 objective
Roll-out of the internal EIMS (as % of revenue)	> 98%

Combating climate change - Decarbonization	2027 objective
Decarbonization investments (including phase-out of coal and methane capture) accumulated over the period 2024-2027	€600 million
Greenhouse gas emissions mitigation (scopes 1 and 2, base 2021)	-18%
Contribution to erased emissions	18 million metric tons of CO2
Methane capture rate at landfills	61%
Percentage of biomass in energy consumption of energy production plants	29%
Production of renewable and recovered energy	24 TWh
Energy performance of heat and cogeneration production plants [1]	75%
Energy efficiency of drinking water production [2]	220 Wh/m3
Energy efficiency of wastewater treatment [3]	790 Wh/kg of COD removed
CO_2 emissions relating to waste collection	< 1.2 kg CO2/km

(1) Thermal plants selling more than 100 GWh/year.
(2) Drinking water production plants exceeding 60,000m3/day.
(3) WWTP with a population equivalent capacity of over 100,000.

Depollution	2027 objective
Wastewater treatment: BOD5 treatment efficiency (3)	> 96%
Wastewater treatment: COD treatment efficiency (3)	> 92%
NOx emissions from waste incineration (mg/Nm3)	< 110 mg/Nm3
SOx emissions from waste incineration (mg/Nm3)	< 20 mg/Nm3
Dust emissions from waste incineration (mg/Nm3)	< 3 mg/Nm3
NOx emissions from power plants (1) (g/MWh of fuel consumed)	< 190 g/MWh
SOx emissions from power plants (1) (g/MWh of fuel consumed)	< 120 g/MWh
NOx emissions from power plants (1) (g/MWh of fuel consumed)	< 10 g/MWh
Hg emissions from power plants (1) (g/MWh of fuel consumed)	< 5 mg/MWh

Freshwater savings and resource regeneration	2027 objective
Annual volume of freshwater preserved	1.5 billion m_3
Annual volume of wastewater reused from collected and treated wastewater	1.2 billion m_3
Yield rate of drinking water distribution networks (4)	> 75%
Percentage of end-customer smart metering solutions	30%
Recovery rate of bottom ash, residues from waste incineration	> 90%
Recovery rate for combustion waste in the Energy business (fly ash, bottom ash) (1)	> 70%
Recovery rate (material, energy) of sludge from wastewater treatment (3)	75%

Biodiversity and ecosystems	2027 objective
Progress rate of action plans improving the environmental and biodiversity footprint on sensitive sites	85%
Percentage of sites with "zero" use of phytosanitary products	95%
Implementation rate of ecological management at sites with more than one hectare of green spaces	95%
Traceability of biomass (wood) for energy production (5)	100%
Biomass (wood) certification for energy production (5)	100%

(1) Thermal plants selling more than 100 GWh/year.
(2) Drinking water production plants exceeding 60,000m3/day.
(3) WWTP with a population equivalent capacity of over 100,000.
(4) Drinking water distribution plants exceeding 50,000 inhabitants.
(5) Covering the scope of operational control on the supply of biomass.

4.2.1.6 Resources dedicated to the prevention of environmental risks

Given the nature of the Group's activities, the amounts allocated to preventing environmental and industrial risks, particularly pollution, account for the majority of its expenses and investments. More specifically, industrial investments amounted to €3,730 million in 2023 (see Chapter 5, Section 5.3.2.1) and included investments in growth and compliance measures.

The Group also invested in training, certification programs and the implementation of the Environmental and Industrial Management System. A specific Research and Innovation budget was also renewed (see Chapter 1, Section 1.4 above).

The Group continued a policy of selective investment, while maintaining industrial investments that were contractually required or that were needed to maintain industrial assets.

Provisions for environmental risks primarily consist of provisions for site closure costs (including provisions for site restoration, the dismantling of equipment and environmental risks). They totaled €1,208 million in 2023.

GreenPath, an environmental footprint tool for offerings and contracts

Veolia has developed GreenPath, a web platform used by sales and technical teams to compare the environmental footprints of several solutions and choose, with customers, the solution that best meets their performance objectives. The tool calculates the carbon footprint of new projects and existing contracts in accordance with ISO 14064 and ISO 14069 and their water footprint in accordance with ISO 14046 and assesses their impact on biodiversity. It is available on the Group's intranet and covers Veolia's three business lines: Water, Waste and Energy.

4.2.1.7 Raise employee awareness and training

Training and informing employees about environmental issues is an integral part of the measures put in place by the Group in each of the countries where it operates.

The integration process calls for management training and awareness-raising in environmental issues and the challenges specific to Veolia. The Group Learning Department provides Business Units with access to environmental training (see Section 4.4.4 below). This is supplemented by local training sessions based on identified needs.

In December 2020, Veolia launched an e-learning program on environmental challenges:

- an updated version of the e-learning "Act for the planet – Climate change issues",
- a new e-learning on biodiversity.

In 2023, these two modules were incorporated into a comprehensive learning path "Passport to ecological transformation", presenting the planet's limits and the various environmental and societal challenges of ecological transformation.

Alongside this environmental training program, Veolia has also rolled out since 2022 the ecological transformation fresk: an educational workshop to raise awareness of environmental issues and the impact of Veolia's activities.

The Veolia Institute also set up "Les rencontres de l'Institut" for Group managers to discover current environmental, societal and geopolitical changes by speaking with top-level experts. Short video interviews were streamed to pass on the key messages from these meetings to a wider internal audience. After having addressed in 2022 the challenges and opportunities of ecological transition, and the problem of reduced energy use vs growth decline, in 2023 the Institute initiated a cycle of scientific meetings on the topic of health and the environment.

With the support of the Veolia Foundation, the Virtual Environment and Sustainable Development University (UVED) has developed online training (MOOC: Massive Open Online Courses) on biodiversity, the causes and challenges of climate change and ecological engineering. Veolia scientific experts have contributed to the educational content (videos) and the Group encourages its employees to enroll in the courses.

4.2.2 PROMOTE THE CIRCULAR ECONOMY

4.2.2.1 Risks and opportunities

By operating its own facilities and those of its customers, Veolia consumes water, energy and raw materials and generates waste. This environmental impact exposes the Group to environmental and industrial risks (see Chapter 2, Section 2.2.2.2 above).

However, the very nature of Veolia's business aims to protect resources, as reflected by its motto "Resourcing the world". Veolia builds long-lasting relationships with its customers based in particular on its ability to manage risks delegated by them. The Group proposes specific offerings to its customers to protect natural resources: processing waste and "complex pollution", waste and wastewater energy and product recovery and industrial and regional ecology services.,

4.2.2.2 Policy and commitments

As part of its Purpose and its Impact 2023 strategic program, Veolia is committed to combating pollution and accelerating ecological transition (see Section 4.1.1 above). This commitment can be broken down into several objectives, including promoting the circular economy, mainly by plastic recycling and material recovery. To illustrate this objective, the Group defined a 2023 target for the volume of recycled plastic in the Veolia recycling plants.

The result of this indicator suffered from lower production mainly in Europe and China due to massive inflow of raw materials from Asia. The European regulation that will introduce a minimal threshold of 25% of recycled PET for marketers will only come into effect in 2025.

Commitment	Objective	SDG	Indicator – definition	2020 Results	2021 Results	2022 Results	2023 Results	2023 Target
Combat pollution and accelerate the ecological transition	**Circular economy: plastic recycling**	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	• Volume of recycled plastic in Veolia transformation plants [(1)]	391 thousand metric tons	476 thousand metric tons	490 thousand metric tons	465 thousand metric tons	610 thousand metric tons
Sponsor	Christophe Maquet		Member of the Executive Committee and Senior Executive Vice President for the Asia-Pacific region					

(1) Since 2021, the indicator includes plastic volumes recycled in Veolia transformation plants processing WEEE and volumes recycled in plants acquired or sold by Veolia during the year. In the case of non-consolidated joint ventures, the indicator includes volumes of recycled plastics in proportion to Veolia's shares in these joint ventures.

This objective focuses on:

- developing the circular economy (see Section 4.2.2.3.1 below);
- limiting raw material consumption, mainly through material (see Section 4.2.2.3.2 below) and energy (see Section 4.2.3.3.3 below) recovery of waste.

As part of its GreenUp 24-27 strategic program, Veolia renewed its environmental commitment and adopted the following objective and target:

Commitment	Objective	SDG	Indicator – definition	2023 baseline	Cible 2027
Combat pollution and accelerate the ecological transformation	**Freshwater savings and resource regeneration**	6 CLEAN WATER AND SANITATION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	Saved freshwater (reuse, desalination, leakage reduction)	1.4 billion m^3	≥ 1.5 billion m^3
Sponsor	Gustavo Migues		Member of the Executive Committee, and Senior Executive Vice President, for the Iberia and Latin America region		

4.2.2.3 Actions and results

4.2.2.3.1 Encourage the circular economy

Approach

Veolia proposes solutions to protect resources in a circular economy by:

- producing "secondary raw materials" from waste (recycled plastic, rare metals from electronic waste, recovered solvents, compost, etc.);
- producing renewable and recovered energy from waste and wastewater and recovering unavoidable energy (see Section 4.2.3.3.3 below);
- reusing water (see Section 4.2.5.3.5 below);
- energy performance of buildings and industrial sites;
- creating synergies at multi-customer sites (industrial and regional ecology, biomass heating network).

In 2023, Veolia contributed to discussions on the implementation of the French law on the circular economy through multi-party organizations and professional federations in the sector, defending waste recycling and recovery activities. At European level, the Group actively participated in the debates on the regulatory changes set out in the European Green Deal and the European Commission's Circular Economy Action Plan to promote reuse, recovery and recycling within the European Union.

A plastic recycling and recovery strategy

Veolia has defined a plastic strategy to guarantee its industrial customers access to high quality recycled plastic that meets their requirements and is comparable to virgin material:

- Veolia is a member of the "European Plastics Pact" and the National Pacts on Plastic Packaging in the United Kingdom, Portugal, Australia and France, which aim to identify common ambitions among States and businesses willing to follow more ambitious goals for single-use plastics and packaging, initiate new cross-border collaborations and develop partnerships around innovations. Veolia took part in the European and French discussions on single-use plastics, recycling and recovery, mainly through multi-player bodies and professional federations in the waste industry.

PlastiLoop, a new global recycled plastics offering

PlastiLoop by VEOLIA

Supported by more than 30 years of experience in recycling plastic, Veolia created PlastiLoop, an unprecedented integrated platform which enables its customers to source plastic resins from anywhere in the world, through a range of polymers sorted by application to meet each specific need.

PlastiLoop therefore brings a concrete solution to the growing number of industrial customers who wish to commit to a plastic recycling process in order to reduce their carbon footprint and help save resources.

Establish large-scale partnerships to optimize resource management

As part of its CircPack® offering, the Group enters into partnerships with industrial companies to act from the design phase and improve the ability to recycle products and the use of so-called secondary raw materials;

Faurecia, a FORVIA Group company, and Veolia signed a cooperation and research agreement to jointly develop innovative compounds for automotive interior modules, aiming to achieve an average of 30% recycled content by 2025. Through this partnership, the two companies will accelerate the deployment in Europe of innovative sustainable interior solutions implemented in dashboards, door panels and center consoles. Veolia will start producing these secondary raw materials at its existing recycling sites in France in 2023.

The set of ISO 59000 standards recently specified the framework for the circular economy

Veolia leads the ISO international standardization work on the circular economy by chairing the dedicated technical committee with 100 countries at the roundtable. The objective is to produce a set of documents (ISO 59000 series) providing a consensus on the definition of the circular economy, its principles, the action levers and the circularity indicators to be used. These standards are set to be published in May 2024.

In 2023, the European Committee for Standardization (CEN) has followed suit with the creation of a dedicated European technical committee. A standard on extended producer responsibility and a document on business models and their transition to incorporate circularity are planned. The latter topic is coordinated by Veolia.

Objective and results

As part of its 2020-2023 Environment Plan, Veolia set a circular economy revenue target of €6.3 billion [1]. This target involves three business lines: Waste, Water and Energy.

(€ million)	2019	2020	2021	2022	2023	2023 Target
Circular economy revenue	5.2	5.2	6.0	8.4	9.2	6.3

Following the 2022 increase due to the integration of certain Suez activities, the improvement in 2023 was primarily due to a more precise calculation of circular activities performed in connection with the European taxonomy and the inclusion in the calculation of energy efficiency equipment maintenance and repair activities.

4.2.2.3.2 Recover waste and reduce raw material consumption

Commitment

Residual waste is what is left once all recovery and processing phases have been completed. Veolia applies the hierarchical principle of waste management: it makes every effort to prevent waste production, seeks new reuse, recycling and recovery possibilities and, when none is possible, processes any waste produced according to the applicable regulations.

Veolia is firmly committed to the recovery chain, particularly by developing methods for recovering materials from the waste it is given for processing (see Section 4.2.2.3.2.1 below) and the by-products of its other activities (see Section 4.2.2.3.2.2 below). It thus helps third parties to reduce their consumption of raw materials by making secondary raw materials available to them.

Veolia also seeks to reduce the raw material consumption of the installations it operates (see Section 4.2.2.3.2.2 below)

4.2.2.3.2.1 *Recover customer waste*

Challenges and approach

In 2023, Veolia collected 34.3 million metric tons of waste and processed 62.6 million metric tons.

The Group is responsible for developing innovative and efficient waste management technologies and solutions that enable waste recovery (selective collection, material and/or energy recovery) with the aim of offering these technologies and solutions to its industrial customers and public authorities, which make the final implementation decision.

Objectives and results

Recovery of treated waste

	2019	2020	2021	2022	2023	2023 Target
Waste tonnage treated (*millions of metric tons*)	49.8	47.3	48.4	61.3	62.6	/
Tonnage of materials recovered from treated waste (*millions of metric tons*)	9.8	9.4	9.9	12.0	12.1	/
Of which tonnage of recycled plastic in Veolia transformation plants (*thousands of metric tons*)	350	391	476	490	465	610
Heat produced from waste treated (*millions of MWh*)	3.4	3.3	3.8	3.6	3.70	/
Rate of materials recovery from treated waste (%)*	17 %	17 %	18 %	17 %	16 %	20%
Energy recovery rate from treated waste*(%)	28 %	30 %	29 %	24 %	27 %	30%
Abatement rate for hazardous waste treated	86 %	82 %	84 %	86 %	84 %	↑

* *Calculation methodology refined in 2019 with a more restrictive meaning.*

The increase in 2023 was due to the start-up of new waste-to-energy facilities.

In the 2020-2023 Environmental Plan, Veolia refined the method for calculating energy recovery from waste at landfill sites (methane capture for injection into the network or transformation into heat or electricity), making it more restrictive. Based on the 2019 scope, the new objectives are a materials recovery rate of 20% and an energy recovery rate of 30%.

Over and above the performance of Veolia's recovery activities, these indicators especially reflect the type of contracts signed with its customers: with or without recovery.

(1) *Circular economy revenue is the revenue of entities that generate over 50% of their revenue from the following activities: the selective collection and recovery of hazardous solid and liquid waste, by-products and sludge, water reuse, energy performance contracts, heating, steam and cooling network operations using over 50% non-fossil energy, cogeneration, and multi-activity industrial service contracts.*

To further increase waste recovery at sorting facilities, Veolia conducts Research and Innovation projects to:

- optimize sorting: development of innovative technologies such as remotely operated sorting (refined sorting using touch screens) and sorting using artificial intelligence (Portik: automatic object recognition);
- search for recycling solutions for complex waste derived from new technology: electric batteries, electronic equipment, plastics or solar panels;
- produce so-called “refused-derived fuels” (RDF), an alternative fuel for cement plants and electricity and/or heat production facilities;
- improve our chemical recycling procedures in South Korea.

Innovating to recover new types of waste

Veolia develops specific recycling technologies for new types of products, such as solar panels at the end of their useful life, a market expected to reach millions of metric tons by 2050.

In 2020, GE Renewable Energy signed an agreement with Veolia to recycle its onshore wind turbine blades in the United States. This recycling contract, the first of its kind in the U.S. wind turbine industry, turns the blades into a raw material for use in cement manufacturing. Veolia uses a co-processing solution that has already proven its effectiveness in Europe: the blades – mainly composed of fiberglass – are shredded and the material obtained is then used in kilns to replace the coal, sand and clay needed to make cement. More than 90% of the material is reused: 65% as raw material in the cement plants, and 28% transformed into energy required for the chemical reaction in the kiln. This solution, which can be rapidly deployed at scale, increases the environmental benefits of the wind industry.

2023 confirmed Veolia’s major role in the development of sustainable agriculture

Through its specialized subsidiaries, Veolia is the leading producer of organic fertilizers and soil improvers in France (over one million metric tons). Derived from the circular economy (bio-waste, sludge, by-products from the food industries), these fertilizers are seen as one of the solutions for a sustainable food model.

Agricultural demand for this type of fertilizer has increased significantly and Veolia, in particular through its subsidiary SEDE, recorded very good results in 2023.

More generally, Veolia confirms its role as a link between cities and fields: its offer is designed to recover municipal waste for use in fields to ultimately provide food. But that is not all. 2023 also confirms Veolia’s major role in addressing decarbonization issues. Veolia contributes through its subsidiary SEDE to this circularity within the territories with a complete agricultural anaerobic digestion solution covering the supply to facilities by returning the digestate to the soil and site restoration.

Household bio-waste, whether transformed into organic amendments on our composting platforms or recovered through anaerobic digestion, will enable Veolia to confirm its role as a key partner in the farming world. This role consists in supporting the ecological transformation of agriculture while helping it to address the dual challenge of food supply and decarbonization.

Research into recycling phosphorous used as agricultural fertilizer

For numerous years, Veolia has worked to develop methods of remove pollution and recover and recycle the nutrients contained in wastewater, in partnership with academic teams, and institutional and industrial players in Europe.

The phosphorous used in agriculture (key fertilizer nutrient) and animal feed is primarily produced by mining, but this resource is limited.

Although phosphorus recovery has yet become an economic reality, it is nevertheless being increasingly discussed and new legislation in various countries, and even across Europe, is being studied to promote it.

To help reduce environmental impacts and meet future directives on phosphorus recycling from wastewater, Veolia first developed the Struvia™ solution for phosphorus recovery from concentrated aqueous effluents, such as digester centrates, which paves the way for phosphorus recycling in Europe.

New developments in the works also involve the recovery of phosphorous from sludge and ash from incinerated sewage sludge to achieve recovery rates of over 80% in order to meet regulations currently implemented in Germany in particular.

4.2.2.3.2.2 *Recover residual waste and limit the production of final waste*

Challenges and approach

The Group generates final waste, and primarily:

- residual waste from incineration (bottom ash and refiom, residues from the purification of incineration fumes from household waste) and waste sorting and recycling (sorting refusals) in the Waste business;
- combustion waste (bottom ash and fly ash) in the Energy business;
- sludge from municipal wastewater treatment in the Water business.

Across its entire business, Veolia proposes solutions to its customers to reduce final waste production.

Change in residual waste and final waste production

Business	Residual waste produced	2019	2020	2021	2022	2023	of which portion recovered in 2023	Final waste in 2022
Waste	Bottom ash[(1)] *(thousands of metric tons)*	1,090	1,124	1,128	1,168	1,128	91.4 %	97
	Other non-hazardous waste produced *(thousands of metric tons)*	1,916	1,947	2,603	2,753	2,909	/	2909
	Hazardous waste produced *(thousands of metric tons)*	865	997	1,018	1,226	1,396	/	1396
Energy	Quantity of bottom ash and fly ash[(2)] *(thousands of metric tons)*	1,181	1,171	1,243	1,232	1,130	76.6 %	264
Water	Sludge produced by wastewater treatment [(3)] *(thousands of metric tons of dry matter)*	1	1	0	915	896	73.8 %	235

(1) Scope: bottom ash from non-hazardous waste incineration exploited by Veolia, for which Veolia has contractual responsibility for management after production. The total tonnage of bottom ash produced (including that for which Veolia does not have contractual responsibility for management after production and therefore does not have the means for its potential recovery) was 1,051 thousand metric tons in 2023.
(2) At heat production and distribution facilities exceeding 100 GWhTh.
(3) For wastewater treatment plants with a population equivalent capacity of over 100,000. Past results were recalculated to include anaerobic digested sludge for biogas production.

The increased production of residual waste by the Waste business is due to greater processing capacity for certain types of waste, and notably hazardous waste, in line with one of the pillars of the Impact 2023 strategic plan.

Objectives and results

Recovery rate for the main types of residual waste produced by the Group's activities

(as a %)	2019	2020	2021	2022	2023	2023 Target
Recovery rate for residual bottom ash from waste incineration [1]	92.5 %	93.6 %	89.3 %	93.1 %	91.4 %	90%
Recovery rate for combustion waste in the Energy business (fly ash, bottom ash)	74 %	70 %	72 %	71 %	76.6 %	70%
Recovery rate for wastewater treatment sludge	64 %	66.0%[(2)]	74.8 %	73 %	73.8 %	>75%

(1) Scope: bottom ash where Veolia is contractually responsible for management.
(2) Since 2019, this indicator includes waste recovered as energy (biogas).

The 2027 new objectives are described in Section 4.2.1.5. 2024-2027 Environmental Plan above.

Limit and recover waste incineration residues

The recovery of bottom ash, the noncombustible solid residue produced by incineration, is regulated according to its source. After a period of maturation and depending on its composition, it may be recovered as road construction material. In quantity terms, it accounts for roughly 17% of incinerated non-hazardous waste.

Veolia is contractually responsible for managing 53% of the bottom ash produced by the incinerators that it operates, equivalent to around 1.1 million metric tons; 91.4% of this was recovered in 2023. The recovery is subject to the launch of road construction or rehabilitation projects.

When bottom ash cannot be recovered, it is stored at a landfill site for household and similar waste.

Flue gas treatment residues are stabilized and then stored in landfills for residual hazardous waste. In quantity terms, it accounts for roughly 3% of incinerated non-hazardous waste.

Limit and recover thermal energy plant combustion waste

The combustion of solid fuels (coal, lignite and biomass) produces ash: solid residue known as bottom ash and fly ash. Fly ash is captured by dust removal equipment to ensure that only a tiny amount of dust goes into the atmosphere.

Veolia is committed to:

- limiting the production of combustion waste by improving combustion techniques;
- treating or recovering waste in accordance with local regulations.

Recover sludge from wastewater treatment

Wastewater treatment produces sludge, which is a concentrate of the organic and mineral material previously contained in the water.

With population growth and increasingly sophisticated wastewater treatment systems, public authorities and industrial companies are faced with growing sludge volumes. Veolia's challenge is to transform this sludge to reduce the related management costs and recover it:

- as products that can be used in agriculture (spreading and composting) when the quality of the sludge and the availability of suitable land permits (40% in 2023), or industry;
- as energy (34% in 2023): anaerobic digestion, use as a replacement fuel, incineration with energy recovery.

Veolia promotes sludge recovery solutions. The Group ensures that the quality of the sludge is always appropriate for the customer's intended use.

4.2.2.3.2.3 *Reduce material consumption at sites operated by Veolia*

Challenges

Raw materials consumed (excluding fuels) are mainly treatment reagents used to produce drinking water and treat wastewater (notably urea, ammoniac, coagulants and flocculants). Their consumption is monitored internally, and the related greenhouse gas emissions are included in the Group's scope 3 emissions (see Section 4.2.3.3.1 below).

Approach

The Group optimizes raw material consumption and efficiency of use:

- at an economic level: through a cost-saving plan;
- at an environmental level: through reduction objectives for Group greenhouse gas emissions.

In the Water business, several solutions optimize the consumption of materials:

- Hubgrade Performance, a Veolia digital solution, continually optimizes the consumption of energy and chemicals in wastewater treatment plants, with savings of up to 50% for chemicals;
- Centaurus, a Veolia digital solution, is a digital resource designed for experts to create and model efficient and low-energy plants;
- Anitamox processes for reduce energy consumed on site and the consumption of chemical reagents (processes under development and in operation at 35 sites).

4.2.3 COMBAT CLIMATE CHANGE

4.2.3.1 Risks and opportunities

Climate change creates different types of risks and opportunities on several levels. Climate change leads to physical risks to which Veolia and its customers must adapt, and the necessary transition towards a low-carbon economy engenders transition risks. These dynamics also bring significant commercial opportunities for the Group. One of Veolia's businesses is to help customers reduce their carbon footprint, which could lead Veolia to record greenhouse gas emitting activities in its carbon assessment in order to decarbonize them. By anticipating physical climate impacts on its services through adaptation measures, Veolia also boosts the resilience of its clients and the regions where the Group operates.

These two risk categories can have a negative impact on the Company, due to:

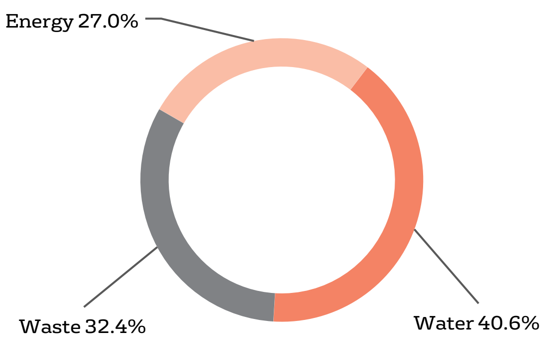
- the consequences relating to an increase in the frequency and severity of acute natural events (acute risks) or progressive and unfavorable changes in climate conditions (chronic risks), notably for the Water and Energy businesses;
- changes in regulations, in particular on energy production and the CO_2 allowances markets, which also illustrate the negative impact of transition risks on the Group's business model.

Details of these various risks are presented in Chapter 1, Section 1.3.2 above Factors that could influence the Group's business line and in Chapter 2, Section 2.2.2.1 above Risks relating to climate change and natural disasters, and Section 2.2.2.4 above Risks relating to regulatory changes, particularly in the area of health or the environment.

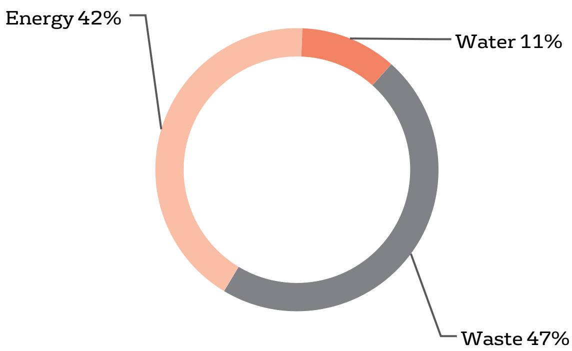
In order to help combat climate change, Veolia is committed to implementing solutions to reduce greenhouse gases (GHG) and limit climate change, both for itself and its customers (see Section 4.2.3.2 below).

In 2023, direct GHG emissions (scope 1)[1] and indirect GHG emissions linked to energy purchases (scope 2)[2] of Group operations amounted to 33.6 million metric tons of CO_2 eq. 42% was generated by the Group's Energy business (mainly the operation of heating networks) and 47% by its Waste business (mainly methane emissions[3] (CH_4) in landfills and CO_2 emissions by incinerators). The distribution of GHG emissions (scopes 1 and 2) by business does not directly correlate with the distribution of revenue (see diagram below). The Group also calculates other indirect emissions (scope 3)[4] : emissions linked to significant sources of scope 3 represent 48.3% of the total emissions generated by the Group's business (scope 1, 2 and 3) (see Section 4.2.3.3.1 below). Veolia's activities also enable customer emissions(scopes 1, 2 and 3) to be avoided.

Revenue by business (%)



GHG emissions by business (scope 1 and 2)



In addition to supporting and embodying the transition to a low-carbon economy, since 2022 Veolia has:

- strengthened its approach to adapting to the physical effects of climate change by initiating a process to assess the operational consequences of chronic and acute physical risks in order to identify the best adaptation strategies at local level;
- conducted a climate exposure analysis for all Group contracts and sites to identify priority zones and sites to then deploy detailed physical risk analyses and identify adaptation measures. This work was carried out jointly by the Internal Audit department, the Risk & Insurance department and the Sustainable Development department;
- reviewed the treatment of physical risks related to climate change as part of the update of the Group's risk map (see Chapter 2, Section 2.2.2.1 above, Risks relating to climate change and natural disasters).

Overall, changes to regulations provide new market opportunities for the Group's activities: (see Chapter 1, Section 1.2.1 above, The new Veolia strategic program for the period 2020-2023; Section 1.2.2 above, Business model):

- Veolia is a player in the low-carbon transition and provides its customers with solutions aimed at reducing greenhouse gas emissions (energy efficiency, use of renewable energies, capturing and recovering methane, waste material and energy recovery, see Chapter 1, Section 1.3 above). In 2023, GHG emissions avoided by customers due to the Group's action represented 15.5 million metric tons of CO_2 eq. (see Section 4.2.3.3.2 below);
- the Group is also committed to implementing solutions to adapt to the effects of climate change, particularly for managing the small and large water cycle (see Chapter 1, Section 1.3.1.1 above, Section 4.2.3.2.2 below, Adaptation scenarios).

The Group's Research and Innovation activities contribute fully to developing solutions to reduce greenhouse gas emissions and optimize energy consumption, as well as technical solutions to adapt to climate change (see Chapter 1, Section 1.4.3 above). Regional resilience is supported by the Seureca consulting and engineering division (see Section 4.2.3.2.2 below).

(1) *Direct GHG emissions (Scope 1): Direct emissions from fixed or mobile facilities within the organizational scope, i.e. emissions from sources held or controlled by the organization, such as: fixed and mobile combustion, industrial processes excluding combustion, biogas from landfills, refrigerant leaks, etc.*
(2) *Indirect emissions linked to energy purchases (Scope 2): Indirect emissions linked to the imported production of electricity, heat or steam for the organization's activities. Veolia also includes losses from electricity and heat distribution networks operated by the Group.*
(3) *The global warming potential of biogenic methane (CH4) over 100 years is 28 times higher than carbon dioxide (CO2), IPCC AR5 report, 2014.*
(4) *Other indirect emissions (Scope 3): Other emissions indirectly produced by the organization's activities which are not recognized in scope 2 but which are linked to the complete value chain, such as: the purchase of raw materials (electricity, heat or gas for a retail business, etc.), services or other products (reagents, etc.), business travel, upstream and downstream transport of goods, managing waste generated by the organization's activities, use and end of life of sold products and services, capitalization of production goods and equipment, etc.*

4.2.3.2 Policy and commitments

4.2.3.2.1 Commitments and objectives

As part of its Purpose and its Impact 2023 strategic program, Veolia is committed to combating pollution and accelerating ecological transition (see Section 4.1.2 above).

This commitment can be broken down into several objectives, including combating climate change. To illustrate this objective, the Group defined two 2023 targets, one to reduce GHG emissions, the other to increase avoided GHG emissions.

As part of its new GreenUp strategic program for the period 2024-2027, Veolia reaffirms its commitment by embarking on a 1.5°C aligned decarbonization path and strengthening its decarbonization levers until 2032, particularly regarding the phase-out of coal for energy activities and methane capture in non-recyclable waste landfills.

Commitment	Objective	SDG	Indicator – definition	2020 Results	2021 Results	2022 Results	2023 Results	2023 Target
Combat pollution and accelerate the ecological transition	**Combating climate change**	13 CLIMATE ACTION	• Reducing GHG emissions: progress of the investment plan to phase-out coal in Europe by 2030	8%	17%	30%	42%	30% of investment to be achieved [1]
			• Avoided emissions: annual contribution to avoided GHG emissions (assessed with regard to a reference scenario) - FE IEA2013 [2]	12.5 million metric tons of CO_2 eq.	12.4 million metric tons of CO_2 eq.	14.1 million metric tons of CO_2 eq.	15.5 million metric tons of Co_2 eq.	15 million metric tons of CO_2 eq.
Sponsor	Claude Laruelle		Member of the Executive Committee, Deputy Chief Executive Officer Finance, Digital and Purchasing					

(1)The KPI is calculated with the initial investment budget for new forms of energy aimed at eliminating coal in Europe by 2030, estimated at €1.274 billion in 2019. This budget was revalued at €1.65 billion at the end of 2023.
(2) Emissions factors (EF IEA) for electricity used to set the Impact 2023 plan target. The 2023 EF IEA updated in the Global Report reporting tool in 2023 shows a value of 14.2 million metric tons of CO_2 eq in 2023.

Veolia agrees with the conclusions of the summary of the sixth Assessment Report published by the IPCC in March 2023 which emphasize the increase in the frequency and intensity of climate change, and reiterate the urgency of reducing emissions rapidly and significantly to limit warming to 1.5 °C. This sixth report also shed light on the necessary coordination and coherence between GHG reduction trajectories and plans to adapt to the effects of climate change.

The Group contributes fully to the carbon neutral approach of sites under its operational responsibility. This approach is based around four complementary lines of action:

Line no. 1: Reduce the Group's GHG emissions based on measuring and reporting scope 1, 2 and 3 GHG emissions (see Section 4.2.3.3.1 below).

Veolia's responsibility is divided between:

- its directly owned production assets, such as investment to eliminate coal in Europe by 2030, estimated at €1.65 billion; (€529 million had already been invested at the end of 2023) and investment to capture methane at non-hazardous waste facilities (plan being stepped-up);
- activities and services for which the Group exercises operational control (particularly it is able to decide on the choice of energy mix, investments);
- and in the value chain, depending on the Group's sphere of influence.

In 2019, Veolia committed to a 22% reduction in its greenhouse gas emissions (scopes 1 and 2) over 15 years, that is by 2034, compared with the operational scope of the 2018 baseline year[5].This objective is compatible with Paris Agreement ambitions (below 2°C trajectory) and was validated by the Science Based Targets Initiative (SBTii)[6].

In September 2021, Veolia signed the Business Ambition for 1.5°C of the Science based targets initiative and joined the UNFCCC Race to Zero.

In accordance with this commitment, the Group submitted its validation file to the SBTi in December 2023. To achieve Net Zero in 2050, the Group has stepped up its decarbonization approach by undertaking to reduce by 2032 its 1 and 2 scope emissions by 50% and its scope 3 emissions by 30%[7] compared to 2021[8]. The Group also aims to reduce all its scopes (1, 2 and 3) by 90% by 2050.These new reduction targets will should be validated by the SBTi in the first half of 2024 and the result will be communicated in the second half of 2024.

Main drivers for reducing greenhouse gas emissions in the short-term

	2021	2022	2023	2023 Target
CO_2: Progress with the investment plan to eliminate coal in Europe by 2030[1] (as a% of the 2030 target)	17.0 %	30.0 %	30.0 %	30%
CH_4: Methane capture rate *(in%) (current scope)*	56.3 %	55.6 %	58.5 %	55%

(1) The investment budget for new forms of energy aimed at eliminating coal in Europe by 2030 was initially valued at €1.274 billion between 2019 and 2030. At the end of 2022, the budget was reassessed at €1.584 billion.

(5) The scope used to calculate changes in GHG emissions under the SBTi is the 2018 operational scope. If a contract is terminated, no further changes in emissions will be counted, and previous changes will be carried forward.
(6) The SBTi initiative provides companies with GHG emission reduction trajectories that allow them to calculate how much they need to reduce their own emissions, and by when, to contribute to the Paris Climate Agreement. https://sciencebasedtargets.org/companies-taking-action.
(7) The coverage rate of our scope 3 emissions is 75.3%, the minimum required by SBTi being 67%.
(8) Veolia's 2021 pro forma emissions (35.5Mt)were the sum of Veolia scope emissions published in2021and2021 emissions from the Suez scope acquired and retained on this document's publication date.

The two main levers in the short term (by 2034) for reducing emissions are the exit from coal and improving methane capture.

In 2019, the Group defined a €1.274 billion investment program (reassessed in 2023 at €1,65 billion) to transform its coal-fired plants in Europe by 2030. This objective is on track. The year 2023 was marked by the commissioning of new facilities in Braunschweig, Germany and in Prerov and Kolin in the Czech Republic, rendering GHG reductions effective. Investments primarily focused on facilities in Poland and the Czech Republic which should be coal-free by the end of 2024.

The average methane capture rate (at constant scope) at landfill sites is 58.5% in 2023 (and over 85% in Europe). The initial effects of the landfill site capture plan in Latin America (€70 million of planned investment should increase the capture rate from 40% to 70% in this zone by 2026). Other investment programs are being studied for facilities in Asia and Australia.
In addition, other short-term reduction levers are being rolled out: energy efficiency in water pumping, use of renewable energy and especially solar energy for own-consumption at our sites, industrial heat recovery and heat recovery in water networks, cold recovery at methane terminals, electric vehicles (utility vehicles and waste collection).

As part of its GreenUp 2024-2027 strategic program, Veolia adopted the following objectives and targets:

Commitment	Objective	ODD	Indicator – definition	2023 baseline	2027 target
Combat pollution and accelerate the ecological transformation	**Décarbonation – réduction de nos émissions**	13 CLIMATE ACTION	Scopes 1 and 2 GHG emissions reduction	Scopes 1 and 2 GHG emissions reduction	-5% vs 2021 (33.6 Mt vs 35.5 Mt)(8)
Sponsor	Claude Laruelle		Member of the Executive Committee, Deputy Chief Executive Officer Finance, Digital and Purchasing		
Combat pollution and accelerate the ecological transformation	**Décarbonation – transformation de nos installations**	13 CLIMATE ACTION	Decarbonation Capex, including the phase-out of coal and methane capture (2024-2027 aggregate)	n/a	600 M€
Sponsor	Philippe Guitard		Member of the Executive Committee, Senior Executive Vice President, Central and Eastern Europe region		

Line no. 2: develop solutions to help its customers to avoid emissions, through the generalization of the circular economy and the recovery of unavoidable energy.

Avoided GHG emissions, tied to the 2020-2023 strategic plan

(in millions of metric tons of CO_2 eq.)	2021	2022	2023	2023 Target
Avoided emissions - EF IEA 2013* [(1)] (current scope)	12.4	14.1	15.5	15

* *This calculation incorporates the Preliminary guidance on accounting for avoided emissions for the waste and recycling sector (EIT Climate KIC – January 2020) and the emissions avoided by the Energy business (cogeneration and production of renewable and alternative energies).*
(1) *Emissions factors (EF IEA) for electricity used to set the Impact 2023 plan target. The 2023 EF IEA updated in the Global Report reporting tool in 2023 shows a value of 14.2 million metric tons of CO_2 eq. in 2023.*

Through its activities, Veolia enables its customers and third parties to reduce their emissions compared to a more carbon-intensive benchmark. These avoided emissions largely concern energy recovery and waste recycling, the production of renewable energy and low carbon, as well as biogas capture at non-hazardous waste landfills

Avoided emissions increased by around 10% between 2022 and 2023, from 14.1 to 15.5 million metric tons of CO_2 eq. This increase was mainly due to the expanded scope for the biogas sequestration indicator of around 886 kt. Also of note are the significant contributions of the Istanbul incinerator in Turkey (248 kt) and the Madrid sorting facility in Spain (188 kt)..

In 2023, the Group continued to analyze its methodology with regard to the emerging standard, Guidance on avoided emissions, drawn up jointly by the World Business Council for Sustainable Development (WBCSD) and the Carbone 4 Net Zero Initiative (NZI) as well as the sector work of the Record association on waste recycling and recovery. This work will extend the indicator's scope to new cases and update the methodology for energy production under the 2024-2027 strategic program.

As part of its GreenUp 2024-2027 strategic program, Veolia adopted the following objectives and targets:

Commitment	Objective	SDG	Indicator – definition	2023 baseline	2027 target
Combat pollution and accelerate the ecological transformation	**Decarbonization of our customers - Scope 4**	13 CLIMATE ACTION	Erased GHG emissions (new methodology)	13.8 Mt	≥18 Mt
Sponsor	Christophe Maquet		Member of the Executive Committee and Senior Executive Vice President for the Asia-Pacific region		

Line no. 3: CO_2 sequestration

To neutralize its residual emissions (those which cannot be avoided or reduced) by 2050, the Group is developing CO2 sequestration solutions (technological or natural), implemented within or outside its value chain.

The Group plans to develop demonstrators to test different carbon sequestration processes, in particular at a household and special waste incineration site in France. The Group is also studying the feasibility of storing CO_2 at the Marchwood energy recovery plant in the United Kingdom. Finally, the Group is also exploring different ways of recoveringCO_2, such as direct use in horticulture or industry and conversion into methanol or sustainable aviation fuel (SAF).

In addition, in 2023, the Group began working on innovative sequestration solutions aimed at sustainably storing CO_2 in soils while improving their fertility. Among these solutions is Biochar, a material produced from biomass pyrolysis or thermolysis or high temperature sewage sludge; or enhanced rock weathering, whose objective is to spread basaltic rocks / crushed silicates on land to generate a chemical reaction with rainwater loaded with CO_2

Line no. 4: voluntarily offset GHG emissions

Voluntary carbon contribution is by definition optional. It does not contribute to a company's Net Zero trajectory but is nevertheless a way of contributing to global carbon neutrality on a worldwide level, which is encouraged. Given the main drivers for reducing our direct emissions and for the investment capacities at our disposal, the Group is not making voluntary carbon contribution a priority. Nevertheless, the Group has participated in the development of the French Low-Carbon Label through I4CE (Institut de l'économie pour le climat), and is voluntarily contributing carbon from some of its contracts at the request of its customers (for example, the SEDIF carbon neutral water contract in France with 4.6 million users). The Group is also involved in market mechanisms allowing it to generate carbon credits, particularly for its landfill sites in Latin America and Australia, which offer other players the opportunity to make voluntary carbon contributions.

4.2.3.2.2 Emission pathways and climate scenarios

Since 2020, Veolia has used scenario-based analysis tools applied to climate change issues. The scenario analysis used enabled us to estimate the risks and opportunities associated with both the selected physical risks and the risks of transitioning to a low-carbon economy. As the Group already has the tools to analyze the natural risks and indicators associated with the main physical risks identified (water stress and flooding) [9], the study made it possible to estimate their impact on the Group's risk map in the short, medium and long term, as well as to financially quantify these risks (see Chapter 2, Section 2.2.2.1 above Risks related to climate change and natural disasters). The choice of transition scenarios included the recovery plans rolled out after the first Covid pandemic wave in the countries where the Group operates: these plans provided a considerable portion of the financing for low-carbon transition activities, in Europe and Asia.

The internal steering committee, chaired by the Executive Committee Climate sponsor, and comprising the strategy and innovation directors, the sustainable development director, and the directors of the main BUs, selected around fifteen business opportunities and around ten risks that were included in the strategic planning review.

Furthermore, Veolia helped develop pragmatic tools to implement this TCFD recommendation[10] and, more recently, the European Commission's nonrestrictive non-financial reporting directives on the use of climate scenarios. Veolia co-steered the AFEP study, "Guiding companies to build their energy & climate scenarios" and participated in the EFRAG European Lab Project Task Force (PTF) on climate-related reporting, to identify best practice and particularly the use of climate scenarios.

Transition scenarios

The 15-year GHG emission reduction targets for Veolia's operational scope were validated by the Science Based Targets initiative as compatible with the Paris climate agreement objectives.

(9) See indicators of the 2020-2023 Environmental Objectives Plan.

(10) The TCFD (Task Force on Climate related Financial Disclosures), set up by the G20's Financial Stability Board (FSB), issued recommendations in 2017 on company transparency on climate-related issues to enable investment stakeholders to promote reductions in GHG emissions and adaptation measures. These were adopted as nonrestrictive guidelines by the European Commission in June 2019.

Veolia – a responsible player in energy transition: towards thermal coal substitution

Veolia's coal activities amounted to 2.9% of its revenue and 31% of direct emissions of activities under the Group's operational control in 2017. Veolia has decided to take a position regarding coal-fueled heat and electricity production.

In 2018, the Board of Directors adopted a thermal coal substitution plan. Veolia undertook not to develop or acquire new activities using coal, except activities specifically aiming to replace coal with energies producing fewer greenhouse gas emissions. Rather than passing on the responsibility through divestiture, the Group is committed to converting existing business activities to totally remove the CO2 impact of using coal by combining several drivers: improving energy performance by increasing thermal plants and networks efficiency and implementing energy efficiency solutions, as well as replacement of coal, either with alternative fuels (waste, biomass, gas) or by using recovered waste heat. This commitment is monitored annually by the Board of Directors' Research, Innovation and Sustainable Development Committee.

In its 2024-2027 Environmental Plan, Veolia set a target of €600 million in additional investments for the conversion of coal-fired power plants in Europe by 2030, at sites where Veolia controls investment. (€529 million had already been invested at the end of 2023) and for investment to capture methane at non-hazardous waste facilities (plan being stepped up).

As early as September 2014, Veolia advocated for a robust and predictable carbon price by signing the statement issued by the World Bank. In April 2015, the Group showed its commitment by supporting the World Economic Forum's CEO climate leaders' initiative. In May 2015, Veolia Environnement signed the Global Compact Business Leadership Criteria, the Carbon Pricing Leadership Coalition and that of the AFEP-MEDEF. Its Chairman and CEO advocates a carbon fee which would tax greenhouse gas pollution and redistribute these funds directly to mitigation projects. As part of its 2050 Net Zero roadmap,the Group will set upCO_2budgetsadaptedto each zone in 2024.These budgets are prepared using a process that draws on budgetary procedures taking into account business sectors,growth targets and local CO_2 regulations.

Contributing to carbon neutral regions

Veolia contributes actively to reducing GHG emissions in the regions and countries where it operates.

In 2018 and 2019, Veolia took part in the Net Zero Emissions 2050 study ("ZEN 2050") study supported by Entreprises Pour l'Environnement (EPE), the contribution of a multi-sector business group to the discussion on the National Low Carbon Strategy (SNBC) in France.

Together with Imperial College of London, Veolia contributed to the study "An exploration of the resource sector's greenhouse gas emissions in the UK, and its potential to reduce the carbon shortfall in the UK 4th and 5th carbon budgets".[11]

The Group advocates for a scientific accounting of greenhouse gas (GHG) emissions. The leading scientific body, CITEPA, verified the compliance of the GreenPath tool developed by Veolia to measure the carbon footprint of contracts and offerings (see Section 4.2.1.6) with the GHG Protocol Carbon Footprint® and ISO standards. In 2019, Veolia also began drafting "Preliminary guidance on accounting for avoided emissions in the waste management and recycling sector", benefiting from European funding[12] and presented this work to European federations for a project of this scale. Veolia also participated in the ISO Committee on Carbon Neutrality.

The Group is also committed to promoting low-carbon solutions enabling avoided emissions and participates in the recycled plastic material ECO-PROFILs produced by the French Plastics Recyclers professional body (Syndicat national des Régénérateurs de matières Plastiques, SRP). In 2021, SRP provided its customers with certificates representing a potential saving of 1 million metric tons of CO2 equivalent.

Adaptation scenarios

Furthermore, in its strategic thinking, Veolia takes into account the physical implications of the warming scenarios approved by the IPCC. In 2022, the Group therefore furthered its adaptation process, initiating analyses of its activities' exposure and vulnerability based on an updated global warming scenario of 4°C by 2100 (SSP5-RCP8.5). This work increased understanding of climate change consequences on Veolia's various activities and the impacts on the infrastructures operated on behalf of its customers. The teams are therefore able to integrate adaptation measures into the services they offer, guaranteeing continuity of service and contributing to the resilience of both the Group and its customers. This work was continued and extended in 2023 to provide Veolia with two complementary tools designed to generally assess the exposure and vulnerability of its activities by:

- performing a climate exposure analysis at around 2,000 sites operated worldwide by Veolia, taking into account a RCP8.5 scenario and regional climate models for 2030 and 2050. The physical hazards considered cover chronic (rising average temperatures, rising sea levels, change in precipitation regime) and extreme (drought, floods, heatwaves and cold spells) phenomena and the study's scope also includes all Veolia businesses. The Group is working on this basis using a list of priority countries and sites with regard to climate change adaptation.
- building benchmark vulnerability profiles per activity based on pilot studies initiated in 2022. The business scope of these studies is being extended to cover all Group activities.

This work, in line with the expected regulatory changes[13] and the emergence of good practices on the assessment of physical risks, supplements the water stress and flood risk indicators previously incorporated into the 2020-2023 Environmental Plan.

(11) *An exploration of the resource sector's greenhouse gas emissions in the UK, and its potential to reduce the carbon shortfall in the UK 4th and 5th carbon budgets.*
(12) *Preliminary Guidance on Accounting for Avoided Emissions in the Waste Management and Recycling Sector", Project financed by EIT Climate KIC in 2019, initiated by Veolia and conducted by Quantis, The Gold Standard Foundation, WBCSD, Paprec, Séché Environnement and Suez.*
13 *European taxonomy, CSRD, but also PNACC 3 in France, for example.*

Management of flood risk [14]

	2022	2023*	2023 Target
Rate of implementation of an adaptation plan for flood risk at high-risk sites	30 %	30 %	↑

** Le changement de méthodologie est détaillé ci-dessous.*

In 2023, the Group decided to adopt a new approach taking into account climate changes in line with emerging good practices that require a prospective analysis (CSRD and European Taxonomy). This approach stems from the analysis of the developed impacts of climate change.

In 2023, the climate exposure analysis of around 2,000 sites operated by Veolia replaced the flood risk analyses and plans. The exposure survey is based on projections from regional climate models (Cordex) using the Rx5day indicator[15].

Helping territories adapt to climate change

Veolia supports regional development and contributes to regional resilience by offering solutions for adapting to (1) climate change and, more broadly, (2) the stresses and shocks the territories may experience. The services proposed by the Group to its customers notably cover:

- the optimized management of the large water cycle;
- water recycling and the reuse of wastewater to reduce pressure on resources and conflicting usages;
- sobriety and communication with citizens to encourage more virtuous consumption behavior;
- control of urban wastewater systems in rainy weather to limit flooding risk and health and biodiversity impacts on waterways and beaches;
- limiting urban heat islands;
- inclusion of extreme events in the design of plants for our customers to ensure the protection of property and the supply of essential services (water purification, distribution and treatment);
- crisis management and continuity plans for essential services **(water, energy, waste management, etc.) in the case of extreme events.**

In this respect, Veolia has developed many references, particularly in the water production and management businesses:

- the Group has therefore developed many anticipation and crisis management projects around the large water cycle which also promote biodiversity protection (Aguas de Galicia, Guadalquivir in Spain) and has several references for underground and surface resource management for use optimization;
- **through its Aquatec entity in Spain, Veolia proposes a multi-risk assessment and warning system (wind, fire, snow, flooding, etc.), as well as support with defining measures and emergency protocols to help local authorities draft action plans;**
- **in Chile, the Aguas Andinas subsidiary has rolled out a climate change adaptation investment plan to deal with drought, turbidity and the aging and degradation of infrastructure. Actions undertaken include, for example, in 2016, the construction of water surface storage solutions enabling the city of Santiago to increase its water autonomy. Several citizen communication and awareness-raising campaigns supplement this system.**

In addition, the Group also proposes risk identification and planning services, aimed at protecting resources and improving the resilience of infrastructure and public services, notably through its consulting division, Seureca and Aquatec:

- as part of the 100 Resilient Cities initiative for which Veolia is a strategic partner, in 2016 the Group supported New Orleans in the deployment of its resilience strategy through a pilot project in partnership with the insurance company SwissRe. The project led to a detailed assessment of the exposure of the city's water infrastructure, including water, wastewater and drainage systems, to physical climate risks (mainly flooding and hurricanes);
- **similarly, Veolia also worked with the Milwaukee Metropolitan Sewerage District to help define a resilience strategy for the Milwaukee region (USA). The plan, published in 2019, is based on an analysis of regional risks and challenges ranked during workshops with regional stakeholders. The strategic framework provides operational recommendations covering the environment, economy and infrastructure, aimed at making the region stronger and more resilient;**
- **since 2020, Veolia also participates in the European project, RESCCUE, deployed in Bristol, Barcelona and Lisbon; in this context, the Group supports the roll-out of a methodology toolbox to analyze urban resilience using a multi-risk approach, to help cities improve their capacity to anticipate, prepare for and respond to climate crises;**
- Veolia is involved in the EU project, LIFE BAETULO, focusing on the municipality of Badalona (Spain). The Group's Aquatech subsidiary helped create an early warning system designed to anticipate climate impacts on the municipal rainwater treatment and management network;

Finally, actions undertaken by the Group to control its own exposure to future climate physical risks strengthen its role as a privileged partner of territories for the preparation of their trajectories and adaptation plans.

By way of example, in 2023, teams developed a new offer entitled Greenpath Résilience which breaks down into five types of complementary solution: understand, optimize, adapt, transform and establish a strategy for the long term. This flexible offer is designed to target issues such as drought, pollution and flooding by boosting service resilience, resource protection, city habitability and circularity for self-sufficiency.

[14] *The flood risk management indicator is calculated for sites included in the historical Veolia scope, before the Suez merger.*
[15] *Indicator covering the maximum volume of precipitation recorded over five consecutive days.*

4.2.3.2.3 Governance of the climate commitment

The policy designed to combat climate change is coordinated at the highest Group level. The Board of Directors approves the Group's strategy and makes decisions which commit the Group, such as the replacement of coal at heat production facilities in the medium- to long-term. It monitors the Company's performance through the "Combating climate change" multifaceted performance indicators (see Chapter 1, Section 1.2.1.7). The results of climate commitments to reduce Group GHG emissions are presented annually to its Research, Innovation and Sustainable Development Committee. It is also regularly informed of Veolia's climate change adaptation initiatives. Regarding the management of the associated climate risks, the Group's risk map in which they are incorporated is reviewed annually by the Audit Committee.

At Executive Committee level, the Deputy Chief Executive Officer Finance, Digital and Purchasing, Claude Laruelle, sponsor of the climate mitigation commitment, presents the Group results on its mitigation policy and submits proposals for associated action plans. The environmental indicators chosen to calculate the variable compensation of the Chairman and Chief Executive Officer and members of the Executive Committee are also part of the Group's climate commitments (See Chapter 3, Section 3.4 below).

The sponsor for climate change adaptation on the Group Executive Committee is Sébastien Daziano, Senior Executive Vice President, Strategy and Innovation. As of 2023, Jean-François Nogrette, Senior Executive Vice President, France and Special Waste Europe, was also the sponsor for the climate change exposure risk of our activities under the risk management plan drawn up using the 2023 mapping.

The Strategy Department is responsible for coordinating actions linked to Group commitments to mitigating climate change. The corresponding environmental performance indicators are included in the Group's Environmental and Industrial Management System.

In parallel, the Climate Change Adaptation team in the Multifaceted Performance and Sustainable Development Department coordinates climate change adaptation and physical climate risk management work in conjunction with the Risk & Insurance department. Progress is presented and validated by the prevention committee, in charge of monitoring such risks and the related action plans. It comprises 2twoExecutive Committee members, the Chief Financial Officer and the General Counsel as well as the Chief Risk and Insurance Officer and the director of the Business Support & Performance department.

At an operational level, each Business Unit Director is responsible for breaking down the Group strategy into business opportunities and risks inherent to their business lines and region. Climate risk is identified as one of the main risks of the Group (see Chapter 2, Section 2.2.1.1 above) and the Non-Financial Performance Statement (see Section 4.7 below).

Active participation in climate change conferences and alliances

Veolia participates in the international conference of the United Nations Framework Convention on Climate Change (UNFCCC). Since COP21, the Group has worked to play a part in these conferences and contribute to debates on mitigating and adapting to climate change. . At the COP28 in Dubai in 2023, Veolia participated in several events, in particular the UNFCCC Business & Philanthropy Climate Forum as well as a roundtable on accelerating the phase-out of coal organized by the French President, during which Estelle Brachlianoff presented the Group's ambition to accelerate ecological transformation.

Mapping of NFRD non-binding requirements [16] and TCFD recommended disclosures [17]

		NFRD Elements				
TCFD Recommended Dsiclosures		Business model	Policies and Due Diligence Processes	Outcomes	Principal Risk and Their Management	Key Performance Indicators
Governance	a) Board's oversight		1.2.1.7 3.2.2.1 3.2.2.5			
Governance	b) Management's role		1.2.1.7 4.2.3.2.3			
Strategy	a) Climate-related risks and opportunities		1.2.1. 4.1.1		2.2.2.1 4.2.3.1	
Strategy	b) Impact -related risks and opportunities	1.2.1 1.3.2				
Strategy	c) Resillience of the organization's strategy	1.2.2 4.2.3.2.2				
Risk Management	a) Processes for identifying and assessing				2.2.1 2.2.2.1 4.2.3.1	
Risk Management	b) Processes for managing				2.2.1 4.2.3.2.2 4.2.3.3	
Risk Management	c) Integration into overall risk management				2.1.1	
Metrics and Targets	a)Metrics used to assess			4.2.3.2.1, 4.2.3.2.2 4.2.3.3.1, 4.2.3.3.2 4.2.3.3		4.2.3.2.1, 4.2.3.2.2 4.2.3.3.1, 4.2.3.3.2 4.2.3.3
Metrics and Targets	b) GHG emissions			4.2.3.3.1 4.2.3.3.2		
Metrics and Targets	c) Targets					4.2.3.2.1 4.2.3.3.2 4.2.3.3.3

(16) *Climate-related information reporting guidelines (2019/C 209/01).*

(17) *The TCFD (Task Force on Climate related Financial Disclosures), set up by the G20's Financial Stability Board (FSB), issued recommendations in 2017 on company transparency on climate-related issues to enable investment stakeholders to promote reductions in GHG emissions and adaptation measures. These were adopted as non-restrictive guidelines by the European Commission in June 2019.*

4.2.3.3 Actions and results

4.2.3.3.1 Climate performance – Emissions reporting

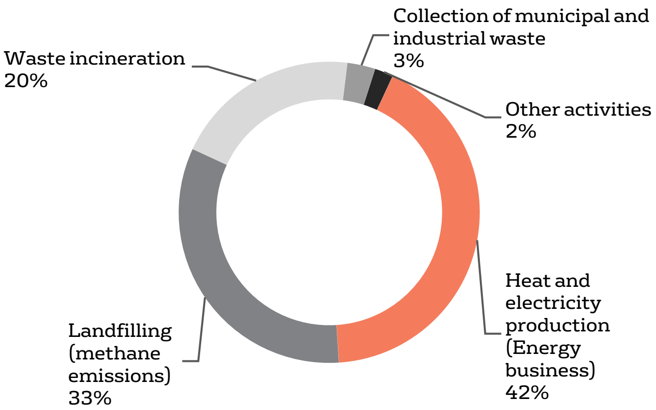
To provide transparency and advice to its customers, Veolia has been reporting on and publishing greenhouse gas emissions, based on the GHG Protocol, for the scope of activities under the Group's operational control, regardless of the percentage consolidation in the financial statements (see Section 4.9 below, Methodology). The majority of our emissions, especially in the energy and waste recycling sectors, also help decarbonize our customers. The rest of our emissions correspond to services essential to human activities, particularly in the drinking water, sanitation and waste treatment sectors. Furthermore, most emissions are generated by sites over which Veolia has complete control as owner and operator. For the remaining emissions, it is important to note that Veolia intervenes without full control over any decisions.

Change in GHG emissions of activities under operational control in the current scope[18]

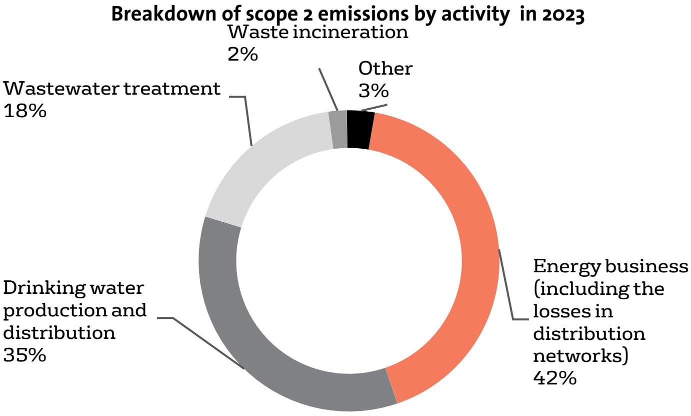
(in millions of metric tons of CO_2 eq.)	2019	2020	2021 historical	2021 pro forma[3]	2022	2023
Scope 1 – Direct emissions[1]	26.3	25.0	26.8	31.1	28.6	27.9(√)
Scope 2 – Indirect emissions linked to energy purchases[2]	5.2	5.0	3.7	4.4	5.0	5.7(√)
TOTAL (Scope 1 + Scope 2)	31.5	30.0	30.5	35.5	33.6	33.6(√)

(1) By convention, household waste is considered to consist 50% of biogenic carbon and refused derived fuels 30% of biogenic carbon.
(2)Pursuant to the GHG Protocol, emissions relating to heating and electricity purchased and distributed without transformation are accounted for in scope 3. Only the physical losses of heat and electricity distribution networks operated by Veolia are accounted for in scope 2. As from 2021, the emission factors relating to electricity purchases are those published by the International Energy Agency. As of 2023, electricity emission factors are based on the IEA or justified regional values.
(3) Veolia's 2021 pro forma issues (35.5Mt) are the sum of Veolia scope issues published in 2021 and 2021 issues from the Suez scope acquired and retained as of the date of publication of this document. Pro forma 2021 is the baseline for reduction commitments as presented in GreenUp (-18% by 2027).

Breakdown of scope 1 emissions by activity in 2023



Breakdown of scope 2 emissions by activity in 2023



The changes in the Group's scope 1 and 2 emissions are mainly due to scope impacts.

In 2023, scope 1 emissions remained stable after by 6.4% increase in 2022 due to the integration of Suez, partially offset by a reduction in energy consumption linked to the energy crisis.

The main scope 2 emissions are linked to drinking water production services and processing wastewater which requires the purchase of electricity for transport and water treatment. A significant portion of this business activity is in France, but also in countries where the energy mix is still coal-heavy, such as China or the Czech Republic. In the energy business, only the physical losses of heat and electricity distribution networks operated by Veolia are accounted for in scope 2, in accordance with the GHG Protocol.

The 14% increase in scope 2 emissions between 2022 and 2023 is mainly due to the integration of the Tashkent contract in Uzbekistan.

Veolia recognizes biogenic carbon emissions, primarily linked to the combustion of biomass for energy production and the biogenic portion of domestic waste and refused derived fuels incinerated. They amounted to 13.2 million tons of CO_2 eq. in 2023 (12 in 2022, 11.2 in 2021 12 in 2020 and 10.6 in 2019).

Emissions relating to heating and electricity purchased and distributed without transformation are accounted for in scope 3 below, after deducting losses.

Scope 3 emissions

The Group also assesses greenhouse gas emissions in its sphere of influence and publishes the significant sources of scope 3 emissions i.e. significant sources of emissions or minor sources emissions where the Group's scope of action is significant.

(18) *The GHG Protocol proposes several ways of consolidating GHG emissions. Veolia applies the approach which reflects its business as an operator: GHG emissions fully consolidated for the activities in the operational control scope, even if the assets are not fully owned by the Group.*

As part of its 2050 Net Zero roadmap, Veolia is committed to reducing its scope 3 emissions by 30%[19] by 2032. Thanks to the work carried out since 2021, Veolia now has a sufficiently reliable and comprehensive view of its emissions. Nearly 85% of emission calculations are now based on business data whose emission factors are based on physical data. The remaining 15% are based on expenditure data and monetary emission factors.

Change in main scope 3 emission indicators (new methodology)

GHG Protocol		2021*	2022*	2023
1	Purchased goods and services *(in million metric tons of CO_2)*	3.29	3.91	7.23
2	Capital goods *(in million metric tons of CO_2)*	1.01	1.12	1.31
3	Fuel-and-energy-related activities not included in scope 1 & 2 – emissions relating to electricity consumption not included in scope 1 et 2 *(in million metric tons of CO_2)*	4.98	5.35	14.75
4	Upstream transportation and distribution**	0.79	0.86	1.04
5	Waste generated in operations *(in million metric tons of CO_2)*	0.68	0.90	0.96
6	Business travel *(in million metric tons of CO_2)*	0.04	0.04	0.06
7	Employee commuting *(in million metric tons of CO_2)*	0.47	0.57	0.27
8	Upstream leased assets	Include in 1	Include in 1	Include in 1
9	Downstream transportation and distribution	Include in 1	Include in 1	Include in 1
10	Processing of sold products**	2.45	2.95	3.86
11	Use of sold products *(in million metric tons of CO_2)*	8.58	9.16	1.78
12	End-of-life treatment of sold products *(in million metric tons of CO_2)*	4.28	4.65	0.08
13	Downstream leased assets	N/A	N/A	N/A
14	Franchises	N/A	N/A	N/A
15	Investments	N/A	N/A	N/A
	TOTAL	**25.56**	**29.51**	**31.34**

**Value adjusted according to the new methodology.*
*** Source published for the first time in the Universal Registration Document.*

Change in total scope 3 emissions:

Scope 3 emissions increased by 4.9% between 2022 and 2023. This was mainly due to a more comprehensive consideration of purchases from Suez entities and the integration of WTS into item 3.1; as well as the inclusion of secondary raw material trading and a better assessment of the collection of sorted materials in item 3.10.

Methodological alignment with the GHG Protocol and categorization:

In 2023, work also continued on the methodology for calculating scope 3, in particular to improve the type and detail of the data relating to certain emission items. The recategorization of certain emissions accounts for most of the changes observed in items 3.3, 3.11 and 3.12 as explained below.

Category 3.1 “Purchased goods and services” includes new emissions calculated using physical data (volume of raw materials) relating to the production of membranes and chemicals by the industry entity WTS.

Category 3.12 “End-of-life treatment of products sold” now includes emissions relating to the end-of-life treatment of sold membranes.

Previously, this item calculated emissions generated by the end-of-life treatment of waste collected and subcontracted to third parties, based on tonnages collected by the Group, without making any distinction between outlets (internal or external), resulting in double counting with the Group’s scope 1 emissions. Data on waste tonnages collected was collected in greater detail to consider only tonnages subcontracted to third parties. The calculated emissions were transferred from item 3.12 to item 3.1 “Purchased goods and services” to ensure consistency between scope 3 categories.

Category 3.3 “Fuel-and-energy-related activities not included in scope 1 & 2 – emissions relating to electricity consumption not included in scope 1 & 2” was also improved, with the removal of emissions relating to on-site self-production, already accounted for in scope 3.2 “Fixed assets” and scope 1.

Furthermore, to ensure alignment with the GHG Protocol, emissions relating to energy distribution activities were also transferred:

- emissions relating to the distribution of heat and electricity (upstream of included fuels) are accounted for in category 3.3 (formerly accounted for in category 3.11)
- Those relating to the distribution of gas (upstream of included fuels) remain accounted for in category 3.11 Use of products sold.

Category 3.10 “Transformation of products sold” previously included emissions relating to secondary raw materials marketed by Veolia and converted by manufacturers. In 2023, it included additional emissions due to an extension in the scope of activities considered to take into account additional tonnages (in particular those from pre-sorted tonnages linked to trading activities).

Scope 3 decarbonization levers:

Reduction drivers were also analyzed extensively in 2023 to build the Group’s reduction path.

Operational efficiency, renewable energy production, use of low-carbon fuels (energy production or vehicles), additional sorting upstream of final treatments, development of the circular economy (such as the development of an internal platform for resale and leasing of used equipment) are all action levers that will contribute to reducing the Group’s scope 3 emissions.

(19) *The coverage rate of our scope 3 emissions is 75.3%, the minimum required by the SBTi being 67%.*

Other measures are in place to decarbonize the Group's value chain, such as the supplier commitment strategy (*see* Section 4.3.2.3.4 *below*); this will enable the Group to obtain a carbon footprint of the products and services it purchases in order to develop the Group's procurement policy and ensure that its performance is reflected in its emission calculations. A customer commitment approach is also being developed based on the same model as that for suppliers to help decarbonize their processes.

Digital development and digital sobriety

Veolia's digital strategy includes the digital sobriety approach aimed at reducing the information system's environmental impact, in the technical (infrastructure, architecture and tools) and behavioral (movement of persons, use of premises and IT tool usage) sections.

Veolia has largely outsourced the management of its infrastructure: the data centers are now operated by suppliers committed to a carbon neutral approach.

The computer pool is being replaced by internet terminals. The carbon footprint of replacing the Group's IT pool and software suite at its headquarters enabled a 52% reduction in GHG emissions.

With regards to architecture and tools, the solutions adopted aim to limit the volume of data processed and stored by using high-performance collaborative platforms and opt for SaaS applications using virtuous infrastructure.

Following the set-up of a partial working from home arrangement, the office space allocated to teams was reduced by 30% at headquarters level. This approach was also adopted in the Business Units.

Finally, an awareness-raising program "One for all", covering the impact of individual digital use is being rolled out to managers, young employees and apprentices in the IT departments. 300 people in the Group IT department were trained in 2020. This awareness-raising program has also been rolled out in the Business Units since 2021.

To expand our knowledge of digital sobriety, Veolia participates in the "digital sobriety" working group, alongside the Club Informatique des Grandes Entreprises Françaises (CIGREF) and the Shift Project.

Veolia also uses its reference position on environmental issues to collect precise information or even influence the carbon strategy of leading global IT service providers.

4.2.3.3.2 Contribute to reducing and avoiding GHG emissions

Approach

A committed player, the Group provides solutions aimed at reducing greenhouse gas emissions:

- by reducing emissions from the services and processes sold and facilities managed (diagnosis and environmental footprint, greater energy efficiency, use of renewable energies, destruction of methane arising from landfills);
- by enabling third parties to avoid emissions through its activities (mainly by supplying energy and materials extracted from the recovery of waste and wastewater).

The measures implemented to reduce and prevent GHG emissions, for each business line, are as follows:

Business line/Type	Measures implemented
ENERGY **Reduction of GHG emissions**	• Proper use of energy transformation facilities (energy efficiency) resulting in less fuel consumed for the same energy output. • Recovery of waste energy for a plant to reinject it directly or for use in consumer system heating pumps. This can be recovered on site or close-by via a heating network. • Use of renewable and recovered energy instead of fossil fuels whenever possible (biomass, solid recovered fuel, geothermal, solar, wind, etc.). • Optimum supply of energy services (integrated energy management) encouraging a more rational use of energy by consumers. • Combined production of heat and electricity (cogeneration).
WASTE **Reduction of GHG emissions**	• Collection and treatment of biogas from landfill sites. • On-site consumption of heat and electricity produced from waste incineration and biogas recovery. • Other actions enabling the reduction of fuel and energy consumption.
Avoided GHG emissions	• Sale of energy produced from waste incineration and biogas recovery at landfill sites and from anaerobic digesters. • Recovery through direct use of biogas produced at landfill sites and from anaerobic digesters. • Recycling of raw materials contained in waste. • Production of alternative fuels from waste.
WATER **Reduction of GHG emissions**	• Optimization of energy consumption by the facilities. • On-site consumption of heat and electricity produced from renewable sources (biogas from sludge digestion, recovering potential water energy using hydraulic micro-turbines, heat pumps, etc.).
Avoided GHG emissions	• Sale of energy produced using renewable energy sources (biogas from sludge digestion, recovering the potential energy of water by using hydraulic micro-turbines, heat pumps, etc.).

The Group has deployed an operational excellence approach, coordinated at corporate level for its main sites and contracts. These implement an annual action plan to improve operating performance, in particular regarding energy efficiency, maintenance and optimizing reagent consumption, which contribute directly to reducing scope 1, 2 and 3 emissions. The standards setting out operating best practices in this area are made available to operations.

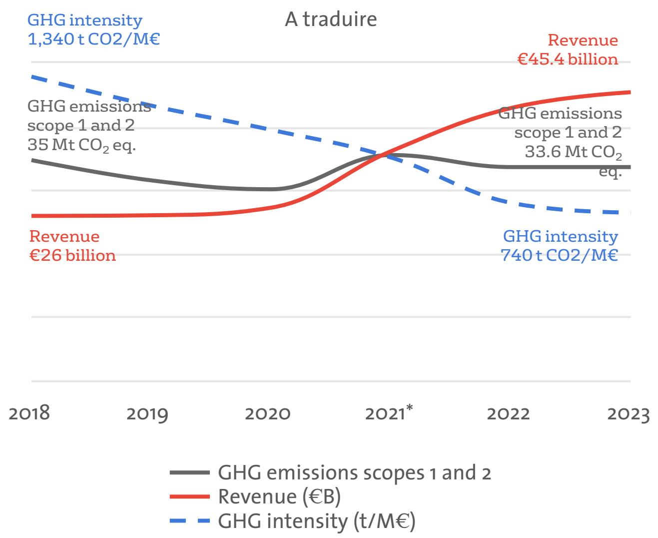
The sustainable purchasing process, which aims to implement a TCO (Total Cost of Ownership) approach to assessing costs over the useful life of the equipment, such as pumps, also contributes to energy efficiency (see Section 4.3.2.3.4 below).

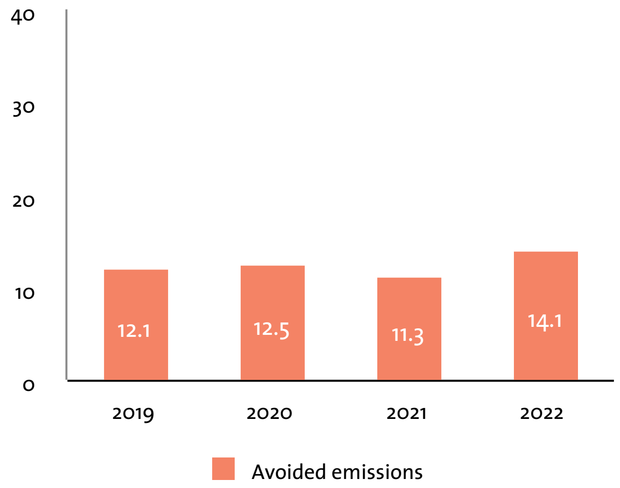
The Group offers its expertise to its customers to calculate and reduce their environmental footprint and particularly their carbon footprint, using the Veolia GreenPath tool (see Section 4.2.1.6 above). For each project, Veolia is able to assess avoided emissions in comparison to a reference scenario, whether in recycling materials or energy production from waste.

The partnerships such as that signed with Unilever to recycle used packaging contribute to the circular economy (see Section 4 2.2.3.1 above) and avoiding emissions.

Outcomes

Change in GHG emissions and avoided emissions *(million metric tons of CO_2 eq)* [20]





** The impact of the Suez acquisition on the Group's scope 1&2 emissions and revenue is modelled in this graph from 2021.*

Since 2018, thanks to our decarbonization efforts, we have successfully reduced the carbon intensity of our business by 45% for scopes 1 and 2 by taking action in every business area. Veolia has already invested €529 million to eliminate the use of coal as fuel in Europe by 2030.

Comments on change in these indicators can be found in Sections 4.2.3.2.1 and 4.2.3.3.1. Avoided emissions are calculated according to the guidelines relating to the multifaceted performance objectives.

Focus on a GHG reduction action: methane capture

In landfills, the decomposition of fermentable waste generates biogas which contains up to 40% to 60% methane: the Group's expertise in capturing and recovering this methane is an important factor in reducing greenhouse gas emissions.

Veolia has opted to take into account the actual impact of methane in its reporting. Calculated over 100 years, the global warming potential of this gas is 28 times higher than CO2 (5th IPCC report). The Group's decision to use this figure increases its emissions linked to methane by 12% compared to many other companies and countries which still report based on the 4th IPCC report, when the global warming potential associated with methane was 25.

Change in methane capture rate at landfills

(as a %)	2019	2020	2021	2022	2023	2023 Target
Methane capture rate from landfills (current scope)	53.9 %	56.5 %	56.3 %	55.6 %	58.5 %	55%
Methane capture rate from landfills pro forma 2019-2023	55.4 %	57.1 %	58.3 %	58.4 %	59.3 %	/

The average methane capture rate for landfill sites at the current scope has increased significantly since 2017 and exceeded the 2023 objective since 2020. This good performance is driven by a net improvement in the capture rate at sites located in the United Kingdom and Hong Kong and the installation of biogas capture equipment at several landfill sites in Latin America.

The current scope capture rate was lower than for the 2018-2022 pro forma scope due to the acquisition of sites with a lower level of performance and the sale of sites with a higher level of performance..

A capture enhancement plan initiated across Latin American sites delivered its first results in 2022. The increase in voluntary carbon credit schemes will encourage this type of initiative.

[20] *In 2019, emission factors of avoided emissions from waste recycling activities were updated, to comply with the GHG Protocol tool linked to the "Protocol for the quantification of GHG emissions for waste management activities V5".*

The 2027 new objectives are described in Section 4.2.1.5. 2024-2027 Environmental Plan above.

4.2.3.3.3 Save and preserve energy resources

Challenges and commitments

Energy production and distribution for the Group mainly covers:

- its Energy business through its heat production and distribution activities for urban district heating for industrial customers and tertiary activities, including combined production of heat and electricity (CHP);
- its Waste business via its incineration (recovery of heat produced by waste combustion) and storage (recovery of heat, electricity or biogas from methane produced via waste fermentation) activities.

Saving and preserving energy resources is a major aspect of Veolia's contribution to combating climate change. In this area, the Group commits to:

- increase energy efficiency at the facilities which it operates;
- prioritize the use of renewable and recovered energies and support its customers in this transition;
- recover as much energy potential as possible from treated waste and wastewater.

Change in primary energy consumption

						Business contribution *(as a %)*		
	2019	2020	2021	2022	2023	Water	Waste	Energy
Energy consumption [1] *(millions of MWh)*	109.645	113.594	118.551	121.674	124.135(√)	10 %	40 %	50 %
Renewable or recovered energy consumption [2] *(millions of MWh)*	49.215	52.733	50.963	57.328	61.545	4 %	69 %	27 %
Share of consumed renewable or recovered energies *(as a%)*	44.9 %	46.4 %	43.0 %	47.1 %	49.6 %			
Renewable energy consumption *(millions of MWh)*	31.556	34.884	32.948	38.488	40.239	7 %	54 %	39 %

(1) Since 2016, if Veolia purchases heat for distribution via a heating network, this heat is not taken into consideration in the Group's consumption related to production. The same applies for electricity distribution activities without production.
(2) Recovered energies are natural or industrial sources of energy which are lost if they are not recovered immediately. Renewable energies are energies which can be renewed or regenerated indefinitely and endlessly. Energy recovered from domestic waste incinerators is considered 50% renewable and 50% recovered. Energy recovered from refuse-derived fuels is considered 30% renewable and 70% recovered.

Change in energy production

						Business contribution *(as a %)*		
	2019	2020	2021	2022	2023	Water	Waste	Energy
Energy production (thermal and electrical) *(millions of MWh)*	51.616	52.997	58.113	55.756	54.690	2 %	21 %	77 %
• Of which thermal energy production *(millions of MWh)*	35.753	36.415	39.792	37.670	36.566	1%	12 %	87 %
• Of which electrical energy production *(millions of MWh)*	15.864	16.582	18.321	18.087	18.124	4 %	39 %	57 %
Renewable or recovered energy production *(millions of MWh)*	16.160	16.830	16.896	18.660	19.948	6 %	54 %	40 %
Share of produced renewable and recovered energies *(as a%)*	31.3 %	31.8 %	29.1 %	33.5 %	36.5 %			
Renewable energy production *(millions of MWh)*	11.206	11.795	11.548	13.091	13.803	8 %	41 %	51 %

(*) The values between 2019 and 2023 were adjusted to take into account the new methodology. This factors in the mix of electricity and heat production, especially in regions where biomass was previously used to supply heating networks, such as in Central Europe.

Change in renewable and alternative energy production

	2020	2021	2022	2023	2023 Target
Renewable or recovered energy production *(millions of MWh)*	16.2	16.8	18.9	19.9	-
Change compared to 2019 *	+5.3 %	+3.0 %	+16.8 %	+23.4 %	15 %

As part of its 2020-2023 Environmental Plan, Veolia set a target of increasing renewable and recovered energy production by 15% compared to 2019 in all its activities.

The commissioning of new biomass facilities for energy production (Japan, Germany, Czech Republic, Brazil), the ramp-up of existing biomass plants in China and the acquisition of new waste-to-energy facilities (France and Germany) contributed to the increase in renewable or recovered energy production between 2019 and 2020. In 2022, the increase was mainly due to biomass electricity generation in Kanda, Japan. In 2023, this increased slightly, particularly in Turkey with the contract for a new incinerator in Istanbul.

The 2027 new objectives are described in Section 4.2.1.5. 2024-2027 Environmental Plan above.

Veolia also has different objectives based on the specific features of its businesses, as stated below.

Energy business: energy efficiency and diversification of the energy mix

Veolia manages energy at over 48,745 energy facilities worldwide. GHG emissions linked to the Group's Energy business represent 42% of scope 1 and 42% of scope 2 emissions.

Energy performance indicators (Energy business)

	2019	2020	2021	2022	2023	2023 Target
CO_2 emissions per MWh of heat and electricity sold(1) (kg CO_2/MWh)	343	329	324	322	338	-
Energy performance *(as a %)* of cogeneration energy production (heat and electricity)	73.0 %	74.2 %	74.8 %	74.4 %	74.2 %	>70%
Energy performance *(as a %)* of heat networks exceeding 100 GWh/year	87 %	87 %	88 %	85 %	79 %	-
Share of biomass in the energy consumption of energy production plants *(as a%)*	19 %	23 %	19 %	24 %	25 %	24%
Traceability of biomass (wood) for energy production *(as a%)*	94 %	88 %	99 %	99.5 %	97.6 %	≥98%
Biomass (wood) certification *(as a%)*	66 %	75 %	75 %	74 %	70 %	≥80%

(1) Thermal and cogeneration plants.

The 2027 new objectives are described in Section 4.2.1.5. 2024-2027 Environmental Plan above.

Optimization of the Group's thermal equipment energy performance is based on the quality of their operation and maintenance, as well as their modernization.

As part of its energy production contracts, Veolia specializes in operating CHP facilities comprising the simultaneous production of heat and electricity. These facilities improve energy performance compared with the separate production of heat and electricity. The facilities managed by the Group are equipped with the best available technologies to limit pollution and improve production performance. Primary energy savings (in GWh) are tied to changes in the portfolio of CHP facilities operated by the Group.

In connection with its greenhouse gas emission reduction target, Veolia has undertaken the transition of thermal plants using coal to lower-emission energies, such as biomass or natural gas. Plants using natural gas can be gradually supplied with biogas and subsequently hydrogen when it becomes available in its "renewable" form.

Downstream from the public authority heat production facilities, Veolia operates district heating networks: by focusing production at a single site, energy performance is optimized compared with domestic sources. Veolia has improved the performance of district heating networks through significant investment. It is also Veolia policy to diversify its energy mix towards renewable energies. Thermal networks are moving towards "5th generation" low temperature networks, designed to improve energy performance (increased waste energy recovery capacity) and develop the use of renewable energies (by gradually "electrifying" thermal production as and when renewable electricity becomes available).

The share of biomass in the fuel mix for energy production has increased considerably in recent years (from 8% in 2015 to 23% in 2020). After a decline in 2021, linked to the divestment of activities in the United States and Canada, the share of biomass increased sharply in 2022 with the Kanda plant in Japan and increasing use of this energy in the United States, Spain, Poland and China.

As part of its 2020-2023 Environment Plan, Veolia decided to set targets for the traceability and certification of biomass energy to contribute to the zero deforestation objective. These objectives are ambitious, particularly for non-European Union countries. In 2023, there was a reduction in the share of biomass traced and certified due to a significant decrease in biomass consumption in Hungary, where 100% of its biomass was traced and certified. It should also be noted that certification is more more dependent on the local context and the existence of certification organizations.

For its energy services for buildings and industrial customers, Veolia has deployed performance management centers in all its zones: data analysts and systems engineers ensure the optimum management of managed facilities consumption, e.g. in its subsidiary ENOVA in the United Arab Emirates.

Veolia has developed its electricity flexibility offering: in 2019, the Group acquired the energy business of Actility, now integrated into Flexcity. It notably intends to apply load shedding, which consists in deferring the energy consumption of facilities to reduce peaks and stabilize electricity distribution networks. Electrical consumer flexibility enables the electrical system to receive intermittent renewable energies while limiting system infrastructure costs.

In addition, Veolia supports France's collective effort to adjust its electricity consumption by joining the Ecowatt system developed by RTE in partnership with ADEME.

Waste business: gaining in energy efficiency and developing energy recovery

The main sources of energy consumption are waste collection (fuel consumption representing 3% of the Group's scope 1 emissions) and incineration (electricity consumption representing 2% of the Group's scope 2 emissions and energy from waste recovery used on-site) (see Section 4.2.3.3.1 above). Veolia works to limit emissions by managing its vehicle fleet and optimizing collection routes. Veolia also optimizes primary energy consumption at its waste incinerators.

The Group develops energy recovery from waste at sites such as incinerators producing heat, landfills and anaerobic digestion units producing biogas. The energy produced (heat and/or electricity) is used on-site and supplied to third parties, reducing in both cases recourse to other higher-carbon energy sources. Moreover, the material recycling and the production of refused derived fuels (RDF) helps reduce customers' primary energy requirements.

Energy performance indicators (Waste business)

	2019	2020	2021	2022	2023	2023 Target
Energy production by municipal waste incinerators *(kWh/metric ton of incinerated waste)*	735	711	745	746	736	/
Captured methane recovery rate from landfills *(as a%)*	77.4 %	74.0 %	73.4 %	76.4 %	71.5 %	/
CO_2 emissions linked to waste collection *(kg of CO_2/km)*	1.4	1.4	1.3	1.2	1.2	< 1,4

After a sharp increase in 2022 following the entry of new waste landfills into the Group's scope, the captured methane recovery rate declined in 2023. The volume of captured methane increased significantly this year (decrease in CO_2 emissions) without being fully recovered (biogas and energy production) for the moment.

The 2027 new objectives are described in Section 4.2.1.5. 2024-2027 Environmental Plan above.

Water business: optimizing electricity consumption and producing low carbon energy locally

Drinking water production and distribution activities, as well as wastewater systems (collecting and treating wastewater) represent 52% of the Group's scope 2 emissions (see 4.2.3.3.1 above). They also offer great opportunities to produce renewable energy for use on-site or supply to third parties, particularly in wastewater treatment plants.

Veolia develops its know-how in order to reach or get close to energy self-sufficiency for wastewater treatment. In Germany and Bulgaria, Veolia has launched an energy saving and biogas energy production initiative at all facilities equipped with a sludge digester. Three treatment plants (Braunschweig, Görlitz and Schönebeck, i.e. approximately 520,000 population equivalent) are energy self-sufficient. The wastewater plant in Sofia, Bulgaria, has also achieved this goal.

The Group therefore rolled out two additional measures: reduce energy consumption and develop renewable energy production for its self-consumption and third parties, therefore contributing to energy transition.

To reduce the energy consumption of its facilities (water and wastewater, networks and plants), the Group references best practices and effective technological choices by developing analysis tools and setting up energy audits or certifications – the Veolia Eau France management system is ISO 50001:2011 certified: 2011.

To this end, Veolia develops solutions and processes such as:

- Hubgrade Performance, a Veolia digital solution, continually optimizes the consumption of energy and chemicals in wastewater treatment plants;
- Centaurus, a Veolia digital solution, is digital resource designed for experts to create and model efficient and low-energy plants;
- Anitamox, a new process already deployed on 35 sites, is designed to reduce both energy consumed on site and the consumption of chemical reagents.

To support the energy transition, Veolia seeks to maximize the energy potential of wastewater treatment sludge (see section 4.2.2.3.2.2 above) as an alternative to fossil fuels: anaerobic digestion, incineration or co-incineration with energy recovery.

Furthermore, Veolia boosts local energy production using renewable energy production facilities on its sites: solar panels, wind farms, turbines, etc. For example, in Brussels (Belgium), treated water passes through turbines to generate electricity before being discharged into the environment.

In addition to heat or electricity production, Veolia studies new means of producing low-carbon hydrogen. In Hyères, a pilot demonstration combining the "steam-reforming" of biogas from the anaerobic digestion of wastewater treatment sludge and the production of microalgae will provide wastewater treatment plants with new ways of supporting customer energy transition.

Energy performance indicators (Water business)

	2019	2020	2021	2022	2023	2023 Target
Electricity consumed for drinking water production (as Wh/m^3) by factories exceeding 60,000m^3/day (1) (pro forma 2019-2023)	256	235	234	232	241	< 250
Electricity used to treat wastewater (as Wh/m^3) by wastewater treatment plants with a population equivalent capacity of over 100,000 (pro forma 2019-2023)	327	324	321	331	328	< 335
Recovery rate for biogas produced by sludge anaerobic digestion(as a%) by treatment stations with population capacity equivalent greater than 100,000	76 %	80 %	81 %	83 %	82 %	/

(1) Seawater desalination plants are not included in the scope.

At constant scope (pro forma), consumption for the treatment of drinking water declined slightly. However, it should be noted that the Group's objective is still to limit an increase in energy consumption in line with a decline in the quality of the untreated water resources which require more advanced and energy-intensive treatment (e.g. membrane processes).

Electricity used to treat wastewater remains below the objective set despite the commissioning of additional treatment facilities, particularly in the United States and the Middle East..

Veolia also expects an increase in energy consumption in the coming years due to the strengthening of regulatory thresholds for discharges into the natural environment and increased reuse of treated water in several geographies. To remove more nitrogen, phosphorous and micro-pollutants and better treat odors, the wastewater treatment plants must strengthen, but also supplement, existing installations which will be sources of additional consumption.

The 2027 new objectives are described in Section 4.2.1.5. 2024-2027 Environmental Plan above.

4.2.4 PROTECT ENVIRONMENTS AND BIODIVERSITY

4.2.4.1 Risks and opportunities

The interdependence between Veolia's activities and biodiversity is based on a principle of double materiality.

On the one hand, Veolia's activities contribute to preserving the environment (water, air, soil) and to reducing several of the factors that erode biodiversity as a result of the activities of its municipal and industrial customers (climate change, pollution, overexploitation of natural resources including water resources). For example, waste collection and processing reduces the pollution of soil, air, and bodies of water by urban and industrial pollution. Similarly, sanitation activities allow the discharge of quality water into the natural environment, thus helping support the replenishment of water courses, the achievement of good ecological status, and the preservation of water resources from pollution. The development of centralized and strictly regulated urban heating networks that are continuously monitored, and the use of certified biomass to feed them, also reduces the environmental impact in comparison to more polluting systems.

Industrial activities carried out on sites operated by the Group can however cause negative direct or indirect negative local environmental impacts of a magnitude infinitely smaller than that associated with the reduction of the impacts of its customers, the control of which is part of the Group's environmental policy (see Section 4.2.1 above). These impacts include the consumption of natural resources as part of the sites' activities, residual contamination contained in operating emissions, greenhouse gas emissions and the impact that the land footprint of sites can have on habitats (fragmentation or destruction). The management of these risks, which have been identified as part of the Group's operational risks (see Section 2.2.2.2 above) is an integral part of the Group's environmental policy (see Section 4.2.1 above).

On the other hand, each of Veolia's activities is dependent on ecosystem services:

- the production of drinking water is directly tied to a properly functioning large water cycle: the regularity of precipitation, plus storage capacity in catchment areas, ensure that the resource is available. The environment's self-treatment (self-purification) capacity helps to maintain good quality water resources used for drinking water production and therefore limit the amount of treatment needed to ensure water is fit for consumption;
- wastewater treatment activities are dependent on ecological factors: microbial activity, and the ability of aquatic environments to assimilate residual water content, are critical to wastewater treatment;
- for energy, biomass operations require a sustainable supply of wood-energy or vegetable waste;
- landfilling, composting and soil remediation all rely on the structure and nature of the soil, as well as biological processes to break down organic material.

The Group responds to challenges linked to the protection and restoration of biodiversity through its very activity or through operational methods adopted at the sites where it operates, but also more widely by making biodiversity an integral part of its policy and processes, as is described in the rest of this chapter.

4.2.4.2 Policy and commitments

4.2.4.2.1 Contribution to the Impact 2023 plan

As part of the environmental pillar of its Multifaceted Performance approach, itself integrated into its Impact 2023 strategic plan, Veolia is committed to combating pollution and accelerating ecological transition (see Section 4.1.1 above). This commitment can be broken down into several objectives, including protecting environments and biodiversity, and comprises 3 lines:

- line 1: strengthen the integration of the protection of environments and biodiversity in our Group standards;
- line 2: preserve regional environments and biodiversity by limiting the impacts of our sites and developing their ecological potential;
- line 3: raise maximum awareness internally and externally and engage our stakeholders in our environments and biodiversity protection strategy.

To illustrate this objective, the Group defined a 2023 target involving the roll-out of action plans designed to improve the footprint of environments and biodiversity at sensitive sites, explained more fully in Section 4.2.4.3.1.

Commitment	Objective	SDG	Indicator – definition	2020 Results	2021 Results	2022 Results	2023 Results	2023 Target
Combat pollution and accelerate the ecological transformation	**Protection of environments and biodiversity**	14 LIFE BELOW WATER; 15 LIFE ON LAND	• Progress rate of action plans aimed at improving the environment and biodiversity footprint in sensitive sites (1)	1.7%	30%	66%	85%	75%
Sponsor	Philippe Guitard		Member of the Executive Committee, Senior Executive Vice President, Central and Eastern Europe					

(1) At constant scope. 2019-2023 pro forma data.

The action plan relating to this objective is monitored by the relevant Group entities (headquarter functional departments, Research and Innovation, and Business Units). A network of correspondents located in the main countries where the Group operates ensures the roll-out of the Group's strategy by implementing action plans, sharing best practices and escalating feedback.

TNFD* - Strategy - Our approach to nature-related challenges
The Group responds to challenges linked to the protection and restoration of biodiversity through its very activity or through operational methods adopted at the sites where it operates, but also more widely by making biodiversity an integral part of its policy and processes.

Veolia's activities contribute to preserving the environment (water, air, soil) and to reducing several of the factors that erode biodiversity as a result of the activities of its municipal and industrial customers (climate change, pollution, overexploitation of natural resources including water resources).

Industrial activities carried out on sites operated by the Group can however cause direct or indirect negative local environmental impacts of a magnitude infinitely smaller than that associated with the reduction of the impacts of its customers, the control of which is part of the Group's environmental policy (see Section 2.2.2.2 above).

As part of its Impact 2023 strategic program, within its 2020-2023 multifaceted performance approach, Veolia chose to monitor the roll-out of action plans designed to improve the footprint on environments and biodiversity of "sensitive" sites (see Section 4.1.1 above

The methodology used to identify sensitive sites factors in the location of direct operations with regard to the sensitivity of the natural environment (using the IBAT mapping tool developed with the support of IUCN) and the nature of site activities (see Section 4.2.4.3.1 below). In 2019, Veolia identified 123 sensitive sites out of the 1,453 main sites managed by the Group.

For all other sites, a policy of implementing more virtuous practices for biodiversity (ecological management, "zero phytos", etc.) was rolled out under the environmental plan.

Under the multifaceted performance strategy 2024-2027, combined with the new strategic plan, the roll-out of these action plans will again be monitored to cover any new sites included since 2019 and implement new measures at existing sites (see Section 4.2.4.3.1 above.

To better understand its challenges, in 2023 Veolia assessed its impacts, dependencies, risks and opportunities using the LEAP (Locate Evaluate Assess Prepare) method. This analysis, performed on direct operations and the upstream value chain, identified issues at Veolia sites and for certain raw materials and encourages better consideration of biodiversity in our value chain.

In this context, pursuant to the French legal system, the Group endeavors to implement mitigation hierarchy principles (also called the Avoid-Minimize-Compensate approach), the first step of which is to avoid damaging biodiversity, then to reduce the impacts and finally to offset them.

Furthermore, under its 2019-2023 Environmental Plan, Veolia has committed the sites it operates to implementing more virtuous practices for biodiversity, whatever their issues at stake.

** Task Force on Nature-related Financial Disclosures*

In 2020, Veolia Environnement also renewed for 2023 its 2018 commitment to the Act4Nature International initiative, launched by the French association EpE (Entreprises pour L'Environnement), bringing together around sixty major French companies and their France-based subsidiaries, and supported by numerous public, private and NGO partners (www.act4nature.com). As part of this, the Chairman and Chief Executive Officer signed the Act4Nature International collective agreements and made commitments unique to Veolia. The progress of the Group's actions with regard to these commitments at the end of 2023 is presented in Appendix 8.10.1.

In 2022, Veolia signed the commitment "No water security without ecological security, no ecological security without water security" launched by the World Water Council. The aim of this initiative is to strengthen the links between water and nature and to promote nature-based solutions.

Finally, Veolia has undertaken to adopt in its 2023 URD the framework recommendations covering the nature-related risks and opportunities published by the TNFD* in September 2023. Composed of 14 themes divided into 4 pillars, this framework provides issuers and investors with a common framework for issuers and investors to assess corporate policies on biodiversity, as the TCFD does for climate strategies.

Veolia was therefore singled out at the Davos Forum in January 2024 as being one of the TNFD's 19 French early adopters.

The summary information corresponding to the 4 pillars of the TNFD disclosure framework (Governance, Strategy, Risks and opportunities, Indicators and targets) is presented in boxes in this chapter. Furthermore, for more detailed information, the cross-reference table presented below matches the 14 themes of the disclosure framework with the chapters of the Universal Registration Document.

TNFD - Governance of our impacts, dependencies, nature-related risks and opportunities

To review the risks and opportunities relating to the nature-related impacts and dependencies of Veolia's activities, the Board of Directors primarily relies on two of its Committees:

- the Purpose Committee (see Section 1.2.1.7 above), which performs an annual review of the multifaceted performance objectives, including the protection of natural environments and biodiversity, and related indicators (see Section 3.2.2.5 above)
- the Accounts and Audit Committee, which is in charge of reviewing the financial and non-financial risk mapping, including challenges relating to biodiversity, understanding the management initiatives and corrective measures (see Section 3.2.2.1 above).

As is the case for all multifaceted performance objectives, the objective of protecting natural environments and biodiversity is backed by a sponsor, a member of the Executive Committee (see Section 1.2.1.7 above) and its progress, assessed by an independent third-party body, is taken into account in the calculation of the variable compensation of the Group's executive officers (see Section 3.4.1.1 above). A network of Biodiversity officers in the BUs is responsible for its deployment.

4.2.4.2.2 Contribution to the GreenUp 2027 strategic plan

The multifaceted performance initiative relating to the GreenUp 2027 strategic plan has placed the protection of environments and biodiversity in a wider context of decontaminating Group client activities and maintained, to illustrate this objective, the indicator involving the roll-out of action plans aimed at improving the environmental and biodiversity footprint of sensitive sites (see Section 4.2.4.3.1). This indicator will apply to a new scope (pro forma 2023), including in particular the sites incorporated into the Group's business following the Suez merger. It combines a 85% completion target for 2027 and, as previously, will be taken into account in the variable compensation policy of Group executives (see Section 3.4.1.1 above).

More generally, as part of GreenUp, Veolia will step up the growth of its booster activities with the greatest impact: technologies and new solutions for water, solid waste treatment and bioenergy, electrical flexibility and energy efficiency. Their rapid, large-scale deployment will help erase 18 million tons of CO_2 emissions (scope 4),save 1.5 billion m^3 of water and process 10 million tons of hazardous waste per year (seethe Profile and Section 1.2.1, above).

Furthermore, the Group's new 2024-2027 Environmental Plan (see Section 4.2.1 above) raises the Group's level of commitment in adopting biodiversity preservation practices, with ongoing actions over an extended scope following the acquisition of Suez and more ambitious targets.

Finally, in January 2024, the Group renewed its undertaking in the Act4Nature International initiative for 2024-2027. In addition to the above Environmental Plan commitments, other undertakings are aimed at providing its clients with the biodiversity preservation and restoration solutions devised in its performance and innovation policy and increasing the importance of biodiversity in the Group's governance and its stakeholder communications, in line with the recommendations of the COP 15Global Biodiversity Frameworkor CRSD expectations. A breakdown of these new commitments is presented in Section 8.10.2.

GreenUp

Commitment	Objective	SDG	Indicator – definition	2023 baseline	2027 target
Combat pollution and accelerate the ecological transformation	**Depollution - biodiversity**	14 LIFE BELOW WATER; 15 LIFE ON LAND	• Biodiversity preservation on sensitive sites[1]	59% (new scope)	≥ 85 %
Sponsor	Sébastien Daziano		Member of the Executive Committee, Senior Executive Vice President, Strategy and Innovation		

(1) Rate of progress with action plans aimed at improving the impact on environments and biodiversity at sensitive sites (new 2023 scope,pro forma 2023-2027)

Mapping of URD chapters, European NFRD non-binding requirements and TNFD recommended disclosures

	TNFD recommended disclosures	NFRD Elements				
		Business model	Policies and due diligence processes	Outcomes	Principal risks and their management	Key Performance Indicators
Governance	a) Board's oversight		1.2.1.7 3.2.2.1 3.4.1.1 3.2.2.5			
	b) Management's role		1.2.1.7			
	(c) Policy and monitoring by the Board of Directors of respect for the rights of local and indigenous communities		4.0			
Strategy	a) Nature-related risks and opportunities		1.2.1 4.1.1		2.2.2.2 4.2.4.1	
	b) Impact of nature-related risks and opportunities	1.2.1 1.3.2			4.2.3.3.3 4.2.4.3.1	
	c) Resilience of the organization's strategy	4.2.3.2.2.				
	d) Priority locations				4.2.4.3.1	
Risk management	a) Identification and assessment process for direct operations				2.1.1. 2.2.2.2 4.2.4.3.1	
	b) Identification and assessment process for upstream and downstream value chains				4.2.4.3.1	
	c) Management process				1.4 4.2.4.3.1	
	d) Integration into overall risk management				2.1.1.	
Metrics and Targets	a) Metrics used for risk and opportunity assessment			4.2.4.3.1 4.2.4.3.2. 4.2.4.3.3. 8.10.1		4.2.4.3.1 4.2.4.3.2 4.2.4.3.3. 8.10.1 8.10.2
	B) Metrics used for impact and dependency assessment			4.2.4.3.1 4.2.4.3.2 4.2.4.3.3. 8.10.1		4.2.4.3.1 4.2.4.3.2 4.2.4.3.3 8.10.1 8.10.2
	c) Targets					4.2.4.3 .1 4.2.4.3.2. 4.2.4.3.3. 8.10.1 8.10.2

4.2.4.3 Actions and results

4.2.4.3.1 Protection of biodiversity

The Group's strengthened commitment to combating pollution and accelerating ecological transition is reflected in the acceleration of its actions in the ecological management of sites, but also in greater integration of biodiversity within its commercial offerings or within its processes, working closely with its customers, sub-contractors and other partners (associations, scientists, etc.). The production and sharing of tools with stakeholders also contribute in particular to promoting biodiversity internally and within their organizations.

TNFD -Risks and Opportunities - The inclusion of nature in our risk management

The main risks that Veolia faces are subject to an annual mapping process. Risks are classified according to their potential impact and probability of occurrence, and ranked according to importance. Among these risks are environmental and industrial risks (see Section 2.2.2.2 above).

In 2023, the assessment using the LEAP (Locate Evaluate Assess Prepare) method, recommended by the TNFD, of the nature-related impacts, dependencies, risks and opportunities of Veolia's activities helped identify risks and opportunities by activity in the short, medium and long term for our direct operations and our upstream value chain. The results of this study were used to include a new component on risks relating to the erosion of biodiversity in the annual risk assessment campaign in the Group's Business Units (see Section 2.1.1 above).

The identification of risks in our upstream value chain will also result in a more extensive dialogue in 2024 with the main suppliers of the most affected purchasing categories in order to incorporate biodiversity protection criteria into our supplier selection and assessment. Similarly, the new environmental plan defines targets that have been increased to 100% for the traceability and certification of wood biomass used in our energy sector (see Chapter 4.2.4.3.1) in order to limit the impact of our energy supplies and more particularly our biomass supplies

Aware of its potential impacts, the Group is already undertaking reduction measures. The biodiversity footprint of our sites with significant issues is measured to assess direct or indirect negative and positive impacts generated by site activities at local level. A tailored action plan enables each "sensitive" site to roll out the necessary measures.

In addition, Veolia is committed to eliminating the use of phytosanitary products in all its operational sites. Veolia also deploys ecological management at its sites to implement measures to protect nature.

Finally, the Group's innovation policy plans to boost the deployment of our offering relating to Nature-based Solutions, particularly in large water cycle management (see Section 1.4 above).

Strengthen the integration of the protection of environments and biodiversity in our Group standards

Veolia is developing its internal processes relating to the impacts and dependency of its value chain on biodiversity (assessment of suppliers with the greatest impact for the environment, application of the Veolia green spaces charter to subcontractors, etc.), the project approval process by investment committees (integration of biodiversity as one of the criteria for contributing to multifaceted performance), businesses (integration of recommendations promoting biodiversity in its operating standards, etc.), marketing (improvement of offers in line with the protection of ecosystems, etc.).

In addition, as part of its 2019-2023 Environment Plan, Veolia included a biomass energy traceability and certification objective to contribute to the zero deforestation objective (see Section 4.2.3.3.3). In 2022, 99.5% of the wood biomass used was traced and 70% certified with, in Europe, certificates ensuring compliance with the requirements of the Red II Directive (SURE, KZR, INIG) and, outside Europe, FSC or PEFC type certificates.

Veolia is also furthering its understanding of biodiversity and its nature-related risks and opportunities to better integrate it into its services. The Group has therefore identified the related challenges for each of its activities (see Section 4.2.4.1 above) and conducted in 2023, using the LEAP method recommended by the TNFD, a study of the impacts and dependencies of its activities. It is steering its research projects (impact measurement using bioindicators, footprints, etc.) around these analyses, as well as its innovation policies, particularly with respect to the design and operation of Nature-based Solutions.
The Group's innovation program therefore includes amongst its priorities the development of Nature-based Solutions associated with the management of the large water cycle, such as artificial wetlands, like the Green Discharge Zone created in China at one of the sites of the Sinopec industrial group.

Veolia designed a tool to measure the footprint of its activities on environments and biodiversity. The tool was built in collaboration with ecology and life cycle analysis experts: the French consultant agency Ecosphère, the internal environmental consultant agency 2EI, Veolia Environnement Recherche et Innovation, Veolia Eau and the French Committee of the IUCN (International Union for Conservation of Nature). The "environments and biodiversity" footprint measures the biodiversity issues of a site in terms of quantity and quality, in the same way as the carbon footprint. The tool is used to draw up a semi-automated action plan according to a site's major issues and monitor the site's progress. In particular, it is applied to measure the footprint of the sensitive sites described below.

The Group now offers its customer this experience gained in biodiversity management to support them in their ecological transformation.

Preserve regional environments and biodiversity by limiting the impacts of our sites and developing their ecological potential

Veolia manages impacts linked to discharges and abstraction in the environment of sites it operates. By improving its environmental performance, directly in line with its operational performance, Veolia reduces its impacts on receiving environments, particularly air and water, and therefore biodiversity (see Sections 4.2.2 and 4.2.3 above, section 4.2.5 below).

In addition, Veolia manages and develops areas, notably to compensate for the impacts generated by their land coverage and instead transform them into reservoirs of biodiversity.

1/ As part of its 2020-2023 multifaceted performance, Veolia has decided to monitor the roll-out of action plans designed to improve the footprint on environments and biodiversity of "sensitive" sites, i.e. those considered to present the greatest challenges in terms of environmental protection and biodiversity.

These sensitive sites were identified in 2019 with regard to several criteria:

- issues related to the sensitivity and potential of the site:the type of environment in which the site is located, the presence of protected natural areas near the site, the potential presence of threatened or protected species, land and water permeable surface areas, level of water stress. To this end, the Group reconciles information extracted from the IBAT database (Integrated Biodiversity Assessment Tool developed by Birdlife International, Conservation International, the IUCN and the United Nations Environment Program) and site geo-location data.

The natural areas taken into account are the ones defined by the IUCN (categories I to VI), the World Heritage, the RAMSAR agreement [1], the MAB [2], the Alliance for zero extinction sites, and the Important Bird and Biodiversity Areas (IBA) ;

- issues relating to the site's activity: air and water discharges, treatment efficiency, abstraction of resources, potential past non-compliance, waterproofing of surfaces

123 sensitive sites were initially identified in 2019 following the assessment with regard to these issues,. As certain sites have since closed or are being renovated, this figure was revised downward to 114 in 2023 out of the 1,265 main sites managed by the Group representing a total surface area of 16,116 hectares. All managed these sites have initiated an action plan since that date.

The biodiversity footprint is measured to assess direct or indirect[3] negative and positive impacts generated by site activities at local level. This measurement is based on the five direct drivers of biodiversity loss identified by the IPBES in its 2019 report: degradation of habitats, overexploitation of natural resources, climate change, pollution and spread of invasive alien species.

It includes the analysis of indicators and data relating to:

- the site process such as consumption of energy, reagents, water and raw materials, discharges, waste production or energy and material recovery;
- site location and management of spaces such as the presence of protected natural areas (on or near the site) or rare or threatened species, management of green spaces as well as management of invasive species, lighting, etc.

The involvement of an ecologist, an expert in local biodiversity, is needed to help Business Units to measure their on-site footprint.

The ecologist also helps sites in defining their action plans. They refer to a list of predefined actions (e.g.: combating invasive alien species, light pollution, protection of water resources etc.) to be rolled out and updated according to the major issues identified by the analysis.

A detailed methodological framework ensures consistent assessments and action plans, whatever the location.

Examples of measures undertaken at two sensitive sites

In France, the Granges landfill rolls out biodiversity preservation and restoration initiatives in both post-operation and neglected areas to attracta maximum of species and offer complementary diversified environments. This includes the rigorous greening of cells, either by purchasing local seeds ("Végétal Local") or via a "hay transfer" project covering an area of 7 ha. In addition, various environments are maintained, such as the historic afforestation surrounding the site. A rural hedge stretching over 1 km was planted, and since 2022, an area of 4 ha has been gradually redeveloped (pond, shrub groves, reptile shelters, etc.) to attract multiple species. Furthermore, invasive alien species are partly managed through participatory projects involving site employees.

In Colombia, the Antanas Environmental Technology Park in the city of Pasto (landfill and incineration site) has since 2021 maintained three conservation areas totaling 73 ha of the 98 ha site. In these areas, the environmental protection association "Viva el Planeta" supports Veolia in the ecological management of rare species such as oak, palm, Colombian pine and theacorn woodpecker. The creation of a nursery ensures the availability of endemic species for site regreening or reforestation. Finally, the site also seeks to raise awareness among its employees and local communities by conducting visits and organizing conferences on biodiversity.

2/ Under its 2020-2023 Environmental Plan, Veolia commits the sites it operates to implementing more virtuous practices for biodiversity, whatever their issues at stake:

- zero use of phytosanitary products (to manage site green spaces) at 75% of sites [(4)];
- implementation of ecological management at 75% of sites [(4)] with green spaces exceeding 1 hectare (by applying the Veolia Green Spaces charter).

The multifaceted performance target set for 2023, aiming to achieve an average rate of 75% for the deployment of action plans in place at sensitive sites, was exceeded. This was not the case for targets relating to the ecological management of sites and "zero" phytosanitary products, which will both be maintained and strengthened in the Group's new international Act4Nature commitment, with a 95% target by 2027 and a wider scope now including former Suez sites.

(1) *Agreement on wetlands of particular international importance as water bird habitats.*
(2) *Humans and Biosphere Program*
(3) *Land take, fragmentation of terrestrial and marine habitats, damage to general biodiversity, site located in a protected area, harm to rare or threatened species, water eutrophication, acidification through air discharges, light pollution, spread of invasive species, local water stress, greenhouse gas emissions due to fuel and natural gas consumption. Land take, fragmentation of terrestrial and marine habitats, damage to general biodiversity, site located in a protected area, harm to rare or threatened species, water eutrophication, acidification through air discharges, light pollution, spread of invasive species, local water stress, greenhouse gas emissions due to fuel and natural gas consumption.*
(4) *Reporting scope: Waste business (all sites); Water business (wastewater treatment plants with a population equivalent capacity of over 100,000 and drinking water plants of over 60,000 m3/day); Energy business (energy production facilities selling over 100 GWh/year).*

Improvement in the biodiversity impact of our activities and those of our customers

	2019	2020	2021	2022	2023	2023 Target
Percentage of sites with significant biodiversity issues that have carried out a diagnosis and deployed an action plan (pro forma 2019-2023)	72 %	73 %	plan finalized	plan finalized	plan finalized	/
Rate of progress with action plans aimed at improving the impact on environments and biodiversity at sensitive sites (pro forma 2019-2023)(1)	-	2 %	30 %	66 %	85 %	75%
Number of sites(1) that have introduced ecological management and/or development(2)	230	237	265	388	499	/
Percentage of sites(1) with green spaces exceeding 1 ha that have set up ecological management practices (pro forma 2019-2023)	18 %	23 %	35 %	52 %	64 %	75%
Percentage of sites(1) with zero use of phytosanitary products(pro forma 2019-2023)	16 %	20 %	39 %	58 %	65 %	75%

(1) Reporting scope: Waste business (all sites); Water business (wastewater treatment plants with a population equivalent capacity of over 100,000 and drinking water plants of over 60,000 m3/day); Energy business (energy production facilities selling over 100 GWh/year).
(2) As of 2021, according to the Group ecological management charter.

To support the deployment of the Group's environment and biodiversity commitment, the Business Units have been equipped with various tools, including:

- the ecological management guide, developed in partnership with the IUCN French Committee, that enables all sites, whatever their issue at stake, to implement measures to protect biodiversity. It comprises information sheets on the maintenance of green areas, ecological developments for roads and buildings, maintenance of ponds and waterways, intrusion prevention and the management of invasive exotic species, etc. A sector version of this guide for landfills was produced in 2022. For these sites, the indicator "areas which are scheduled to be restored or revegetated in the next four years" increased from 450 ha in 2021 to 1,962 ha in 2023;
- EcoLogiCal, a tool designed in partnership with the Noé association and with the participation of the IUCN French Committee and Ecocert Environnement. Through an online self-assessment covering five major themes (flora, fauna, water, waste, lighting), it allows you to compare the economic and ecological footprints of the traditional management of green spaces with environmentally friendly practices. EcoLogiCal is aimed at all site managers. It is free, public and can be accessed online: https://eco-logical.fr;
- the Green Spaces charter aims to support the transition of green spaces towards more ecological practices. It commits Veolia sites and service providers to managing green spaces ecologically. It also incorporates mandatory measures to consider the effective transition to ecological management;
- The Zero Phytosanitary Products charter lists the practices to be adopted for a site to be considered virtuous with regard to the management of its green areas without using phytosanitary products (herbicides, fungicides, insecticides and biocides). In the same way as the Green Spaces charter, it applies to sites and their green space service providers. A "zero phyto" sheet, developed for educational purposes, completes the approach to raise awareness among employees. It describes the benefits of discontinuing the use of phytosanitary products (the required changes in site aesthetic standards through greater integration of nature in green spaces, etc.).

Raise maximum awareness internally and externally and engage our stakeholders in our environment and biodiversity protection strategy

The Group seeks to continue raising awareness among internal (on-site personnel, support functions) and external (subcontractors, customers, general public, etc.) stakeholders on environment and biodiversity protection issues. The ultimate aim is to firmly establish the change of culture needed to transform operational practices at all of the Group's decision levels (ecological management, green infrastructures, etc.). The Group also involves its stakeholders in the dialogue preceding its decisions (e.g.: partnerships with national and local associations for the protection of the environment, etc.).

Fully aware that naturalist expertise is needed to set up and monitor actions tailored to regional issues, the Group encourages its sites to forge partnerships with conservation associations.

Following the 2020-2023 Environmental Plan, with a site deployment rate of 59%, Veolia achieved its objective relating to its commitment to raise awareness internally or externally on the issues of protecting environments and biodiversity for 50% of its sites.

In 2023, the Group in particular continued the deployment of its biodiversity e-learning to boost and accelerate awareness among its employees. Intended for a wide audience of Business Unit support functions and operators, it was specifically designed for the biodiversity issues of Veolia's activities (understand the issues of protecting environments and biodiversity, master the Group's strategy regarding the challenges of its businesses and identify action levers).

Since 2008, Veolia has partnered with the International Union for Conservation of Nature (IUCN) French Committee, which provides expertise for the roll-out of its commitment (drafting of its commitment in relation to the French National Strategy for Biodiversity, creation of operational tools, etc.). The Group actively participates in think tanks of leading French associations on the subject: EpE (Entreprises Pour L'Environnement), OREE, or the IUCN French Committee, where Veolia chairs the working group "Businesses and biodiversity".

In November 2022, the Group participated in COP15 organized in Montréal and chaired by China, and was notably invited to take part in the two-day closing session of the Business and Biodiversity Forum, part of the official COP program. The Group expressed the desire to strengthen its capacity for innovation and deployment of its solutions in order to meet its customers' commitments to reduce their impact on biodiversity, while continuing to work on reducing its own impacts.

In November 2023, following the publication of the National Biodiversity Strategy 2030, the Group was invited by the Ministry of Ecological Transition to participate in the Business and Biodiversity "Roquelaure" working group, aimed at formulating recommendations to reduce risks and identify opportunities with regard to biodiversity in the main business sectors in France.

Awareness-raising actions and local partnerships

	2019	2020	2021	2022	2023	2023 Target
Percentage of sites[1] having raised awareness internally or externally on the issues of protecting environments and biodiversity *(as a%)* (*pro forma* 2019-2023)	21 %	22 %	43 %	50 %	59 %	50%
Number of sites[1] that have forged a partnership with a local conservation association	83	85	115	134	148	

(1) Reporting scope: Waste business (all sites); Water business (wastewater treatment plants with a population equivalent capacity of over 100,000 and drinking water plants of over 60,000 m3/day); Energy business (energy production facilities selling over 100 GWh/year).

TNFD - Metrics and Targets

The interdependence between Veolia's activities and nature requires the various indicators to be monitored and targets to be defined to assess, avoid and reduce the impacts of activities. These indicators and objectives are monitored as part of our multifaceted performance commitments in our environmental plan as well as our Act4Nature International commitments.

As part of the Impact 2023 strategic program, Veolia's commitments have resulted in targets for the deployment of action plans at sites with issues as well as targets for the deployment of more virtuous practices for biodiversity as described in Section 4.2.4.3.1. Veolia also set targets for 2023 as part of its Act4Nature International commitments (see Note 8.10.1).

Under our new 2024 GreenUp strategic plan (see Section 4.2.4.2.2 above), the multifaceted performance indicators and the Impact 2023 environmental plan were reapplied with more ambitious objectives over a wider scope, with:

- the implementation of action plans at our "sensitive" sites with an overall deployment rate of 85% for 2027;
- the deployment of ecological management at all Group sites with over one hectare of green space with a target of 95% by 2027;
- the discontinuation of phytosanitary products at all operational sites with a target of 95% for 2027;
- a 100% traceability and 100% certification target for the wood biomass supplies in our energy sector for sites whose supply chain we control.

The preservation of natural environments once again resulted in concrete objectives for the preservation and restoration of natural environments (ecosystems, habitats) as described in detail in our new Act4Nature International 2024-2027 commitments (see Note 8.10.2):

More generally, and as part of its new environmental plan for 2024-2027, the Group is strengthening its commitments by 2027 to reduce pollution (see Section 4.2.1. above):

- by improving the average treatment efficiency of wastewater treatment plants (BOD5: 96%, COD: 92%);
- by reducing the average emissions of atmospheric pollutants for its thermal installations (g/MWh of fuel consumed): NOx (190), SOx (120), dust (10) and Hg (0.005) and its hazardous and non-hazardous waste incineration units (mg/Nm3): NOx (110), SOx (20) and dust (3).
- by strengthening its commitment to preserving water resources with a target of 1.5 billion m3 of freshwater saved in 2027 through the reuse of treated water, desalination and leak reduction.

4.2.4.3.2 Limit the discharge of pollutants into water

Challenges

Veolia provides sanitation services to nearly 103 million people worldwide and operates 3,222 municipal wastewater treatment plants and 128,000 of sanitation network.

Volume of collected and treated municipal wastewater

(in billions of m^3)	2019	2020	2021	2022	2023
Total volume of water collected	6.7	5.8	5.2	7.8	7.7
Total volume of water treated	5.9	5.2	4.6	7.2	7.1

The main discharges from facilities operated by the Group concern its Water business.

Commitment, approach and result

Protecting water resources is one of Veolia's areas of expertise, and it is committed to optimizing management of the water cycle.

Collect and decontaminate wastewater

Veolia has developed a comprehensive approach to help public authorities efficiently manage wastewater collection and treatment services, mainly in wet weather to avoid flooding, according to their size and issues.

Optimizing the performance of sanitation networks and efficiency of treatment processes is an ongoing concern for Veolia, both in terms of operating facilities under its management (Hubgrade Performance digital solution) and developing new processes.

The average rates of pollution abatement, expressed in BOD5 and COD, for the wastewater treatment plants operated by the Group are very satisfactory. Under the 2020-2023 Environmental Plan, Veolia set minimal efficiency thresholds of 95% and 90% respectively, well above French regulatory thresholds[5], and largely exceeded them.

These targets were strengthened (96% and 92% respectively) under the new2024-2027environmental plan (see Section 4.2.1.5 above).

(5) The amended Decree of July 21, 2015 on collective wastewater systems and non-collective facilities, excluding individual wastewater systems receiving a gross load of organic waste of less than or equal to 1.2kg/day BOD5, sets the threshold at 80% for BOD5 and 75% for COD.

Treatment efficiency of wastewater treatment plants with a population equivalent capacity of at least 100,000

	2019	2020	2021	2022	2023	2023 Target
BOD5 treatment efficiency *(as a%)*	96.0 %	95.9 %	95.3 %	95.6 %	95.6 %	≥ 95%
COD treatment efficiency (as a%)	91.9 %	91.4 %	90.8 %	91.5 %	91.6 %	≥ 90%

Furthermore, in accordance with the European Water Framework Directive, Veolia implemented systems to monitor the flow of a high number of micro pollutants deemed dangerous to the environment, to assess the impact of wastewater treatment plant discharges on the ecological state of bodies of water.

Treatment of micropollutants

Our domestic use (household products, solvents, medicines, etc.), agriculture, transport, industry and craft industry are responsible for the presence of micropollutants in water.

During wastewater treatment in sewage plants, some micropollutants end up in aquatic environments because they have not been eliminated. Treating micropollutants is highly complex and conventional technologies cannot completely isolate them. In Europe, awareness is increasing, and the new Directive of the European Parliament and of the Council on urban wastewater treatment plans to incorporate new requirements in terms of the quaternary treatment of urban wastewater discharges from 2035 at certain sites. The science is moving forward and Veolia expects regulations to become stricter. With its subsidiary Veolia Water Technologies, the Group already offers innovative solutions that efficiently treat these micropollutants, including:

- ACTIFLO® CARB: this process, which is equipped with a pre-contact tank with powdered activated carbon for adsorption and can be combined with the oxidizing action of ozone, eliminates 95% of endocrine disruptors;
- OPACARB® FL: up-flow stream reactor consisting of a micrograin activated carbon bed which removes compounds responsible for endocrine disruption;
- Filtraflo® Carb: for lower flow rates than the OPACARB® FL, this process eliminates the micropollutants in the water by adsorption, but also filters them simultaneously through a reactor with micronized powdered activated carbon operating in counter-current;
- Opaline™ C: this process, which can be combined with the oxidizing action of ozone, combines membrane technology and adsorption using activated carbon to better eliminate pesticides, endocrine disruptors, etc.;
- Anoxkaldnes MBBR (Moving Bed Biofilm Reactor) technology: fixed culture biological treatment processes for removing carbon and/or nitrogen pollution. The Group's MBBR technologies are available in different configurations, including EXENO™ and HYBAS™.

And since the integration of Veolia Water Technology & Solution, this portfolio has expanded and is supplemented by:

- OZONIA ozone generator systems with a full range of ozone generators ranging from laboratory products to the largest water treatment systems in the world;
- UF, NF and RO membrane treatment systems or membrane bioreactors from the WTS portfolio (Leap MBR, ZEEWEED UF membranes, etc.);
- ZEELUNG technology to intensify the biological treatment of wastewater treatment plants equipped with activated sludge while reducing energy consumption;
- ZEEDENSE technology, which combines ZEELUNG technology and INDENSE activated sludge densification, is designed to over intensify the treatment of wastewater treatment plants in terms of hydraulic and biological or nitrogen capacity.

A comprehensive range of monitoring services

Veolia offers customers a comprehensive range of monitoring services for water pollutants involving sampling and analyses. It has developed regulatory analysis techniques and biological tools for measuring the impact of these discharges on target organisms. When necessary, the Group works with its customers to define and implement solutions to reduce or eliminate the discharge of hazardous substances into the environment and manage the attendant risks.

These solutions can either be implemented at source (for example, by connecting plants and monitoring networks) or take the form of remedial measures (by optimizing processes, introducing additional treatments, etc.).

4.2.4.3.3 Limit atmospheric pollution

Challenges

The atmospheric emissions generated by Group activities mainly concern its Energy business (combustion plants for heat or heat and power production) and its Waste business (incineration).

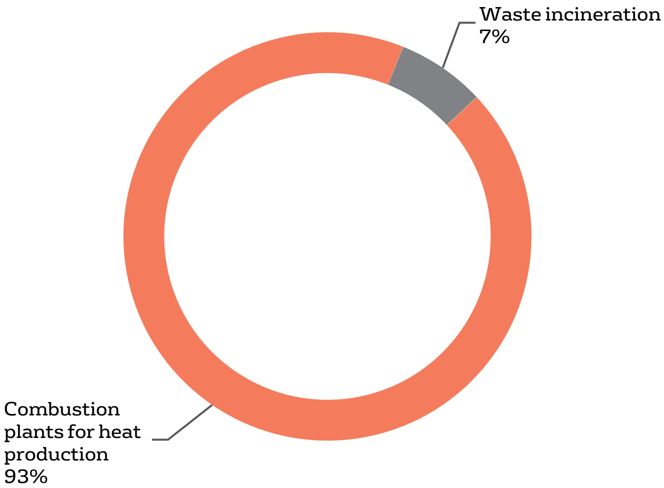
	2019	2020	2021	2022	2023
SO_x emissions[(1)(2)]	13,188	13,832	14,224	13,945	13,027
NO_x emissions	20,991	22,484	22,619	22,846	23,561
Dust emissions from thermal plants selling more than 100 GWh/year and waste incinerators	641	776	725	713	622

(1) For combustion facilities, Sulfur Oxide (SO_x) and Nitrogen Oxide (NO_x) emissions are calculated in accordance with the European Industrial Emissions Directive (IED) of November 24, 2010 as from fiscal year 2018 after bringing facilities managed by Veolia up to standards. This document sets the maximum values for emissions based on fuel type and facility capacity.

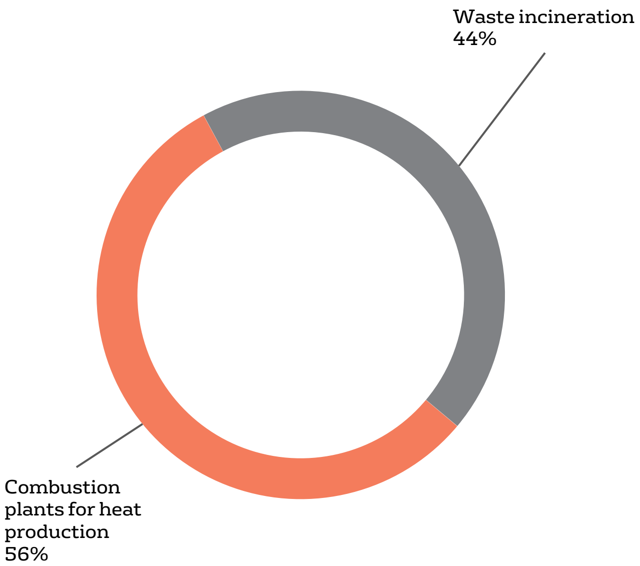
(2) The calculation methods for SO_x and NO_x emissions may differ depending on the activity. For the Group's waste incinerators, particularly in Europe, dust, TOC, HCl, SO_2, HF, CO, NO_x and flue flow are measured on a continuous basis. Analyzers provide substance concentration measurements every minute or so. For thermal energy plants, emissions are calculated based on energy consumption and regulatory emission limits for large combustion plants (from 50 to 100 MW). These emission limits have been applied to all energy consumption, regardless of the size of the facility. Other methods may be used in response to local requirements, based on emission factors depending on the tonnage burned, with these factors being determined through tests under real operating conditions.

Despite the increase in the scope of activity related in particular to the acquisition of Suez, Group emissions remained stable between 2021 and 2023, as activity at heat production combustion plants in Europe was impacted by mild winters.

Breakdown of SOx emissions in 2023
(as a %)



Breakdown of NOx emissions in 2023
(as a %)



Commitment and approach

As part of its commitment to combat pollution, Veolia strives to reduce the atmospheric emissions of the facilities which it operates by implementing the best available techniques (BAT).

Objectives and results

Thermal plant emissions

Most atmospheric emissions are derived from the production heat used for district heating networks.

Centralized energy production facilities are equipped with efficient smoke treatment resources which help improve air quality in district areas compared with individual resources.

Under its 2020-2023 Environmental Plan, Veolia set the objective of reducing atmospheric emissions per unit of energy produced, and defined threshold objectives for 2023. These objectives were strengthened under the new 2024-2027 Environmental Plan (see Section 4.2.1.5 above).

Emissions of thermal plants selling over 100 GWh/year

*(g/MWh)**	2019	2020	2021	2022	2023	2023 Target
NOx	280	233	216	201	182	< 270
SOx	196	170	147	136	120	< 210
Dust	12	12	11	11	10	< 13
Mercury *(mg/MWh)*	2	2.3	2.1	2.3	2.8	< 5

* *Grams of emissions per MWh of fuel consumed.*

The decline since 2019 in SOx, NOx and dust emissions by these facilities reflects the ongoing efforts of the sites and the technical centers of excellence to capture and treat air pollutants emitted by heat production plants. Changes in the energy mix also help reduce emissions.

The increase in the value of the mercury ratio in 2023 is due for some installations to changes to the measurement protocol to include mercury emissions from biomass, which were not accounted for in previous years. For other installations, it is due to differences in fuel quality related to the supply context since 2022. However, the ratio value remains well below the target set for 2023.

The Industrial Emissions Directive (IED) defines an integrated approach for the prevention and reduction of pollution emitted by industrial facilities. It provides for the use of Best Available Practices (BAT) to prevent all types of pollution.

These BAT are listed in the "BREF" (Best available techniques REFerence documents).

For thermal plants, Veolia implements BREF (BAT Reference Document) best available techniques. They mainly focus on optimizing combustion while minimizing nitrogen oxide (NOx) and carbon monoxide (CO) emissions and flue treatment systems (denitrification, desulphurization and dust removal from combustion gases).The Group is also continuing efforts to reduce fuel consumption and encourage the use of cleaner fuels, specifically biomass and natural gas. The coal phase-out plan in Europe takes this approach, promoting the recovery of unavoidable or lost energies and the use of biomass or recovered fuels (see Section 4.2.3 above).

Waste incinerator emissions

As part of its 2020-2023 Environmental Plan, Veolia defined more demanding objectives for SOx and NOx emissions than the strictest regulatory standard – the European Union standard – to assess its overall performance worldwide. These objectives were strengthened under the new 2024-2027 Environmental Plan (see Section 4.2.1.5 above).

Emissions from hazardous and non-hazardous waste incineration plants in 2023

	NOx mg/Nm³	SOx mg/Nm³	Dust mg/Nm³
Average concentration of emissions from hazardous and non-hazardous waste incineration plants	128.6	13.2	2.0
2023 objective	< 115	< 40	< 10
European Directive limit values(1)	< 200 (2)	< 50	< 10

(1) European Directive 2000/76/EC of December 4, 2000, repealed by the Industrial Emissions Directive (IED) of November 24, 2010 and enacted into French law by two amended decrees of September 20, 2002 (daily averages).
(2) For NOx, the standard depends on the output rate: 200 mg/Nm3 for plants > 6 metric ton/hour and 400 mg/Nm3 for plants < 6 metric ton/hour.

Veolia contributed actively to the review of the Waste Incineration BREF (Best available techniques REFerence document), published in December 2019. These technical documents are prepared by the European Commission and the incineration industry and are a reference for best available techniques, specifically for improving the environmental impact of installations, by including air emissions with high threshold specifications for NOx, CO, TOC, HCl, HF, SO2, PCDD, metals, dust, etc.

From the date of publication of the 2019 BREF, existing hazardous and non-hazardous waste incineration units have a period of four years to carry out work to improve flue gas treatment and install new continuous analyzers, such as for mercury, necessary to comply with the BREF emission thresholds, which were therefore applied from December 3, 2023.

In 2023, as in previous years, average concentrations at incineration plants around the world for NOx, SOx and dust were well below European regulatory limits and the high thresholds set by the BREF. For example, the threshold set by the European regulations for average NOx emissions is 200 mg/Nm_3 and will be 180 mg/Nm3 when the BREF comes into force.

With regard to the objectives set by the Group's 2019-2023 Environmental Plan, while the average SOx and dust emission values are, as in previous years, well below the objectives set by the Plan for 2023, the average NOx emission values remain slightly above the target.

Thus,fourmajor non-hazardous waste treatment plants were included in the Group's scope of activity in 2023, which increased incinerated tonnage by 15.6%. Three of them are not yet equipped with a NOx catalytic treatment system, which explains a 7% increase in the average NOx concentration emitted between 2022 and 2023.

For SOx, the ratio is stable, while the dust ratio has declined (-13%).

4.2.4.3.4 Optimize land use

Challenges

The landfill sites and drinking water production sites operated by the Group cover the largest areas. At these sites, soil contamination can lead to groundwater or surface water pollution.

Veolia is also committed to restoring and maintaining soil quality through the remediation of contaminated soil and organic recovery of waste and wastewater sludge (see Section 4.2.2.3.2.2 above, Recover residual waste and limit the production of final waste).

Commitment and approach

Site land areas are not fully sealed. Veolia designs and operates its sites to minimize the footprint of its activities by maximizing the percentage of soil favorable to the maintenance and development of biodiversity.

As part of its biodiversity strategy, the Group drafted an ecological design and management guide for its sites with the support of IUCN France. Site operating rules include conditions governing the use of land that are consistent with the Group's commitment to ecosystem management.

Furthermore, Veolia is careful not to cause any chronic or accidental soil pollution at all the sites it operates by:

- storing and using materials under good conditions;
- properly managing storm water and effluents;
- ensuring that resources for preventing accidental spillages remain operational.

Redevelopment of landfilling cells

The operation of a landfill site requires landfilling cells to be dug and prepared. When responsible for this task, the Group complies with all obligations regarding surface sealing and the recovery of excavated materials.

Veolia has minimum standards which govern the design and operation of landfill sites. These include hydrogeological and geological soil studies, a watertight system made up of a double barrier (passive, with a low permeability soil or equivalent and active, with the application of a geomembrane tested and certified by an external service provider), systems for collecting and treating leachates and surface water; and monitoring groundwater.

Over the duration of operations and post-operations (at least 20 years), the monitoring system is based, inter alia, on the analysis of surface water, groundwater and discharges. All Veolia sites self-assess their compliance with these standards. Should they fall short, the sites must either propose an action plan showing how they intend to achieve compliance, demonstrate that equivalent measures are in place, or obtain special dispensation on the basis of additional monitoring measures.

Areas to be re-vegetated after the closure of storage landfills or when reshaping land in connection with levelling work (redevelopment of spaces, construction, etc.) are taken into account to identify sensitive sites and sites with more than 1 hectare of green spaces. These sites are covered by specific biodiversity conservation measures (see Section 4.2.4 below).

Once used, the cells are covered as quickly as possible, encouraging the development of local ecosystems. The cells are monitored for environmental impacts before being returned to general use. When the entire site is redeveloped, monitoring continues to ensure that the species planted repopulate the area (post-operation phase).

Ecological restoration and renovation

When specific issues arise when protecting resources, adapting to climate change or preserving biodiversity in a region, Veolia may offer its customers ecological restoration or renovation projects. These projects are designed to satisfy particular objectives such as protecting or improving water quality, reinstating the landscape, safeguarding against risks of flooding, etc. For example, Veolia is required to draft or contribute to programs designed to re-naturalize rivers, set up green discharge areas outside wastewater plants (before discharge into the environment), reforest, or reintroduce endemic species in connection with the regreening of storage landfills. These solutions are proposed on a case-by-case basis as they must satisfy very specific criteria (project objectives, feasibility, performance, costs, financing, etc.).

Implementation of protective perimeters around water catchment areas

Catchment areas for water intended for consumption are surrounded by protective perimeters. Human activities that could directly or indirectly damage water quality are prohibited or regulated. In its wellfield operations, the Group conducts voluntary biodiversity-friendly actions: management of green areas, inventory of animal and plant life, etc.

4.2.4.3.5 Reduce local pollution

The Group seeks to minimize any local pollution in all its activities.

Limit, capture and treat odors

Challenges

The natural process of organic matter decomposition can generate odorous molecules. This process concerns several Group activities: biological water treatment, composting, collecting household waste, waste storage facilities.

Commitment and approach

Tackling odor emissions is an ongoing concern for Veolia. The Group strives to limit, capture and treat them.

It implements solutions directly and works with its customers where they are responsible for the necessary capital expenditure. To this end, Veolia has developed technology and works with partners to treat and control odor (e.g. biofiltration treatment, scrubbing and electronic measurement systems). It also implements physical-chemical and biological techniques that limit odor problems. In the event of perceived pollution, the Group consults with the local population. For example, the creation of a "nose jury" made up of local residents who have been trained to identify odor and the introduction of a special telephone line both help to assess the odor problem more effectively and enable Veolia to take appropriate steps.

Limit waste collection noise

Challenges

Noise issue has become a key concern for local elected representatives. The main noise problems primarily concern waste collection.

Approach

Veolia is carrying out research and has developed some particularly innovative solutions, such as a pneumatic waste collection system that significantly reduces the volume of trucks in towns and cities.

4.2.5 SUSTAINABLY MANAGE WATER RESOURCES

4.2.5.1 Risks and opportunities

All Veolia's businesses contribute to preserving, protecting and managing water resources in the long term in a context where human activities interfere with the natural cycle of water and reduce the ability of aquatic environments to ensure the ecological functions needed to sustain life. Water abstraction and consumption tend to reduce the availability of local water resources while discharges tend to damage their quality. Land take tends to increase water-related risks, such as drought or flooding. Driven by demographic growth, economic development and increasing industrialization and urbanization, water resource management issues have multiplied and become more and more significant:

- access to drinking water and sanitation services for communities;
- overexploitation of water resources;
- soil, groundwater and river and stream pollution;
- destruction of wetlands and damage to aquatic environments;
- or the resilience of territories to the impacts of climate change on the water cycle.

Note that these impacts are already confirmed. Certain regions such as Spain or Pyrénées Orientales (France) are in a constant state of crisis with regard to water resources. Examples of measures implemented or proposed by Veolia to its clients in regions subject to high water stress or recurrent drought include actions to boost the capacity of available resources, e.g. optimizing existing drilling, developing new underwater resources, increasing capacities to treat and build interconnection engineering works, setting up managed acquifer recharge systems, developing new storage facilities, reusing treated wastewater, desalination, and actions to reduce water demand such as improving the water efficiency of drinking water plants, reducing water loss in distribution networks and reducing drinking water consumption.

Furthermore, water is used to produce products and services. This is called "virtual water". More and more people believe that the water footprint of individuals, organizations and regions which manufacture, consume and exchange these products and services must be controlled.

As water is central to climate processes, these issues are now exacerbated by global warming, which amongst other things accelerates the water cycle and notably intensifies extreme weather events. Sustainable management of water resources is therefore a primary line of defense against the consequences of this warming and is at the core of ecological transformation.

In operating its plants and those of its customers, Veolia abstracts, consumes and discharges water. This environmental impact exposes the Group to environmental and industrial risks (see Chapter 2, Section 2.2.2.2 above) and can generate a risk, particularly for sites in areas of high water stress or close to sensitive ecosystems.

However, the very nature of Veolia's business aims to protect resources, as reflected by its motto "Resourcing the world". Veolia builds long-lasting relationships with its customers based, in particular, on its ability to manage risks delegated by them. The Group proposes specific offerings to its customers to protect natural resources: water treatment, wastewater recovery, protecting water resources, particularly in situations of water stress.

Veolia's proven expertise in sustainably managing water resources is a commercial advantage that enables it to undertake ambitious commitments vis-a-vis its customers and satisfy the expectations of citizens. More generally, it is a question of improving our water footprint and that of our customers through a range of technical, economic and behavioral solutions, including actions on our supply chain.

It is the responsibility of all Veolia businesses to sustainably preserve, protect and manage water resources. For example:

- by promoting access to the essential services of water and sanitation for communities, drinking water production and distribution and wastewater collection and treatment which contribute significantly to the protection and proper management of water resources (Water business);
- by reducing water losses in drinking water networks and raising awareness about efficient and responsible water usage to limit water resource abstraction (Water business);
- by treating industrial wastewater, leachates, hazardous liquid waste collection and treatment, sludge recovery and soil decontamination which also help to considerably reduce discharges and the transfer of pollutants into resources (Water and Waste businesses);
- by reusing treated wastewater and recycling water which can preserve valuable resources and secure access to water in areas with considerable water stress (Water business);
- by collecting, managing and recovering solid waste, which also contributes to a healthier environment, and by preventing its discharge into the environment, helps protect water (e.g. plastics) (Waste business);
- finally, by saving energy and raw materials, our heating network operation, industrial services and building energy efficiency activities also help reduce the water footprint of our customers and indirectly preserve water (Energy business).

4.2.5.2 Policy and commitments

As part of its Purpose and its Impact 2023 strategic program, Veolia is committed to combating pollution and accelerating ecological transition (see Section 4.1.1 above).

This commitment can be broken down into several objectives, including sustainably managing water resources. To illustrate this objective, the Group defined a 2023 target to improve the efficiency of the municipal drinking water distribution networks that it operates.

Commitment	Objective	SDG	Indicator – definition	2020 Results	2021 Results	2022 Results	2023 Results	2023 Target
Combat pollution and accelerate the ecological transformation	**Sustainable management of water resources**	6 CLEAN WATER AND SANITATION	• Efficiency of drinking water networks (Volume of drinking water consumed/ Volume of drinking water produced) (1)	73.4 %	75.6 %	76.3% (√)	76.4% (√)	> 75%
Sponsor	Angel Simon		Member of the Executive Committee, and Senior Executive Vice President for the Iberia and Latin America region					

(1) For networks serving over 50,000 inhabitants. At constant scope.

The efficiency of a drinking water distribution network is an indicator representing the ratio of volume of water consumed by end users to the volume of water pumped into the distribution network. The difference between these two volumes represents network water losses. These losses include leaks (physical losses) which return to the environment and commercial losses (metering errors, illegal water supply). Even if it does not cover all of the Group's impacts on water resources, this indicator was chosen as it measures the largest volumes of wasted water. It is important to reduce these volumes as any drops of water not abstracted from the environment may be used for other purposes and any drops of water not treated or transported contributes to the need to reduce energy and reagent consumption, limit greenhouse gas emissions and ultimately combat climate change. Any drops not treated or transported also help to reduce operational costs and investments, enabling the optimum use of a region's existing infrastructures before considering capacity increases.

Our main lines of action to prevent physical losses are repairing leaks, managing service pressure and renewing networks. These actions also emit greenhouse gases. A balance must be found to preserve resources through a sustainable network efficiency. A 100% performance is not technically feasible or environmentally sought as water losses are inevitable in aging water networks and cannot be totally eliminated.

The human, technical and financial resources needed to achieve a 100% performance would be so significant in the water network infrastructure and management that they could jeopardize the economic balance of the water service and even substantially increase its environmental impact. It is therefore preferable to target a realistic and sustainable drinking water network performance, by focusing on loss reduction and water preservation and responsible water use awareness. A realistic performance for a drinking water network largely depends on the level of local water stress and the network's technical features.

Veolia assumes its responsibilities as operator but cannot replace its customer, who decides on the measures to take to preserve resources, especially if these require major investments. Apart from a few exceptions, Veolia does not own its facilities.

As part of its multifaceted performance strategy, Veolia aims for 2023 to improve water output by +2.5 points compared to the 2019 base year. The attainment rate at the end of 2023 (76.4%) enables annual savings in water abstraction of around 320 million m^3.

GreenUp

As part of its GreenUp 2024-2027 strategic program, Veolia renewed its environmental commitment and adopted the following objective and target:

Commitment	Objective	SDG	Indicator – definition	2023 baseline	2027 target
Combat pollution and accelerate the ecological transformation	**Freshwater savings and resource regeneration**	6 CLEAN WATER AND SANITATION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	• Saved freshwater (reuse, desalination, leakage reduction)	1.4 billion m^3	≥ 1.5 billion m^3
Sponsor	Gustavo Migues		Member of the Executive Committee, and Senior Executive Vice President, for the Iberia and Latin America region		

Challenges

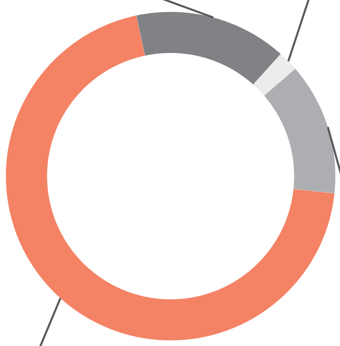
In 2023, Veolia abstracted 11.039 billion m^3 of water, primarily for its drinking water production and distribution activity (87% of the total volume abstracted). Through its contracts with public authorities, Veolia produced 8.137 billion m^3 of drinking water in 3,809 production plants. It operated 386,218 km of pipelines, supplying 9.409 billion m^3 of water into supply networks. In 2021, the decrease in the volume of water abstracted and the volumes of drinking water produced and pumped into municipal distribution networks was primarily due to the Group's sale of its investment in the Shenzhen water concession in China. In 2022, the increase in abstraction volumes is due to the integration of Suez's drinking water production and distribution activities, with very large contracts such as the sites and networks operated by the Group in Santiago de Chile (13,490 km of networks) and Barcelona (4,705 km of networks)). In addition, in 2022, Veolia also abstracted 96 million m^3 of water for its energy production and distribution activities: the increase in volume compared to 2021 is due to the integration of the Tashkent (Uzbekistan) and Kanda (Japan) contracts and of the IPKW industrial park in the Netherlands.

Changes in water abstraction, drinking water produced and supplied to the networks

	2019	2020	2021	2022	2023
Total volume of water abstracted *(billions of m^3)* (1)	10.096	9.337	7.627	11.014	11.039
o/w surface water *(billions of m^3)* (1)	7.317	6.619	4.915	6.880	7.239
o/w groundwater *(billions of m^3)* (1)	1.938	1.827	1.863	2.559	2.260
o/w distribution network water *(billions of m^3)* (1)	0.841	0.891	0.849	1.575	1.553
Volume of drinking water produced for public authorities *(billions of m^3)*	8.409	7.676	6.070	8.378	8.137
Volume of drinking water introduced into supply networks for public authorities *(billions of m^3)*	9.136	8.448	6.802	9.780	9.409
Volume of water produced for industrial customers *(millions of m^3)*	222	208	201	213	249
Volume of water abstracted for energy production by the Energy business *(millions of m^3)* (1)	71	69	68	96	247

(1) For the Energy business, scope limited to heat production and distribution facilities exceeding 100 GWhTh.

Breakdown of water abstraction by activity in 2023



In 2023, 70% of water abstracted by Veolia was used by end consumers connected to the municipal networks. 15% of abstracted water corresponds to water losses from municipal networks operated by Veolia serving over 50,000 inhabitants.

4.2.5.3 Actions and results

Approach and solutions

Protecting water resources is one of Veolia's areas of expertise. Committed to managing the water cycle and saving resources, Veolia has developed and offers solutions to its municipal and industrial customers to:

- diagnose and improve their water footprint;
- protect existing resources;
- optimize the long-term management of resources;
- support end users for responsible consumption;
- develop alternative resources.

Where relevant to the local context, these measures are offered to the Group's customers, who then decide whether to apply them on a case-by-case basis.

Contribution to international projects

At European level, Veolia actively contributes to legislative work to finalize the revision of the Urban Waste Water Directive. Following the proposal of the European Union of October 26, 2022, the parliament and council approved their amendments, to confirm the improvement in the treatment of pollutants (nutrients but now also micropollutants and rainwater). The file also concerns the energy neutrality of the "wastewater" sector, the reuse of treated wastewater for irrigation and other usages, access to sanitation and the transparency of wastewater treatment services. Veolia commented on the timetable for the implementation of the directive that was significantly extended by joint legislators. This file should be concluded before the 2024 European elections. Veolia also contributes to regulatory changes in the industrial emissions sector, in the air, water and soil: the new "Industrial Emissions" directive is on the same timetable as the urban wastewater treatment directive, and also reduces the leeway for standardizing practices between Member States: e.g. new environmental quality standards should be, where necessary, incorporated into existing permits. The Group is also a member of the OECD initiative on water governance and takes part in major international events on the theme of water (World Water Council and World Water Forum which will be held in Indonesia in May 2024, World Water Week in August 2024, and COP28 recently held in Dubai); Veolia is also member of the CEO Water Mandate and the Water Resilience Coalition.

4.2.5.3.1 Diagnose and improve water footprints

The Group has developed a Water impact index (WIIX) tool, which is included in its GreenPath environmental footprint overall assessment tool (see Section 4.2.1.6 above). This enables businesses and public authorities to determine measures for managing and using water. It can be used with the carbon footprint.

Since 2016, Veolia has also used this tool to conduct diagnoses on its sites, specifically those with significant water stress issues. These sites were identified based on their water requirements and local water stress using the WRI Aqueduct tool. The WIIX tool connected to a risk assessment tool, the GEMI® Local Water Tool™ (LWT) was used to conduct the assessment.

At the end of 2019, Veolia performed a water diagnosis at 96% of its sites identified in 2016 with significant water stress issues, exceeding the Group objective of 95%. Totaling 25 across all Veolia's businesses (Water, Waste and Energy), these sites represented nearly 10% of water abstraction by the Group in 2016.

In its 2020-2023 Environmental Plan, Veolia renewed its objective of performing a diagnosis at 95% for its sites with significant water stress within a new scope. These sites with significant water stress issues were identified for the scope of sites operated in 2019 and represented 19.7% of Veolia's abstracted water.

In 2023, 67% of sites with high water stress issues had completed a diagnosis; the change compared to 2022 was due to the inclusion of sites that have left Veolia's scope since 2019. It does not include the incoming sites resulting from the Suez merger.

In 2023, the Group decided to adopt a new approach taking into account future climate changes and/or water requirements, in line with emerging good practices that require a prospective analysis (CSRD and European Taxonomy). This approach stems from the climate change impact analyses developed in Section 4.2.3.

Deployment of water diagnoses at sites with significant water stress issues

	2019	2020	2021	2022	2023 *	2023 Target
Share of sites diagnosed with significant water stress issues (2016 scope)	96 %	2016-2019 plan finalized	2016-2019 plan finalized	2016-2019 plan finalized	2016-2019 plan finalized	/
Share of sites diagnosed with significant water stress issues (2019 scope)	/	36 %	57 %	63 %	67 %	95%

** the change in methodology is detailed below.*

In 2023, the climate exposure analysis of around 2,000 sites operated by Veolia replaced the water stress analyses.

The main methodological changes are as follows:

- The initial approach resulted in a specific focus on the water business while the exposure analysis covers all Group businesses;
- The analysis of exposure to water stress performed using the Aqueduct tool and the "Baseline water stress" indicator was based on historical data while the drought risk analysis is now assessed using projections extracted from regional climate models (Cordex) using the SPI6[1] indicator.

The conclusions of the diagnoses show that water stress issues are identified by the sites. In addition to adopting measures to control water consumption, certain sites have already proposed or set up for their customers solutions to mitigate water shortages e.g. interconnections or alternative resources.

The drinking water production system audited in France has, for example, set up water transfers between drinking water production plants which each draw water from a different sub-basin to remediate a potential water shortage. In the USA, the audited energy production unit chose to replace municipal water with untreated river water and pre-treat it with a water softener. Certain sites, located in basins with considerable water stress, also benefit from structural work conducted by governments to transfer water from excess catchment areas. Certain sites audited in Asia benefited from the deviation of major rivers (Yangzi Jiang, Xi Jiang) to remediate water shortages or the poor water quality that was used up until recently. The water risk and impact study for each site provides valuable information on water resource issues which can help foster dialog with customers and other stakeholders.

Veolia Eau France has partnered with Cerema to create a tool for local communities called Score Card Résilience Eau. This tool is designed to assess the resilience of their water management (wastewater and drinking water) and devise a strategy to improve it in the short and long term with concrete measures. The Communauté urbaine Creusot Montceau (Saône et Loire) and the Communauté de communes Sud Roussillon (Pyrénées Orientales) are undergoing a test phase.

4.2.5.3.2 Protect existing resources

Protecting existing water resources to prevent them from deteriorating and becoming unusable consists in:

- establishing protection zones around catchment areas and implementing actions to prevent accidental pollution;
- working with regional participants to identify chronic sources of damage to resources and set up actions plans to restore water quality;
- treating as efficiently as possible all discharges into the environment and limiting as much as possible sanitation network overflows;
- implementing resource monitoring and surveillance and protection measures;
- managing abstraction with a long-term perspective.

[1] *Standard precipitation Index) Drought indicator calculated using average monthly rainfall (in mm.day) over a given period, in this case 6 months.*

Under its drinking or industrial water contracts, Veolia strictly complies with the abstraction permits delivered by the relevant authorities to its customers (delegating municipal or industrial authorities). These permits, which are generally granted based on prior environmental impact studies, define the conditions for sustainable abstraction and allocate abstraction between the various consumption methods.

The Group is also involved in partnerships involving local authorities, industry and farmers for the qualitative protection of water resources in watersheds. Thus, Aguas Andinas is a founding member of the Santiago-Maipo Water Fund, a collaborative public-private initiative that aims to ensure the protection and sustainable use of local water resources.

An innovative solution for monitoring the quality of surface water

Veolia's SWARM service offering, designed around connected multi-parameter sensors, enables unusual changes in the quality of surface water to be rapidly detected. The buoy measures the main water quality parameters and communicates the data in real time for analysis. In addition to the measurement system, the buoy comprises an anchor, a float and an energy recovery module enabling it to be self-sufficient. The buoy can be installed directly and easily in any water body or course. With the SWARM system, the water operator can constantly monitor changes in key water quality parameters and the state of surface water: conductivity, temperature, speed, depth, dissolved oxygen, pH, turbidity, organic materials, chlorophyll A, phycocyanin and phycoerythrin. In addition to directly measuring micro-algae photosynthetic pigments, a mathematical model based on the analysis of oxygen concentration was developed in 2021 to warn the operator of the growth of micro-algae.

4.2.5.3.3 Optimize the management of resources

Optimizing the management of resources to preserve them, mainly in regions where they are scarce, consists in: :

- optimizing water treatment processes and promoting process water recycling;
- reducing water loss through improvements to distribution network efficiency.

In many cities, 20% to 50% of the water produced is lost mainly through leaks in distribution networks. Veolia has made reducing losses from networks one of its priorities.

Certain municipal contracts set a leak reduction objective, particularly targeting network leaks: for example, drinking water network performance improvement objective of 79% to 85% by 2023 for the city of Lille.

Water consumption and efficiency rate of networks serving over 50,000 inhabitants

	2018	2019	2020	2021	2022	2023	2023 Target
Efficiency rate of drinking water networks *(as a%)* – current scope	71.4 %	72.5 %	73.4 %	73.1 %	74.6 %	74.8 %	/
Efficiency rate of drinking water networks *(as a%)* – *pro forma* 2019-2023	-	72.5 %	73.4 %	75.6 %	76.3 %	76.4 %	≥ 75 % (1)

(1) The 2023 objective is included in the 2019-2023 pro forma scope.

The increase in the drinking water network efficiency rate, for a pro forma scope, was due to the implementation of leak reduction programs (leak detection, break-up of networks into sectors, improved metering control, etc.). This demonstrates the Group's ability to improve the efficiency of complex systems.

The 2027 new objectives are described in Section 4.2.1.5. 2024-2027 Environmental Plan above.

Optimization of water abstraction in the Waste business

The Veolia Waste business accounted for 0.2% of its water abstraction. For optimization purposes, Veolia created a "Water Efficiency" guide which identifies three types of measure: limitation of losses, optimization of consumption and alternative water resource solutions. For each Waste activity, this guide lists the possible actions, technical details, cost components, implementation difficulties, recommendations, water-saving benefits and examples of on-site application. In the Waste business, 3/4 of the water is consumed by the incineration activity, particularly certain incinerators which use a wet flue treatment process; water reuse is the solution primarily adopted for this activity.

4.2.5.3.4 Encourage responsible consumption by users and digitalization

Preserving water resources also consists in promoting limited uses through awareness-raising, price incentive policies or individual water meters or remote metering.

Veolia has developed and now offers its local authority customers tools to raise awareness and empower end-users to manage their consumption.

Performance contracts

Veolia develops new types of contract aimed to enhancing the measures implemented to reduce water consumption. The historical compensation model based on cubic meters distributed does not encourage energy-saving measures as they could threaten the economic balance of services. These performance contracts are a way to reduce the water consumption of users and public clients in a context where water resources are scarce.

MEL water distribution contract
Veolia Eau Hauts de France pledged in its water distribution contract for the MEL (Métropole Européenne Lilloise) to save 65 million m3 of abstracted water over 10 years, i.e. the equivalent of one year's consumption. This contract, which began on January 1, 2024, also includes support for 1,200 "major consumers" to save 15% of water consumption. A substantial financial penalty is imposed should these commitments not be achieved. Veolia Eau Hauts de France is compensated using social tariffs which, in contrast to progressive tariffs, take into account the number of persons per household and their means. A €1.1 million annual price cap was planned to limit household water bills to 3% of their income in accordance with OECD recommendations.

Perpignan water and sanitation contract
In 2023, Veolia Eau Pyrénées-Orientales won a 12-year water production and sanitation contract with Perpignan Méditerranée Métropole. In this area already affected by climate change and drought, Veolia has pledged under the 12-year contract to reduce drinking water abstraction by 36 million m3 (i.e. saving of 13.4%) by improving network performance and reusing wastewater.

Consumption and sobriety
In 2023, Veolia rolled out the Eco Eau initiative to support regions and industries in dealing with water resource scarcity using educational tools, a voluntary commitment charter and advice. A wide range of stakeholders have already adopted the approach: municipalities (i.e. around 3 three million individuals), businesses, NGOs, schools and even media.

Digital tools

	2019	2020	2021	2022	2023	2023 Target
Smart meter solutions *(in millions)*	5.8	6.3	6.3	9.5	10.1	6.0
Percentage of customers with progressive rates *(as a %)*	72 %	72 %	75 %	73 %	77 %	80%

The Group is going digital. Platforms and applications for public authorities and users provide an overview of water services and a direct and real-time access to data. These "smart" solutions strengthen responsiveness and operating efficiency.

The 2027 new objectives are described in Section 4.2.1.5. 2024-2027 Environmental Plan above.

ServO, management center of the largest water department in France

Veolia Eau Ile de France designed ServO, an integrated management center equipped with the latest technologies, for SEDIF (the Greater Paris Water Authority). With 1.3 billion items of data processed, it is used to manage and monitor the largest water department in France: 4.5 million inhabitants, in 150 municipalities in Greater Paris. ServO incorporates all service components: distributing quality water in sufficient quantity, responding to all events affecting production or distribution, providing water consumers with precise information in real time and guaranteeing the network's technical performance. It is crucial to ensure continuous water supply, safety of consumer health, and crisis prevention and management.

The "Hubgrade" digital suite
In 2023, at the Smart City Expo in Barcelona, Veolia announced the worldwide roll-out of its digital solution suite Hubgrade that is designed to coordinate water, energy and waste production and consumption to help cities and industries optimize the management of their resources and safeguard them. With over 10,000 sites already connected across the world, Veolia draws on its vast network of 60 monitoring centers managed by 500 experts and data scientists.

4.2.5.3.5 Develop alternative resources

The development of alternative resources also helps save resources, such as the reuse of purified water, the retrieval of rainwater, groundwater recharge and sea water desalination.

Volume of water reused from collected and treated wastewater

	2019	2020	2021	2022	2023	2023 Target
Volume of water reused from collected and treated wastewater[1] (in millions of m³)	401	350	299	989	1,144	↑

(1) The indicator includes the Water and Waste businesses.

4

In 2021, the decrease in water volumes reused from collected and treated wastewater was mainly due to the sale by the Group of its investment in the Shenzhen water concession in China. In 2022, the increase in volume was linked to the integration of Suez activities, including several sanitation contracts with water reuse, such as in Spain, Chile, Jordan and the United States.

The 2027 new objectives are described in Section 4.2.1.5. 2024-2027 Environmental Plan above.

Durban and West Basin, reducing water stress by reusing wastewater

South of Durban Veolia recycles 98% of the water produced by the eThekwini wastewater treatment plant. The 47,500 m3 of wastewater treated daily (equivalent to 15 Olympic swimming pools) is used by local industries in their production processes. Recycling water for industrial use helps to reduce water abstraction in the environment and to concentrate freshwater resources on the production of drinking water for 220,000 inhabitants of the Durban agglomeration.

In West Basin, California, the Edward C. plant Little produces around 150,000 m^3 of water every day, making it one of the largest water recycling facilities in the United States. It produces five distinct water qualities, meeting different criteria for various uses (industrial water, municipal irrigation, groundwater recharge, etc.), reducing the pressure on water resources in a region highly exposed to drought.

As Samra, supplying water for agricultural irrigation

The As Samra plant in Jordan was designed to treat 100 million m3 of wastewater each year and produces high-quality recycled water that can be used for irrigation, covering nearly 10% of the country's water consumption (corresponding to around 4,000 farms or 10,000 hectares irrigated).

The Jourdain Project, reusing freshwater from wastewater treatment, a circular economy model

In the Vendée region in France, 9 out of 10 liters of drinking water are produced from surface water. For the last twenty years, the Vendée has suffered long periods of water shortages, particularly in the summer, due to the lack of rain and a booming tourist business. Our customer, Vendée Eau, focused on finding alternative resources to supply the region with water.

In early 2021, Veolia was selected to build and operate a refining plant for treating wastewater before its release into a reservoir for consumption. Veolia has undertaken to support Vendée Eau in a 4-year R&D partnership on the fringe of the wastewater reclaim unit's operations. Using this facility, inaugurated in November 2023, a total of 1.5 million m3 out of the 4.5 million m3 of wastewater treated by the city will initially be reused. This capacity will gradually increase to between 2 two and 3 three million m3 of treated wastewater reused by 2027, i.e. The equivalent consumption of 60,000 inhabitants. This experiment, a first in Europe, complies with the directives established by the General Department of Health (DGS) on the recommendations of the French Agency for Food, Environmental and Occupational Health & Safety (ANSES) to demonstrate the satisfactory levels of health and environmental safety and the relevance of this water reuse model.

Provide water to the United Arab Emirates by desalinating seawater

In 2023, Veolia was chosen to lead a consortium through its subsidiary SIDEM responsible for the engineering, supply and construction of the Mirfa 2 desalination project entrusted to it by Abu Dhabi National Energy Company PJSC (TAQA) and Engie. Located in Abu Dhabi, this reverse osmosis seawater desalination plant will be the third largest in the United Arab Emirates (UAE). With a daily capacity of around 550,000 cubic meters of drinking water, it will provide around 210,000 households with drinking water while improving efficiency and reducing the environmental footprint thanks to state-of-the-art technologies. The project's construction will begin in the second quarter of 2023 with commissioning scheduled for 2025.

4.3 Social performance

4.3.1 COMMITMENTS AND ORGANIZATION

Veolia's social responsibility is an integral part of its Purpose, defined in 2019, and its Impact 2023 strategic program. The associated multifaceted performance approach (see the Profile, pages 8-11 above) expresses a commitment to support the development of the regions in a responsible manner, which is reflected in three societal objectives:

- job and wealth creation in the territories (see Section 4.3.2 below);
- access to essential services (water and sanitation) (see Section 4.3.3 below)
- ethics and compliance (see Section 4.6 below).

The Business Units worldwide are the main players in implementing the Group's commitments, in cooperation with the functional departments and through the Executive Committee and zone managers.

Firmly anchored in local regions, Veolia works with all local stakeholders to strengthen access for all to essential services, improve living and health conditions and promote jobs and training, integration, economic development, and relations between industry players and public authorities.

As part of its GreenUp 2024-2027 strategic program, this commitment was renewed and implemented according to the following objectives:

- support for local communities (Sections 4.3.2 and 4.3.3 below);
- ethics and compliance (see Section 4.6 below).

4.3.2 JOB AND WEALTH CREATION IN THE TERRITORIES

4.3.2.1 Risks and opportunities

Due to the significant geographic diversity of its operating locations and the very nature of its local activities, the Group faces many challenges. Whether environmental, economic or social, the development of Group activities creates impacts on the environment where it operates, society and all its stakeholders, including its supply chain (see Section 2.2.2.4 above).

These diverse challenges and the need to take local requirements and expectations into consideration are included in the Group's multifaceted performance strategy in respect of its objective to create jobs and wealth in the territories. There are many opportunities for Veolia to implement local, innovative solutions which are beneficial both socially and economically, supporting local development and momentum.

4.3.2.2 Policy and commitments

The Group plays a leading role in local employment and development, through its management, its local sites, its human resources policies (see Section 4.4 below), its sustainable purchasing policies (see Section 4.3.2.3.4 below), initiatives by the Veolia Foundation, its constant dialogue with local stakeholders and institutions (see Section 4.1 above), its economic partnerships, innovation and entrepreneurship support systems, access and service development.

As part of its Purpose and its Impact 2023 strategic program, Veolia is committed to supporting the development of the regions in a responsible manner. This commitment can be broken down into several objectives, including job and wealth creation in the territories. To illustrate its commitment, the Group defined a 2023 target which is to assess each year its socioeconomic impact in terms of employment and wealth in the countries where the Group operates.

In pursuing this responsible development commitment in the region and the job and wealth creation objective in the widest sense, Veolia seeks, through its activities, to:

- contribute to the economic and social vitality of the regions where the Group operates;
- dialogue constantly with local communities and co-build innovative services tailored to local contexts;
- contribute to social solidarity and the fight against exclusion, notably through the Veolia Foundation;
- establish responsible relationships with our suppliers.

The dialogue and links which Veolia creates with all stakeholders (see Section 4.1.3 above) are the tools needed to implement the initiatives and achievements presented in this section.

To understand and explain its impact, Veolia has measured its socioeconomic footprint worldwide in collaboration with the consultancy firm Utopies. The model, which includes databases from tens of national and international statistical sources, helps reproduce the actual economy in the most realistic manner possible.

The study conducted in 2023 on fiscal year 2022 helped quantify the impacts of Veolia activities beyond their direct impacts (employment and added value of the Group). The indirect impacts linked to the supply chain, and impacts caused by household consumption (Veolia's employees and suppliers) and public spending are also measured. The financial flows of 58 countries where Veolia operates, representing over 98% of the Group revenue, were analyzed.

Commitment	Objective	SDG	Indicator – definition	2020 Results	2021 Results	2022 Results	2023 Results	2023 Target
Support regional development through responsible means	**Job and wealth creation in the territories**	10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES	• Socio-economic footprint of Veolia's activities in the countries where the Group operates, with regard to jobs supported and wealth created	• 1,105,388 jobs supported • € 51 billion of added value created in 51 countries	• 1,033,623 jobs supported • €49 billion of added value created in 52 countries	• 1 ,147,238 jobs supported • € 53 billion of added value created in 50 countries	• 1 ,561,629 jobs supported • € 77.5 billion of added value created in 58 countries	Annual assessment of impacts, overall and by geography in at least 45 countries
Sponsor	Gavin Graveson		Member of the Executive Committee, Senior Executive Vice President, Northen Europe region					

The results of the worldwide study demonstrated that Veolia activities:

- supported over **1,561,629 full-time equivalent (FTE) jobs**;
- generated **around €77.5 billion in added value**;
- have a **job multiplier coefficient of 8**: for every one direct Veolia job, 7 additional jobs are supported in the economy;
- have an **added value multiplier coefficient of 3.4**: for each euro of added value created by Veolia, an additional €2.4 of added value is generated in the economy.

The sharp increase in 2023 results was primarily due to specific macro-economic context. The impact of the integration of Suez activities in 2022 in numerous countries and entities mostly contributed to the 40% rise in mass payroll between 2021 and 2022. A geopolitical and economic context established long-term global inflation (around 9% in 2022 and 7% in 2023, according to the International Monetary Fund).

Veolia's annual socio-economic footprint studies completed since 2020 are available on a dedicated platform, accessible from the Group's website[1].

4.3.2.3 Actions and results

4.3.2.3.1 Contribute to local development

The Group contributes to local development through the performance of delegated public services and the significant local investments that it makes for the repair, maintenance and development of infrastructures and sustainable access to services. As close as possible to local social issues, Veolia accompanies regions in their transition to tackle challenges which they face, and supports their development, innovation and entrepreneurship.

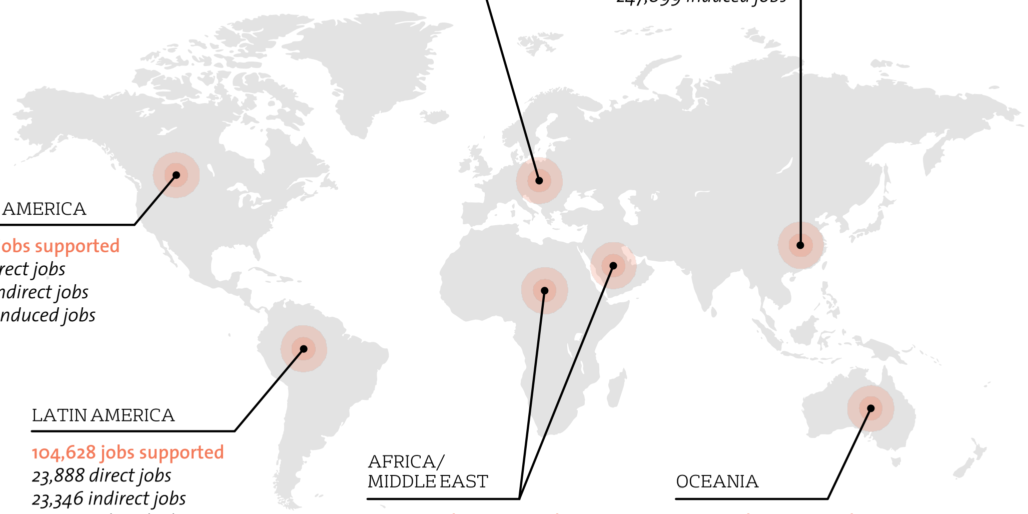
Reinvesting locally and measuring its regional socioeconomic footprint

The majority of the Group's spending is carried out in the regions where Veolia operates. This creation of wealth, including direct or indirect jobs linked to its activities, cannot be offshored and therefore contributes to local development and economies and enhancing the value of their human potential.

In 2023, as part of its commitment to support regional development through responsible means, Veolia locally reinvested more than 90% of its spending, in line with its objective to keep it above 80%.

	2019	2020	2021	2022	2023	2023 Target
Percentage of spending reinvested locally	86.3 %	87.3 %	90.5 %	90.9 %	90.2 %	Maintain the percentage of spending reinvested locally above 80%
Scope (as a% of Group revenue)	74.3 %	74.4 %	98.9 %	98.2 %	98.4 %	-

(1) *www.veolia.com/en/purpose/our-multifaceted-performance*



CENTRAL AND EASTERN EUROPE
320,108 jobs supported
22,222 direct jobs
110,113 indirect jobs
187,773 induced jobs

ASIA
371,770 jobs supported
20,561 direct jobs
104,110 indirect jobs
247,099 induced jobs

NORTH AMERICA
74,688 jobs supported
13,721 direct jobs
21,607 indirect jobs
39,360 induced jobs

LATIN AMERICA
104,628 jobs supported
23,888 direct jobs
23,346 indirect jobs
57,395 induced jobs

AFRICA/ MIDDLE EAST
164,298 jobs supported
13,564 direct jobs
55,012 indirect jobs
95,723 induced jobs

OCEANIA
20,551 jobs supported
5,250 direct jobs
6,518 indirect jobs
8,753 induced jobs

WORLD
1,561,629 jobs supported
196,326 direct jobs
460,217 indirect jobs
905,087 induced jobs

Northern Europe
124,796 jobs supported
15,803 direct jobs
31,102 indirect jobs
77,891 induced jobs

United Kingdom/ Ireland
61,142 jobs supported
13,492 direct jobs
15,262 indirect jobs
32,386 induced jobs

France
225,098 jobs supported
50,383 direct jobs
65,887 indirect jobs
108,828 induced jobs

Southern Europe
94,578 jobs supported
17,443 direct jobs
27,259 indirect jobs
49,877 induced jobs

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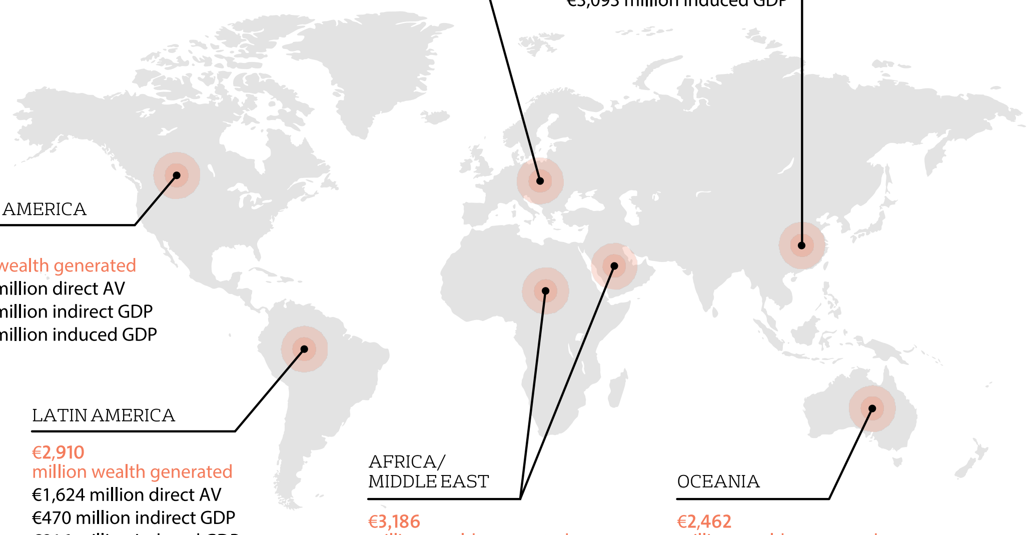


CENTRAL AND EASTERN EUROPE
€11,128
million wealth generated
€2,565 M direct AV
€4,210 million indirect GDP
€4,352 million induced GDP

ASIA
€7,236
million wealth generated
€1,937 million direct AV
€2,206 million indirect GDP
€3,093 million induced GDP

NORTH AMERICA
€9,702
million wealth generated
€3,219 million direct AV
€2,408 million indirect GDP
€4,075 million induced GDP

LATIN AMERICA
€2,910
million wealth generated
€1,624 million direct AV
€470 million indirect GDP
€816 million induced GDP

AFRICA/ MIDDLE EAST
€3,186
million wealth generated
€893 million direct AV
€1,040 million indirect GDP
€1,253 million induced GDP

OCEANIA
€2,462
million wealth generated
€1,226 million direct AV
€486 million indirect GDP
€750 million induced GDP

WORLD
€77,455
MILLION WEALTH GENERATED
22,709 million direct AV
21,402 million indirect GDP
33,344 million induced GDP

Northern Europe
€13,064
MILLION WEALTH GENERATED
2,740 million direct AV
3,432 million indirect GDP
6,892 million induced GDP

United Kingdom/ Ireland
€6,346
MILLION WEALTH GENERATED
2,343 million direct AV
1,358million indirect GDP
2,645 million induced GDP

France
€14,085
MILLION WEALTH GENERATED
4,813 million direct AV
3,732 million indirect GDP
6,491 million induced GDP

Southern Europe
€3,178
MILLION WEALTH GENERATED
1 349 million direct AV
2 061 million indirect GDP
2,76 million induced GDP

Supporting innovation and entrepreneurship

Veolia's involvement in regional economic development is reflected in different open innovation systems. They encourage the emergence of technical, social and environmental solutions with local entrepreneurs and constitute opportunities for joint development.

Technological Open Innovation

Veolia relies on its in-house expertise and an ecosystem comprising a set of players which interact to promote innovation (see Section 1.4.5 above).

Social Open Innovation

The social Open Innovation program (**Pop Up**) was created in 2014 with two strategic objectives: strengthen the Group's local roots by supporting the emergence and growth of social entrepreneurs and develop with these entrepreneurs innovative solutions with a high social impact. Locally, Veolia works with social entrepreneurship incubators (MakeSense, Antropia, Ronalpia, Ennovent, etc.), but also alongside other partners – public authorities, companies and other regional social players – to detect, select and support entrepreneurs responding to regional challenges. The incubators also facilitate experimental collaboration between these entrepreneurs and local Veolia entities, to develop new solutions linked to the Group's activities (improved access to services for users living in poverty or informal settlements, creation of new local outlets for product recovery, etc.).

Pop Up is fully in line with Veolia's multi-faceted performance objectives and contributes in particular to the creation of jobs and wealth in the territories, the development of innovative solutions and customer and consumer satisfaction.

Key figures for the Pop Up program in 2023:

- 13 partner incubators (in France, India, Japan and Mexico);
- around 200 social entrepreneurs incubated since the beginning of the program;
- over 20 collaborations between Veolia and social entrepreneurs.

Veolia India launched the Pop-Up India 2.0 project, with the support of the incubator Ennovent, to focus on waste recovery. The program successfully identified two high-potential start-ups, Agri2Power (A2P) and Krimanshi,. A2P developed a marketplace for biofuel trading, using Artificial Intelligence and satellite imaging to monitor the combustion of straw and provide social and environmental impact metrics. Krimanshi created a insect protein production facility to feed poultry and fish, promoting the set-up of a circular economy and reducing greenhouse gas emissions. The Pop-Up India 2.0 program was terminated in April 2023. Both start- ups presented their results and proposed scalable solutions with major environmental and economic benefits, thereby contributing to the positive change in the resource management sector in India. Projects are being analyzed for collaborations with Veolia.

France, Bordeaux: The maison RéVée, a zero-waste third place
Veolia worked with the Association for Territories and Social Innovation (ATIS) on the emergence of social innovations. One of their projects was the maison ReVée, a zero-waste and circular economy third place in Bègles. This combines an educational, recreational, catering and work space with a zero-waste approach. It enables the general public to access item repair workshops, a store offering items from local companies that are part of the circular economy and/or help us to reduce our daily waste and a co-working space proposing workshops and training based on a zero- waste approach.

4.3.2.3.2 A sustainable engagement with local communities

Strengthen the positive impact for affected communities

Veolia has formalized a policy acknowledging its responsibility to respect human rights and its ability to contribute to positive impacts on human rights. This human rights policy is based on the principles and guidelines defined by leading international organizations such as the United Nations, the OECD and the International Labor Organization.

It reconfirms Veolia's undertaking to respect the rights of populations affected by the company's activities, and in particular the right to a safe environment and protection of resources, the right to water and sanitation, and the rights and lifestyles of local communities (see Section 4.6.4.2 below).

This framework applies to all Group entities. Local entities are responsible for its deployment and implement initiatives to monitor the Group's commitment to respecting the rights of communities in line with the specific challenges of each entity. It is an opportunity for Veolia to implement local innovative and socially and economically effective solutions to help the growth and development of regions while respecting business ethics, Human Rights and, more generally, its duty of care vis-a-vis all the stakeholders involved in its activities.

Australia: The Reconciliation Action Plan

In 2022, Veolia reaffirmed its historic commitment to defending the rights of Aboriginal Australian and Torres Strait Islander peoples by launching the fourth Reconciliation Action Plan (RAP) 2022-2025. This commitment started in 1997 with the partnership to employ Aboriginal people signed with Indigenous Business Australia. In 2013, The North West Alliance joint venture was created with the Aboriginal Australian company, Our Country. This alliance has become the biggest provider of waste management services in the Pilbara region. This was followed by the 2014-2016 and 2017-2019 RAP, strategic frameworks to combat inequality and to develop long-term ties with local communities and organizations. In the 2019-2022 plan, Veolia prioritized action in the areas of education, employment, community partnerships and collaboration with Aboriginal and Torres Strait Islander people. The 2022-2025 plan sets out Veolia's vision for a future in which all Aboriginal and Torres Strait Islander people are recognized as indispensable to contributing to a sustainable Australia.

This plan has quantified targets:

- have 4% of Veolia employees from indigenous and island populations;
- spend at least 20 million dollars with suppliers from aboriginal or island companies over the plan period;
- raise cultural awareness among all employees and teach them about the culture of aboriginals;
- partner with at least five "First Nations" community organizations each year to achieve tangible results in employment, training, education and capacity building.

An adapted governance was also set up, with an ExCom member sponsor, a dedicated project manager and a steering committee involving representatives of Veolia's various departments.

Chile: Impact on communities in the strategic plan

Aguas Andinas, a Veolia subsidiary in Chile, included in its strategic plan a social pillar, aimed at building sustainable relations with local communities. Among the commitments: strengthen the trustworthy relationship with communities and collaborate to achieve the target of universal water access, promote dialogue with communities, increase awareness-raising regarding water and climate protection and support the development of social initiatives. Targets were therefore defined for 2024 such as strengthening the trustworthy relations with the various interest groups, based on transparency and confidence. Aguas Andinas develops strategic projects put together with the communities by setting up participatory bodies that encourage discussions about community needs. Six working groups were therefore set up, with meetings every three months and combining various local players - such as municipality representatives, district associations, healthcare centers or rural drinking water services - to analyze their needs and implement tailored responses, with a positive impact on local development. One of the projects launched is the toll-free number Aló Vecino which enables inhabitants from the communities living around the Santiago wastewater treatment plant to report odor problems and Aguas Andinas to roll out adapted corrective measures.

Dialogue with local communities

Veolia implements initiatives to foster dialogue with local communities and residents, including targeted information and awareness campaigns and notably neighborhood meetings, meetings with local officials and associations, tours of facilities and open days to keep the general public informed, as well as volunteering.

Veolia is involved with these communities in a variety of ways, including through regional socioeconomic diagnoses, the implementation of community links and the provision of methodology tools to organize dialogue with stakeholders at a regional level.

In India, community outreach teams called the Social Welfare Team form a link between local people and the local technical and customer services. Their primary mission is to explain the benefits of the proposed 24/7 drinking water supply services. The teams spend a lot of time in the field to build trust with citizens, discussing the services with the local population and organizing meetings with the community, community leaders and local political representatives to raise awareness of responsible water use issues, conduct constructive feedback sessions and perform the necessary investigations and studies. The team also organizes workshops in schools and colleges on the advantages of a constant water supply.

In Australia, through the Veolia Mulwaree Trust, Veolia supports a large number of small rural and regional communities near the Woodlawn eco-neighborhood. The Trust works alongside community organizations to support improvements in infrastructure and facilities through community-led projects. The Trust also aims to support individuals from these communities in their higher education and creative artistic pursuits. Since 2005, Veolia Mulwaree Trust has distributed around $12 million across more than 1 400 community projects.

In Colombia, Veolia has deployed processes for dialogue, mediation and local information in the cities where it operates. Participation in various community meetings and working groups comprising players such as social leaders, spiritual leaders, local board presidents, elected officials and municipal councilors, to integrate health, education and the environment and improve service delivery. Education and fun events in local districts are organized to raise residents' awareness of their rights and duties in terms of public services, but also sustainable development issues.

Mobile customer service points help respond to expectations and needs as close as possible to local people, in particular isolated individuals or individuals with reduced mobility.

In total, in 2023, more than 175,000 users were supported and over 2,000 managers were assisted by these informative exchange processes.

Local community outreach initiatives

Volunteering initiatives led by Veolia employees in close conjunction with local organizations and populations, and supporting social or environmental causes, are an important means of adopting a dialogue approach tailored to specific local contexts.

Veolia in Poland launched a local project "In the shadow of the heart of Łódź" covering the revitalization of the area around the Łódź city stadium with biodiversity objectives: tree planting and installation of recreational benches. This project was selected by citizens as part of the city's participatory budget.

In Bulgaria, Veolia has partnered since 2017 with the Health & Social Development Foundation (HESED), an NGO which seeks to implement actions and activities contributing to the social, educational, domestic and cultural development of Roma communities living in the Sofia region. Through volunteer employees, Veolia has developed an educational program on the theme of water and works every year with children aged three to seven and their parents, in the HESED Foundation educational centers.

In the Sultanate of Oman, Veolia supports the Namat competition organized by the Environment Society of Oman (ESO). In 2023, 84 schools in the Sultanate took part in this competition which aims to promote environmental awareness and resource conservation. Students are supported by volunteers from the Environmental Society of Oman and Veolia Oman to be innovative and address an environmental challenge in their school and community, such as waste, water or energy management.

Through the actions of the Foundation, which are performed as close as possible to local populations and in partnership with local organizations, Veolia supports different social and professional integration initiatives (see Section 4.3.2.3.3 below) as well as development assistance projects (see Section 4.3.3.3.4 below).

Citizen mobilization program for employees

Through its local services and its offices and employees in the field, Veolia is a major contributor to regional growth and forms part of their ecosystem, in connection with the various stakeholders. The Group developed Resourcers for communities, a civic mobilization program, to facilitate the direct engagement of its employees with local associations. Tested in several pilot entities in France and Morocco, it is currently being rolled out in France, particularly at the headquarters in Aubervilliers. This program provides a framework for volunteers wishing to conduct solidarity and general interest missions focusing on the environment and inclusion, and facilitates the move towards action through a dedicated platform which relays the needs of local associations. Beyond this initiative, mobilization is now possible in all Group BUs in line with the Veolia Cares policy (see Section 4.4.4.4 below). In 2023, this represented 3,500 mobilized FTEs for 1,400 actions undertaken with more than 700 partners worldwide.

The aim is to widely deploy this program across the Group.

Educating and raising awareness of sustainable development

Each year, various sustainable development education programs and awareness campaigns are conducted in the regions where the Group operates through open days at facilities. These help explain sustainable development challenges, supporting dialogue with local communities.

In the **United Kingdom**, over 900 facility visits were proposed to the public. During the year, more than 53,000 people visited, including 36,300 students.

Each year, thousands of people are invited to visit commercial buildings, art galleries and much more across Milwaukee in the **United States**, during the city's annual Open Day. Once again this year, Veolia sponsored the event and invited local people to visit the Jones Island facility, inaugurated in 1926 and classified as a national civil engineering historical monument in 1974. This facility is reputed throughout the world as a pioneer in modern wastewater treatment technology.

In the **Czech Republic**, Veolia proposes primary school educational programs and competitions in conjunction with Recyklohraní, a recycling NGO that produces teaching materials. The objective was to draw attention to the importance of water and how households and even schools can reduce consumption. The materials are distributed free of charge to schools and are available for free online. The program includes educational workshops for teachers. 150 schools participated in the competitions and 3,800 schools, or around 95,000 pupils, used the teaching materials.

In **Hong Kong**, Veolia built and manages one of the largest and most advanced sludge treatment facilities in the world. Known as T-PARK, the installation, which is 100% water and power self-sufficient, combines cutting-edge technologies and environmental living. With a gallery for visitors, a conference room, an observation platform and large green spaces, the installation adds an awareness and public education aspect to sustainable development. In 2023, the site welcomed more than 11,500 visitors from NGOs, and local communities as well as 700 people in educational and awareness-raising workshops.

For the twelfth year running, Veolia **Latin America** and the Organization of Ibero-American States combined efforts to support the Alrededor de Iberoamérica program. As part of this program, Veolia participates in the development of teaching materials. These change every year and are distributed to participating schools in paper and digital format. Since 2012, more than 230,000 schoolchildren and students from Argentina, Brazil, Chile, Colombia, Panama, Ecuador, Mexico and Peru have participated in educational activities on topics such as protecting biodiversity, the circular economy, renewable energy, recycling and protecting marine biodiversity. In 2023, 15 companies and 2 native communities took part in the program.

In **Colombia**, Veolia conducted many environmental educational activities across the country under the "Environmental Guardians" and "Alrededor de Iberoamérica" programs. In 2023, over 39,600 children benefited from awareness-raising actions in their schools on environmental protection practices (preserving natural resources, waste management, water use). Local communities virtual educational workshops were also organized for global events such as Water Day, Environment Day and Recycling Day.

Veolia Spain develops educational programs, teaching aids and recreational activities enabling students to understand the importance of water as a vital resource and learn about its natural cycle, responsible consumption and the challenges of sustainable management. Educational programs, such as EscolAQUA and Aqualogía, go beyond the classroom, extending to the entire community. The company organizes activities involving children, young people and adults to promote water and the environment. It also works closely with local organizations to conduct awareness campaigns on the importance of preserving and protecting water resources and promoting sustainable water use practices.

These programs and visits to facilities and awareness-raising campaigns on responsible water consumption and the current drought situation have involved over 560,000 people.

4.3.2.3.3 Encourage social and professional integration

Veolia, a responsible local employer

Through its management and human resources (see Section 4.4 below) and purchasing (see Section 4.3.2.3.4 below) policies, Veolia is a major employer in the regions where it operates. It is also a provider of qualifications, equal opportunities and social protection for its employees and employees of partner companies and organizations (suppliers, associations, etc.). The Company currently has 218,288 employees and acts as a responsible employer and a creator of business growth and social solidarity (employment, training and the local economy) in the regions where it operates, through:

- making work-study contracts a priority in external recruitment.The Group is convinced that work-study schemes are an excellent way of acquiring skills, in particular under apprenticeship and professionalization contracts (3,510 trainees in 2023 - see Section 4.4.4.2.1 below);
- its insertion actions through economic activity, in coordination with the Veolia Foundation and in partnership with insertion organizations (see below);
- creating pathways between the Group and professionals and partners involved in training, orientation and employment to prepare young people and those most alienated from the workplace for the Group's businesses: "Second Chance Schools", local community support networks in France, the "Elles Bougent" and "Sport dans la ville" associations, etc.;
- a diversity policy and actions: fighting discrimination, supporting the employment of people with disabilities (see Section 4.4.5.3 below);
- a policy of openness towards training sectors (schools, universities): hiring of student interns, Trophées de la Performance (performance awards), summer schools, student forums and fairs (see Section 4.4.4 below).

Terra Academia, a coalition of committed players

Supported by Veolia and its economic, academic, public and associative partners, the School of Ecological Transformation is deployed through a regional network of campuses, the first two of which opened in early 2024 in Arras and Paris, France. Terra Academia is aimed at young people with diploma training programs in green careers, active professionals or those undergoing a career change with training in skills required for ecological transformation and certificate training programs in short-staffed professions, as well as entrepreneurs, managers and executives, elected officials and directors of community services, with short sessions and modular courses. In concrete terms, an initial course to learn about ecological transformation professions for young people has been launched since January 2024 with the Maison de l'emploi et des Métiers d'Arras and the "Terra Innov" program to help entrepreneurs incorporate ecological issues into their business model will be launched in the spring of 2024.

Community initiatives adapted to a specific local context are rolled-out in the different geographies:

- the Reconciliation Action Plan (RAP) 2022-2025 in **Australia** aimed at Aboriginal Australians;
- the collaboration of Amendis, Veolia **Morocco**, with the Enfants du Paradis association to support the socio-professional insertion of young people with mental health issues;
- in 2023, Veolia in **Spain** continued to deploy its social initiative strategy, focusing on 3 main themes: educational opportunities (such as FP DUAL or green job training), improving employability (such as OLA, a program to help people benefiting from low water tariffs find employment) and sustainable communities (through volunteering, awareness campaigns, etc.). More than 16,600 people have benefited from these measures. To develop this strategy, the company worked with various strategic and local partners;
- to support local employment, Veolia **India** partnered with a local NGO, Life Project for Youth (LP4Y), to organize training sessions for disadvantaged children. The training focuses on the development of professional skills such as the use of computer resources, CV writing, communication. A workshop was organized as well as a session with around ten Veolia employees which benefited about 50 young individuals;
- in **Colombia**, Veolia promotes overcoming vulnerable situations and the exercise of citizenship by former combatants through training and employment. Veolia has therefore partnered with ARN, the government agency for reincorporation and normalization, which supports and advises demobilized individuals transitioning to peace and legality. The Cartagena, Pasto, Manizales, Bucaramanga, Aguachica and Yopal Business Units have therefore received requests from individuals having completed their reincorporation into civilian life program;
- in the **United States**, Veolia's Regeneration and Recovery Solutions (RRS) Business Unit joined the Future of STEM Scholars Initiative (FOSSI), which offers scholarships to students at historically black colleges and universities (HBCU). This initiative seeks to help underrepresented groups access and succeed in STEM (science, technology, engineering and mathematics) careers in chemical industries. Veolia will finance two four-year scholarships and offer students internships coordinated by FOSSI;
- in the **Czech Republic**, Veolia's STARTER program supports the creation of new long-term jobs in two major regions with the highest unemployment rates. The Veolia Endowment Fund supports projects in the Moravia-Silesia and Olomouc regions and particularly craft-industry projects that bring social benefits to the population. Since 2000, over 2,500 jobs have been created, including 391 for people with disabilities.
- Veolia **United Kingdom** worked with Comensura and the Impellam Group to offer 50 internships to Ukranian refugees.

Taking account of the informal sector

The informal sector covers significant social and environmental challenges and can, in some countries, represent a crucial challenge for Veolia's activity. The Group develops programs to integrate and increase the efficiency of existing informal collection networks, notably through the use of digital technologies, and thereby offer solutions tailored to local issues.

In **India**, as part of the social Open Innovation approach, "Pop Up by Veolia" (see Section 4.3.2.3.1 below), Veolia identified the Hasiru Dala Innovations Private Limited social company. This organization works to create livelihoods for informal waste collectors through inclusive companies in Bangalore and the surrounding areas. Veolia has linked up with Hasiru Dala to create training modules through an interactive approach, aiming to improve safety standards and working conditions of waste collectors.

In **Indonesia**, Veolia is implementing various programs to ensure responsible and inclusive plastic collection. Veolia's PET recycling plant in Pasuruan, Indonesia, has committed to achieving fully sustainable raw material sourcing by 2026. In Indonesia, this material mostly comes from informal waste collection centers, raising issues regarding the sustainability of the activity and social responsibility. A joint project bringing together Veolia, Danone-AQUA, the Danone Ecosystem Fund and two local NGOs, YPCII and JARAK, was launched in February 2019 to structure the value chain and improve existing PET collection centers and make them more efficient and sustainable. This objective gave rise to a series of activities in collection centers including skills development training sessions for informal collectors, improvements to existing infrastructure, PPE and equipment donations and, more broadly, improvements to working conditions and health and safety on the sites. The project aims to develop ten sustainable collection centers with traceability in the supply chain, to collect 5,400 metric tons of PET bottles per year. This program strengthens relations with suppliers, making them loyal to Veolia. In 2023, this program brought social benefits to more than 2,100 people.

The **Veolia Sustainable Collection Centers** (VSCC) project is developed and supported by purchasing and sustainable development teams in Indonesia. It targets all collection centers in the Indonesian archipelago and aims to achieve a 100% sustainable supply by 2025. Among the actions taken in 2022, Veolia's CSR teams in Indonesia documented and distributed to collection centers a booklet containing recommendations on best practices to implement covering health and safety, environmental management, child labor, discrimination and forced labor. Quarterly visits were organized, as well as training and regular discussions with collection centers to address all implementation issues and challenges.

This project is supported by quantified objectives for 2021 to 2025:

- support 25 collection centers each year:
- collect 24,000 tons of plastic waste by the end of 2025;
- train 200 people each year;
- secure or improve the incomes of 200 families each year.

Colombia: the "Recuperador Amigo" program

This program which started in Manizales is a cooperation model with informal waste collectors. It relies on collaboration with multiple parties (government, civil society, business) in order to include informal collectors in an organized waste collection, sale and recycling circuit. This model helps improve recyclers' quality of life, while increasing the volume of waste recycled. Deployed in the cities of Manizales, Pasto, Cartagena, Aguachica, Cúcuta, Palmira, Buga and Tuluá, it involves over 700 waste collector organizations.

This program was recognized in 2022 by ANDI (National Association of Entrepreneurs of Colombia) and its partners as an inspiring initiative for the private sector's contribution to building a fairer and more inclusive country.

Support for the transition to work and creating social cohesion with the Veolia Foundation

Support for the transition to work and social cohesion is one of the Veolia Foundation's priority areas of action, along with development assistance and humanitarian emergencies and environmental and biodiversity protection. In particular, it supports initiatives and structures that encourage the return to work of people outside mainstream society (e.g. work sites, associations and companies that foster professional reinsertion through economic activity, training, social assistance, entrepreneurial solidarity and microcredits, etc.). Beyond just financial support, the Veolia Foundation aims to create pathways between supported projects and initiatives and the Veolia Business Units to encourage integration and a long-term return to work.

Multi-year partnerships

Through its multi-year partnerships, the Veolia Foundation supports associations involved with the social and professional reinsertion of the most disadvantaged populations.

- The major partnerships are: Territoire Zéro Chômeurs de Longue Durée (see below), an innovative scheme to put an end to long-term unemployment This voluntary system allows accompanied persons to be employed on permanent contracts by social and solidarity economy enterprises;
- L'École des cuistots migrateurs, a reference center for training in catering trades for refugees.

Projects to support the transition to work and social cohesion in 2023

Beyond these historic partnerships, each year the Veolia Foundation supports various associations and companies working to help the most underprivileged transition to work and to improve neighborhood social cohesion. In 2023, the Foundation supported eleven projects that help people find employment and build social cohesion, such as Life Project for Youth (LP4Y) in India and Indonesia or la Traverse in Bergerac (France).

Zero long-term unemployment (TZLD)

TZLD (Territoire Zéro Chômeurs de Longue Durée) is an innovative scheme to put an end to long-term unemployment. Trialed in January 2017 under a law passed unanimously by the French Parliament in February 2016, it is being piloted in ten regions of 5,000 to 10,000 inhabitants thanks to the involvement of several NGOs. The scheme is founded on a conviction: transferring the social cost of unemployment to jobs that meet local needs enables regional economic development to be combined with social cohesion and ending long-term unemployment.

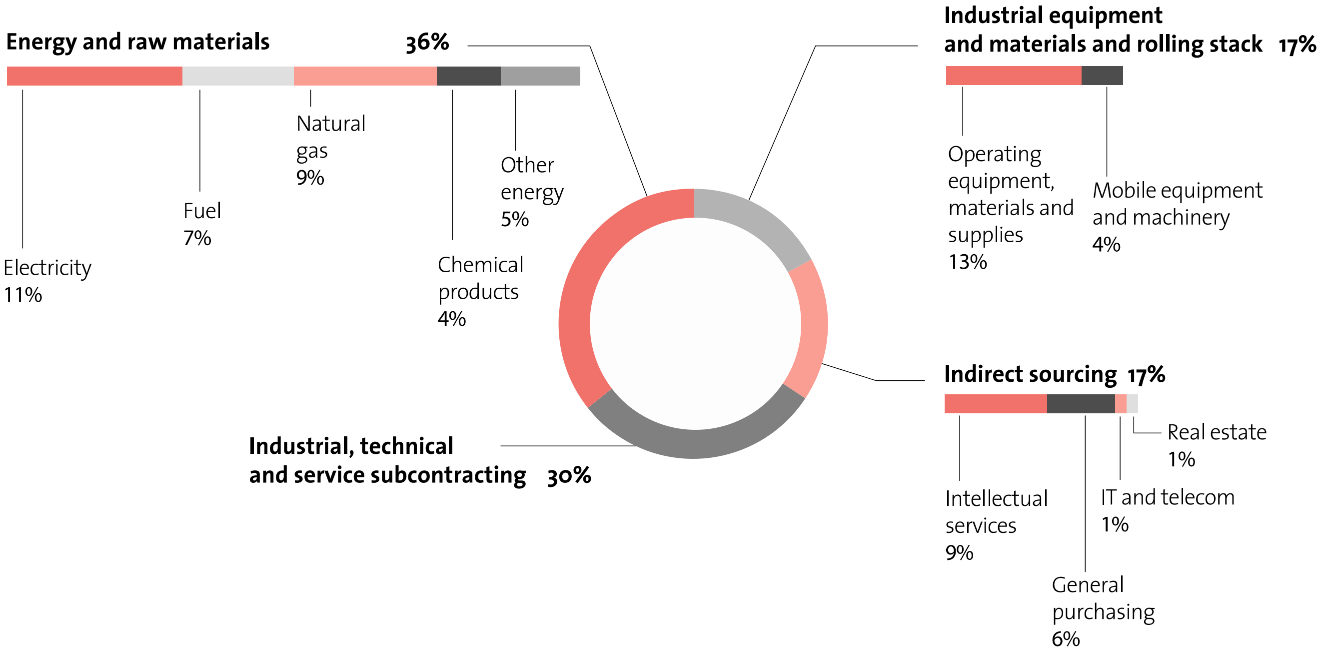
Specifically, jobs are created by employment creation companies (Entreprises à but d'emploi, EBE) assisted by the French State, which recruit, on a voluntary basis, long-term unemployed on minimum wage permanent employment contracts, with the working hours they choose. What do they do? They are entrusted with work that is locally useful but abandoned by the traditional sector as not considered sufficiently profitable.

TZCLD projects therefor complement, with proven success, existing regional back-to-work initiatives and particularly those developed by organizations that promote insertion through economic activity (Structures de l'insertion par l'activité économique, SIAE).

The Veolia Foundation supports the national organization carrying the program and seven territories recently approved: Bouffémont-Attainville-Moiselle (Val-d'Oise), Vannes-Ménimur (Morbihan), Pontchâteau (Loire-Atlantique), Villeurbanne (Rhône), Joinville (Haute-Marne), Le Teil (Ardèche) and Livron sur Drôme (Drôme).

4.3.2.3.4 Establish responsible relationships with Group suppliers

Breakdown of total 2023 external spending (2)



Veolia's purchases are highly diversified and mainly fall into the following three areas:

- energy and raw materials, locally sourced from domestic players or subsidiaries of international suppliers;
- industrial and service subcontracting of maintenance, servicing and construction work for equipment and installations, logistics and waste processing. Subcontracting is carried out by local and small-scale players (small and medium-sized enterprises, intermediate-sized enterprises, etc.);
- industrial equipment and materials and mobile equipment, at the core of the business operations carried out for the Group's major customers, represent a significant portion of energy consumption. These purchases are therefore fully costed over the life cycle.

Veolia's sustainable purchasing policy is based on four principles, measured by three indicators.

	Monitoring indicator	2019	2020	2021	2022	2023
1/ Engaging suppliers	Share of contracts including sustainable development clauses	71 %	76 %	88 %	93 %	89 %
2/ Evaluating their CSR performance	Share of strategic suppliers [1] evaluated in the past three years	61 %	70 %	75 %	81 %	77 %
3/ Contributing to local development	External spending on the protected and adapted sector	10.40M€	8.70M€	11.00M€	12.10M€	10.40M€

(1) *A strategic supplier directly contributes to the Group's strategy and has a critical role in Veolia industrial processes (industrial equipment, production energies, chemical products, rolling stock and major telecoms & IT operators). It represents a recurring expense at Group or Business Unit level.*

The Sustainable Purchasing program

The Purchasing Department developed a new Sustainable Purchasing program in 2021. A true transformation, this program aims to align the purchasing strategy with the Group's Purpose and its multifaceted performance model, to comply with new regulatory and non-financial reporting requirements, control risks in the supplier chain, integrate supplier innovation through new business models by creating differentiating value for our offerings and finally, to affirm the strategic role of purchasing in ecological and social transformation, with our stakeholders.

Governance

Led and managed by the Group's Purchasing Department's, the program is supported by an international network of ambassadors. A real community, they meet several times a year to discuss the deployment of the program and good local practices.

Five pillars of the sustainable purchasing program

The program is founded on four pillars relating to defining themes and a fifth cross-cutting pillar to support change management:

1/ Decarbonize the supply chain

This program contributes directly to reducing the Group's GHG emissions across all three scopes. Environmental performance is taken into account in purchasing strategies to promote equipment with low-carbon technologies, seek energy efficiency, introduce alternative energies and promote renewable energies. The TCO (Total Cost of Ownership) is systematically taken into account when selecting the most energy-intensive equipment.

Digital prescription solution for the replacement of electric pumps

To assist operating staff as well as possible and manage the renewal of its pumps, Veolia, in partnership with Greenflex, has developed a prescription solution for this equipment using a TCO approach. Deployed in France and abroad, it enables:

(2) *Based on the 2023 annual consolidation scope.*

- implementation and energy consumption costs to be simulated for the different equipment;
- purchasing gains to be generated by calculating the new TCO of the replaced model;
- energy consumption **savings to be achieved of 8.1 GWh in 2023 and therefore 480 metric tons of CO_2 to be avoided**;
- the refocusing of needs on referenced suppliers according to the prescribers' requirements (buy better).

In 2023, tests were carried out with a view to including air blowers as a new equipment category.

VEGA Move, the Group's mobility program

With its Vega Move mobility plan, Veolia continues to reduce the CO_2 emissions associated with its vehicle fleet and, more generally, employee mobility.

In 2023, 73% of the vehicles available in the company car catalogue were equipped with environmentally friendly engines. An alternative to thermal engines is also offered for our utility vehicles. The active vehicle fleet has been gradually electrified to comply with legal requirements. To achieve these results, Veolia is also deploying its own network of charging stations (more than 900 in France at the end of 2023) to facilitate the use and adoption of electric vehicles. Finally, the Vega Move mobility plan also includes new soft mobility offers, such as managing a fleet of more than 1,000 company bikes or sharing resources with genuine car-sharing or carpooling solutions. These initiatives seek to encourage Group employees to adopt more sustainable travel methods and reduce the carbon footprint of their journeys.

Alternative energies for trucks and construction equipment

The modernization and optimization of the truck fleet are also a priority, with the introduction of electric trucks (and trucks fueled by compressed natural gas (CNG), and hydrotreated vegetable oil (HVO). Over 50% of our mobile fleet acquisitions use these alternative energy sources. Our suppliers were selected based on their productivity and a reduction in CO_2 emissions of more than 41%. New low-emission models have also been added to our backhoe catalogues, while standardization of the "Stop & Start" solution also reduces their CO_2 impact.

Energy efficiency certificate program

In 2023, policies to replace energy-intensive equipment in France contributed to the Group's energy efficiency certificate program for a total of 397 GWhc excluding exceptional projects.

Calculation of scope 3 and structuring of a supplier engagement strategy

In preparing its 2024-2027 strategic program and defining its Net Zero 2050 roadmap, the Group continued in 2023 the in-depth analysis of its scope 3 purchases, calculating emissions by purchase category and supplier. This work helped identify around 300 high GHG emitters and structure the Group's relevant commitment strategy. Veolia wishes that these companies implement plans to reduce their GHG emissions in accordance with the requirements of the Science Based Targets Initiative.

2/ Promote the circular economy

To limit the extraction and consumption of raw materials and the production of waste, the Sustainable Purchasing program encourages giving consideration to the impacts of products and services purchased over their entire life cycle and promotes internal or external solutions for reuse or recycling. Integrating products made of recycled and recyclable materials is also part of demands made to suppliers.

Recycling plastic containers

In 2021, the Purchasing Department launched a Europe-wide call for tenders for the supply of waste collection plastic containers. Account was taken of environmental and societal criteria enabling the roll-out of an innovative approach: only containers manufactured using locally sourced recycled plastic were referenced.

This project is in keeping with a circular economy approach. By placing European plastic recycling subsidiaries in contact with referenced suppliers, Veolia collects used containers and recycles them in its plants and then sells the recycled plastic to its partner suppliers

Life2Life

At the end of 2022, the Group Purchasing Department, in partnership with the France BUs, launched an in-house resale and rental platform for second-hand equipment. This platform allows you to place ads and reserve equipment: operating equipment, mobile equipment, office equipment and furniture, IT equipment, etc. Three indicators are calculated: metric tons of CO_2 avoided, waste tonnage avoided and savings achieved compared to the purchase of new equipment. As such, 200 t of CO_2 and 42 t of waste have been avoided in 2023.

B100 Biofuel

Since March 2021, a contract has been rolled out to supply Veolia subsidiaries in France with biofuel produced from used food oil. The biofuel is produced by Dielix, a subsidiary of SARPI (hazardous waste treatment in Europe).

3/ Deploy the compliance program and protect human rights

A key pillar of the policy, the Purchasing Compliance Program comprises the following four stages: identifying risks, engaging suppliers, evaluating their CSR performance and steering continuous improvements.

Identifying risks

In calls for tenders, supplier risks are identified using a risk mapping by purchasing category integrating the following supplier standards: critical importance of the expenditure, energy consumption, business strategy, as well as CSR criteria consistent with the Group's risk mapping. This mapping allows buyers to identify, analyze and rank strategic suppliers and/or suppliers in the most exposed categories (overall score of 1 to 5). Buyers must also assess the supplier's financial risks, as well as geopolitical risks.

Engaging suppliers

The supplier charter, updated in March 2019 and available at veolia.com, is always sent during consultations and signed by third parties. It helps engage and make suppliers accountable regarding Veolia purchasing principles and standards, including their supply chain. In order to prevent risks linked to compliance with ethical rules, employment law and the environment regulations (human rights, child labor, corruption, etc.), specific sustainable development and anticorruption clauses are systematically included in new contracts or renewed contracts/amendments with suppliers and subcontractors, as well as Veolia's Purpose and the Group's health and safety commitments.

At the end of 2023, 89% of active contracts in the Group supplier database included a sustainable development clause. This clause commits the supplier to:

- complying with the Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child;
- complying with ethical, social and labor law requirements, particularly all applicable mandatory labor law regulations and International Labor Organization (ILO) conventions: concealed employment, child labor, forced labor, etc.;
- complying with the Group's health and safety prevention policy;
- complying with regulations concerning the protection of the environment and the implementation of necessary measures to reduce its impact on the environment;
- making sure that its own suppliers and subcontractors comply with the same obligations;
- making available and communicating its commitment policy to Veolia.

Also, the Veolia Group's whistle-blowing process is open to suppliers and partners and allows breaches to be reported in complete confidentiality (corruption, discrimination, conflicts of interest, human rights violations, fraud, anti-competitive practices, psychological harassment, environmental law violations, health and safety, etc.).

Evaluating suppliers

A Compliance/CSR questionnaire was made mandatory in the bidding phase for suppliers in global risk purchasing categories three to five, according to the risk mapping by purchasing category. This questionnaire contains questions about the supplier's business and financial information, its certifications, ethics and compliance, and social, environmental and societal commitments and performance. In addition, was marked by greater use, of the Group's high-risk suppliers assessment solution, which was widely adopted in 2022.

In addition, Veolia uses an assessment system to measure the CSR performance of its strategic and high-risk suppliers. This involves a documentary audit and the consideration of controversial aspects (current affairs, news, inclusion on an international sanctions list, Politically Exposed Person in a supplier, etc.) by an independent service provider. The analyses are performed by experts and cover twenty-one criteria across environmental, social (human rights, etc.), ethical (corruption, etc.) and sustainable purchasing issues. These assessments are performed during calls for tenders and through annual campaigns.

The CSR performance of suppliers is taken into account when assessing bids during calls for tenders, with a weighting of 5% to 20%. The supplier selection grid must include environmental, social and societal criteria.

In 2023, the level of strategic suppliers assessed over the past three years was 77%. In the same fiscal year, a total of 1,900 suppliers in all categories were subject to a CSR assessment. This represented total assessed expenditure of €6.6 billion.

Where the resulting score does not meet Veolia requirements, the supplier is asked to implement a corrective action plan and is then reassessed. **In 2023, 63% of suppliers who have been reassessed at least once improved their score.**

4/ Create value in our territories and encourage inclusive sourcing

Since 2019, the Purchasing Department contributes to calculating the Group's socioeconomic footprint, enabling a better understanding of Veolia's impact on its supply chain. **Veolia purchases in 2022 supported over 460,200 indirect jobs in the supply chain and generated GDP of €21 billion. On average, 87% of purchases are sourced locally.** In France, **74% of Veolia's suppliers are SMEs** (expenditure of €1,945 million in 2022) **and 14% are mid-caps** (expenditure of €1,507 million in 2022), and 4% belong to the social economy sector.

Protected workers sector in France

In 2023, purchase expenditure, excluding VAT, in the protected workers sector totaled €10.4 million for the France scope.

Inclusive sourcing

In Australia, Veolia undertakes to increase the level of diversity of its supply chain through greater purchases for the benefit of aboriginals and Torres Strait islanders (see Section 4.3.2.3.2 above). Cole Supplies is the first and only safety equipment wholesaler owned by aboriginals. In an exemplary context of inclusiveness and partnership, Cole's Boomerang range of high-quality work clothing is distributed to Veolia sites nationally with the support of the e- commerce, warehousing and logistics network, Bunzl Safety.

In 2023 in North America, Veolia Water Technologies Solutions and Veolia North America signed an agreement with a data service provider to update their expenditure bases for suppliers concerned with diversity, particularly companies owned by women or persons from ethnic, racial and gender minorities.

5/ Support and accompany our buyers and partners

In 2019, Veolia launched a buyer certification program, through an e-learning course developed jointly with the Veolia Campus, to strengthen the roll-out of the purchasing compliance program.

In 2022, 989 buyers and compliance managers have followed an updated and strengthened "Purchasing Compliance and CSR" e-learning course. Training courses in how to assess suppliers are held each year prior to the annual campaign in French, English and Spanish, for all Group BUs. Supplier webinars were organized by the Group in Poland and Chile in 2022.

A real change in the way we buy, the Sustainable Purchasing approach must be integrated into purchasing strategies and processes and transforms the traditional buyer-supplier relationship into a buyer-partner relationship. Tools were therefore created in 2021 and 2022 and made available to purchasing teams: Sustainable Purchasing sheets offering a harmonized approach for nine purchase categories; a purchasing awards system to report, promote and share best practices in sustainable purchasing awareness-raising for BU Purchasing Directors, as well as Sustainable Purchasing training for Group Ambassadors. This approach continued in 2023 with the development of an updated version of this training, including issues related to the decarbonization of the supply chain, and the promotion of 49 responsible purchasing initiatives in connection with the above-mentioned awards covering themes such as inclusivity, energy transition, circular economy and business model innovation.

4.3.3 ACCESS TO ESSENTIAL SERVICES

4.3.3.1 Risks and opportunities

Beyond the fundamental measures taken in favor of consumer health and safety to comply with its obligations in terms of hygiene-related risks (see Section 2.2.2.2 above), Veolia acts to provide and maintain the services crucial to health and development.

Through its business, close ties with local communities and its significant regional presence (see Section 4.3.2 above), Veolia contributes globally to the United Nations Sustainable Development Goals. This regional network and the Group's proximity to local issues are an opportunity to develop services adapted to specific contexts, and to launch development aid or emergency assistance activities for vulnerable populations.

4.3.3.2 Policy and commitments

The Group provides drinking water to 113 million people, wastewater treatment services to nearly 103 million people, waste collection services to 43 million people, and supplies heating to close to 8.2 million people worldwide[3].

Operating worldwide, Veolia is attentive to the objectives of the international community. Alongside delegating authorities, partners and customers, Veolia aims to offer sustainable access to essential water, waste and energy services, specifically in favor of targeted policies for the most disadvantaged people or districts.

As part of its Purpose and its Impact 2023 strategic program, Veolia is committed to supporting regional development through responsible means. This commitment can be broken down into several objectives, including that of developing and maintaining access to essential water and sanitation services:

- notably by developing adapted solutions in developing countries (see Section 4.3.3.3.1 below);
- but also by favoring assistance measures for the most vulnerable populations and those not living close to services across the world (see Section 4.3.3.3.2 below).

To illustrate its commitment, the Group has set a target for 2023 of increasing by 12% the number of people benefiting from these inclusive schemes and maintaining access to water and sanitation services.

4

Commitment	Objective	SDG	Indicator – definition	2020 Results	2021 Results	2022 Results	2023 Results	2023 Target
Support regional development through responsible means	**Access to essential services (water and sanitation)**	6 CLEAN WATER AND SANITATION 17 PARTNERSHIPS FOR THE GOALS	• Number of inhabitants benefiting from inclusive measures for access to water or sanitation within contracts[1]	6.12 million inhabitants (+7%)	6.71 million inhabitants (+17.5%)	6.92 million inhabitants (+21.3%)	7.27 million inhabitants (+27.4%)	+12% vs 2019 at constant scope
Sponsor	Sébastien Daziano		Member of the Executive Committee, Senior Executive Vice President, Strategy and Innovation					

(1) The typology of inclusive schemes includes:
- *schemes related to the price of water: social tariffs, etc.;*
- *bill payment assistance schemes to respond to consumers' financial difficulties: payment plans, debt remission, water vouchers, etc.;*
- *technical solutions to promote access to water: social connection programs, infrastructure, etc.*

The indicator is calculated on the basis of consumer reporting (number of subscribers), to which a conversion coefficient is applied to determine the number of beneficiaries (number of people per household – source UNDESA).

GreenUp

As part of its GreenUp strategic program 2024-2027, Veolia has renewed its commitment to support the development of territories in a responsible manner by aiming to support local communities:

Commitment	Objective	SDG	Indicator – definition	2023 baseline	2027 Target
Support regional development through responsible means	**Support to local communities**	6 CLEAN WATER AND SANITATION 17 PARTNERSHIPS FOR THE GOALS	• Residents benefiting from inclusive solutions to access essential services (all activities)[2]	7.8 million inhabitants	8.4 million inhabitants (at constant 2023 scope)
Sponsor	Isabelle Calvez		Member of the Executive Committee, Group Human Resources Director		

(2) The typology of inclusive schemes includes:
- *schemes related to the price of services: social tariffs, etc.;*
- *bill payment assistance schemes to respond to consumers' financial difficulties: payment plans, debt remission, vouchers, etc.;*
- *technical solutions to promote access to utilities: social connection, programs,infrastructure, etc.*

The indicator is calculated on the basis of consumer reporting (number of subscribers), to which a conversion coefficient is applied to determine the number of beneficiaries (number of people per household – source UNDESA).

(3) The number of people served takes account of people directly supplied by a distribution network operated by Veolia and people receiving water produced by Veolia but supplied by a third party. For distribution, this relates to people identified according to local practices (INSEE in France) in the region supplied. For production without distribution, the number of people supplied may be estimated from the volume sold to the distributor based on an average volume distributed per day and per person. The data gathered regarding the number of people and volumes sold to third parties are updated each year. The number of people supplied with sanitation services is calculated according to the same principle, using the capacity of wastewater treatment plants in terms of population equivalents when wastewater is collected by a third party.

4.3.3.3 Actions and results

4.3.3.3.1 Developing access to services in accessdeficient countries

Veolia plays an active role in implementing objectives defined by the international community. While it contributes to all 17 Sustainable Development Goals (see Section 4.1.2 above), the Group focuses in particular on providing access to water services for the most vulnerable populations and those not living close to services. Veolia therefore works with public and private partners (public authorities, public bodies or delegating authorities, NGOs, local associations, industrial companies, etc.) to develop solutions providing new access to water and sanitation. These development models necessarily lead to a sharing and transfer of skills and technologies between the different players (see 1001fontaines partnership below).

In developing and emerging countries, several years of working with local public authorities, including through projects conducted by Veolia Foundation (see Section 4.3.3.3.4 below), have shown that Veolia is reliable, effective and creative and can help them develop and implement ambitious policies to effectively achieve the SDGs. The Group has worked with numerous municipalities in these countries under contracts with specific goals and incentives to extend access to and maintain services.

Since the implementation of the SDGs in 2015, the Group has provided 8.5 million people with access to drinking water, and 9.8 million people with access to sanitation services. In 2023, 1.8 million people gained access to sanitation, and 1.4 million to drinking water[(4)]. Veolia participated in the commissioning of 4 new drinking water production plants in Egypt and the commissioning of wastewater treatment plant in Ho Chi Minh (Vietnam).

	Since definition of the SDGs (2015)	Objective
Population with new access *(in millions of people)*	• drinking water : 8.5 million • sanitation : 9.8 million	Contribute to the United Nations sustainable development objectives, in the same way as we contributed to the Millennium Development Goals

In February 2021, Veolia signed a strategic partnership with the **NGO 1001fontaines, Accenture and Danone Communities.** This collaboration seeks to accelerate the development of decentralized solutions for accessing water, in particular in rural regions in developing countries. The partnership accompanies 1001fontaines in the structuring of a sustainable and viable economic model, that can be replicated in new geographies, enabling equitable, high-quality and sustainable access to water. Veolia contributes, in particular, technical support by mobilizing its social engineering expertise, its research and development teams specializing in water treatment and the Veolia Foundation for its expertise in decentralized water treatment in an emergency context. This initial work led to the conceptualization of a new kiosk model in 2021, more efficient and carbon neutral for water production. Veolia also played the lead role in a Fasep project (support measure for the international development of French companies), involving young innovative French companies in the co-construction and deployment of a pilot of ten kiosks in Cambodia, integrating the following three objectives:

- 100% decarbonizing of the drinking water supply chain with solar energy solutions;
- optimizing and decarbonizing maintenance and quality processes by implementing digital solutions;
- increasing drinking water capacity and improving drinking water quality through the use of innovative treatment technologies.

In November 2023, Veolia, with its partners Tergys, GREENCITYZEN and the Veolia Foundation, inaugurated in Cambodia a new model of water kiosk, developed with the NGO 1001fontaines, in the presence of the Ministry of Rural Development and the Ministry of Economy. It combines UV filtration, solar energy, and digital tools to improve access to drinking water for 100,000 people. For Veolia, this project seeks to improve understanding of decentralized systems, which can be complementary to the network in many territories (especially peri-urban areas). Projects involving decentralized access issues are being studied with the Africa zone and Seureca.

This pilot will be fully operational in the first half of 2024.

4.3.3.3.2 Develop and maintain systems for access to services adapted to the local context

Some groups of people have difficulty accessing or maintaining water and sanitation services crucial for health and development. This can be for financial reasons (high initial connection costs, cost of work required for network connection or difficulties in paying the subscription), or administrative, linguistic or physical reasons (remoteness, elderly persons, etc.).

As a result, Veolia works with delegating authorities, partners and industrial customers to provide long-term access to essential services for the most vulnerable populations and to develop locally adapted solutions.

Inclusive measures take a variety of forms:

- financial schemes related to the price of water: social tariffs, etc.;
- bill payment assistance schemes to respond to consumers' financial difficulties: payment plans, debt remission, water vouchers, etc.;
- technical solutions to promote access to water: social connection programs, infrastructure, etc.

These measures are accompanied by decentralized dialogue measures with consumers to promote these solutions, in particular to the most vulnerable populations, enabling access to water and sanitation services and their maintenance (see Section 4.3.2.3.2 "Dialogue with local communities" above).

[4] *Providing new access to drinking water and sanitation systems includes distribution and new production/treatment units, without final distribution, in countries with limited access, where Veolia works to provide access to these services. For distribution, data is obtained from the number of connections by Veolia, multiplied by the average number of people per household as estimated by INED (French National Institute of Demographic Studies). For production plants, the number of people with access to drinking water is estimated from the volumes produced, the average water network yield observed by Veolia and the average consumption ratio observed locally. For treatment plants, the number of people is estimated from plant treatment capacities and the average wastewater production ratio per person observed locally. The number of people supplied with sanitation services is calculated according to the same principle, using the capacity of wastewater treatment plants in terms of population equivalents when wastewater is collected by a third party.*

In addition to these measures, Veolia also acts with these vulnerable populations to raise awareness and promote reasonable and responsible use of water resources:

- implementation of technical and incentive measures such as the roll-out of smart meters and consumption-based progressive rates (see Section 4.2.5.3.4 “Encourage responsible consumption by users and digitalization”, above);
- Veolia seeks to raise the awareness of consumers and civil society more generally, and particularly children, of responsible consumption practices through open days at drinking water production plants or directly in schools through education programs (see Sections 4.3.2.3.2 “Dialogue with local communities” and “Educating and raising awareness of sustainable development” above).

In numerous entities where water or energy service users receive social measures, the local agencies organize open days in conjunction with the consumer protection association to raise customer awareness of rational water and electricity use. The aim is to encourage citizens to adopt responsible resource saving behavior and act for a general interest cause, resource preservation.

Access to services

Giving everyone access to high-quality services through the ACCES approach

The Group has developed a set of solutions tailored to the local context, ensuring everyone has access to high-quality services. ACCES expertise (technical, financial, institutional, or societal engineering) is a good example of Veolia’s strategy and commitment. It is broken down into three areas:

- **technical engineering:** serving more people with the same resources and infrastructure, and proposing new distribution methods;
- **financial and institutional engineering:** implementing socially acceptable price policies, increasing individual subsidized connections, developing new social research and innovation models, seeking innovative funding and approaching backers;
- **social and customer relations engineering:** developing local customer services and mediation initiatives to propose solutions to the most vulnerable populations, in particular, promoting suitable service use to optimize benefits, evaluating the impacts on quality of life, developing partnerships and co-creating new solutions.

These solutions, initially developed for water access in Africa, have now been rolled out to all countries and services. Veolia is particularly in favor of targeted policies for more disadvantaged populations and/or districts.

In developing and emerging countries, Veolia has shown it is reliable, effective and creative and can help them develop and implement ambitious policies to effectively achieve the SDGs. The Group works with many municipalities and countries under contracts with specific goals and incentives to extend access to and maintain services.

A subsidiary of Veolia Maroc, Redal installs automatic standpipes in districts not yet served by the main water network.

In Morocco, in rural areas without drinking water networks, or in the douar neighborhoods, access to drinking water is provided by standard standpipes. In 2023, 57 standpipes are currently installed in Skhirat-Témara, Salé and Rabat. In a bid to save drinking water and preserve resources, these standpipes are replaced by “Saqayti” (my fountain), which are equipped with a smart card reader enabling water to be delivered to users with a magnetic card. The cards are credited with a monthly water volume, enabling families that qualify for this system to receive a free monthly allowance equivalent to the essential water needs of a family. In 2023, 21 Saqaytis have currently been installed.

Éco Solidaire offering for all service users

In developed countries, the Group is also mindful of maintaining access to services for the poorest populations, as well as for people in situations of financial uncertainty and the homeless. In France, a commitment was given under the France Water Impact 2021-2023 strategic project to propose inclusive measures in all offerings.

The Éco Solidaire offering is founded on three pillars:

- a policy included in contracts involving both the Consumer Department and development teams to provide for these measures when offerings are developed;
- an organization built around a solidarity officer;
- means and actions: Housing Solidarity Fund, water vouchers, local partnerships, advice to reduce water consumption, assistance with administrative measures.

Regional diagnoses are conducted upstream of calls for bids to identify the regional profile and the service needs and expectations of the population.

In the organizational structure, the introduction of solidarity officers at regional level provides a single point of contact dedicated to these issues, in contact with consumers in payment default and local authority social services. They are responsible for implementing the program with all measures (Housing Solidarity Fund, water vouchers, digital inclusion, etc.) and events with social partners and mediators.

Finally, dedicated tools propose solutions to access issues, such as:

- the “water voucher” system provides means-tested assistance to users through partial or full payment of their water bill or water charges in the case of tenants. Vouchers may be received by users that are not eligible for the Housing Solidarity Fund or supplement benefits under this fund to provide significant assistance. They are dematerialized to facilitate their grant, simplify exchanges and improve monitoring. This format also enables the inclusion of social housing tenants;
- prevention and support measures (with local insertion teams) to teach consumers how to better manage consumption, for example through eco-friendly behavior, and better understand their true water consumption;

- the Water for all emergency fund seeks to ensure access to essential services for the most vulnerable populations (installation of gooseneck taps, water or sanitation connections, measures in the event of non-payment), in migrant camps, shantytowns and squats and also provide assistance on consumer cases with exceptional debt (major leaks, condominium associations in difficulty, consumers in excessive debt, etc.);
- social tariff experiments (initial cubic meters free of charge).

This structuring of the approach and the introduction of solidarity officers helped improve effectiveness and enabled a more efficient roll-out of measures within the regions. In 2023, close to 170,000 people benefited from these inclusive measures in France, for a total amount in excess of €4.8 million.

In **China**, nearly 7,600 low-income or extremely poor households in the cities of Lanzhou, Kunming and Changzhou benefited from low-cost drinking water services or initial cubic meters free of charge. In Harbin, one of the ten most populous cities in China where Veolia operates an urban heating network, social tariffs and free home visits were introduced for the most vulnerable households (low-income residents, workers with disabilities, etc.). Over 2,700 households benefited from these initiatives in 2023.

In **Armenia**, the authorities promoted the installation of systems for the most vulnerable individuals in sectors affected by rising prices. Veolia was able to support 169,000 people to maintain access to drinking water and sanitation

In **Colombia**, means-tested differentiated tariffs are implemented for water and sanitation services. Low-income households receive State subsidies for their basic needs while high-income users and industrial and commercial establishments must pay a solidarity contribution. These State-subsidized differentiated tariffs range from -70% to +60% and are applied by Group companies in accordance with Columbian law and public service regulations.

In **Colombia**, in coordination with the Sincelejo city council, Veolia Sabana invested in the commissioning of an aqueduct in seven villages in the rural region of Sincelejo. These villages are mainly indigenous local councils that have for centuries received their water supply from surface wells or retention ponds. They now benefit from drinking water services following the completion of an aqueduct, a project designed and conducted by Veolia and managed by the municipal authority. 705 families in the Sincelejo rural region benefit from these inclusive projects for indigenous populations.

In **India**, through local public policies, over 2,700,000 people in the country benefit from support schemes for access to and maintenance of drinking water services. In Nagpur, under the national slum development program, specific actions for slum dwellers are carried out in favor of sanitary hygiene, education, skills development training and other awareness programs such as the preservation of natural resources. In Nangloi, the Social Welfare Team, a community liaison team, informs residents directly about drinking water connection conditions (initial cubic meters free of charge) and raises awareness about resource preservation.

In **Morocco**, since 1999, REDAL has been implementing a social welfare policy aimed at accelerating and extending access to services by the population across the entire scope of the Rabat-Salé region's delegated management contract. The welfare connections are intended for households meeting specific social welfare criteria, offering a lump-sum payment and flexible payment terms over several years. They are initially defined and managed through agreements with the delegating authority. From 1999 to end November 2023, 103,380 welfare connections have been provided for drinking water, 16,330 for sanitation and 56,0908 for electricity.

Also in **Morocco**, with the launch of the National Human Development Initiative (INDH) in 2005, and the signing of a framework agreement in 2006 in the presence of His Majesty King Mohammed VI, describing the principles of the program to provide universal access to water and wastewater services, Veolia Amendis is developing its welfare connections programs. By the end of 2023, more than 143,800 households had been equipped in Tangier and Tetouan within the scope of the delegated management contract. The improved coverage rate is largely due to the proactive policy pursued by Amendis and its delegating authority to provide welfare connections through partnership agreements with the various municipalities, provincial councils and prefecture.

Maintaining and organizing services

Throughout the world, services delivered daily by Veolia meet the essential needs of populations. More than ever, the Covid-19 pandemic highlighted the fundamental nature of these businesses.

The Contigo program in Spain

To ensure universal access to water services, **Agbar (Spain)** introduced the Contigo program, an initiative focused on identifying access and economic barriers and establishing mechanisms to overcome them: video call services, chatbots, multilingual customer service (English, Chinese, Urdu, Arabic and sign language), accessibility of user-friendly offices (for people with physical, sensory and intellectual disabilities), and even a mobile stand to offer face-to-face customer service in villages. For the economically vulnerable, the objective of the program is to ensure that people that are financially insecure are aware of the assistance and payment facilities available to help them manage their situation (social tariffs and funds, installment payments, interest-free deferment and repayment of debt, etc.). The Contigo program, developed with the SERES Foundation, received the OSUR (Urban Services Observatory) award for best practices in access to water and several other awards in 2022 in the customer relations field.

Agbar is also involved in the A-Porta project. Initiated by the Confederation of Neighborhood Associations of Catalonia (Confederació d'Associacions Veïnals de Catalunya, CONFAVC), this project seeks to socially empower districts in which charismatic neighbors (Picaportas) occupying neighborhoods with substantial social needs, are recruited, trained and coordinated to visit their neighbors and provide them with support, advice and resources on how to improve their quality of life (access to social rights, energy vulnerability, job search, district resources, waste management, coexistence and civility, support for the elderly, etc.).

In France, Veolia is a leading partner of PIMMS

It is crucial to have access to drinking water and energy to be able to live and work with dignity. Veolia believes it has a leading role to play to help users in difficulty who are in a vulnerable situation or have even lost access to public services. That is why the Group took part in the creation of the PIMMS system (Multiservice information and mediation point), alongside other major public service operators.

The PIMMS concept consists of facilitating access to public services for people in a given area and preventing problems, thanks to mediation staff who offer users support, explanations (about topics such as day-to-day processes, billing arrangements and access to Internet services) and advice (on matters such as managing a family budget and controlling energy consumption).

As part of its Avanza+ strategic plan, Aguas Andinas (Veolia Chile) is leading work on universal access to water. The aim is to propose processes to develop access to drinking water and sanitation for the benefit of local communities. Among the first measures implemented in 2023 was an agreement reached with the Association of Municipalities of Chile (AMCHUH) to grant easy payment terms to older customers. Aguas Andinas also provides advice on the use of state subsidies for low-income families.

In Pudong in **China**, Veolia launched an online management platform for water services, Wei customer service, in 2019. Users can use mobile phones and other mobile devices to manage their services and request a bill, submit an arrears application, request electronic billing, obtain sundry information and access online customer services.

As an illustration of its utility, in October 2023 the platform had more than 222,000 users and over 168,000 cases were resolved online.

Colombia: "Mi isla limpia" program

In Cartagena, Colombia, Veolia continued its "Mi isla limpia" program, focusing on the technical, environmental and social problems specific to waste management in this isolated area. Collections on foot or by electric scooter, as well as the establishment of temporary storage zones, provide fair access to waste collection services for 7,000 people in the Baru peninsula and the islands of the Rosario archipelago. 75% of this population belongs to the most vulnerable segments of the population. In addition to collecting waste, Veolia undertook environmental education measures in 2023 in which 2,800 island inhabitants and 1,500 tourists participated. Meetings were also held with communities and community councils, addressing their needs to improve service delivery, with a total participation of 160 people, where they socialized with them about implementing the construction of the Isla Grande and Tintipan waste collection centers.

4.3.3.3.3 Take consumer health and safety measures

Veolia provides drinking water to 113 million people around the world. With the constant concern of controlling the quality of the water produced and distributed, Veolia has established a water quality control policy in order to comply with current standards and anticipate changes using a complete range of technological solutions. This approach is based on four principles:

- anticipating: through scientific monitoring of emerging parameters, particularly new micropollutants such as endocrine disruptors and pharmaceutical product residues, improving analytical methods for detecting these micropollutants and assessing their effects on health;
- monitoring:
  - by performing more frequent and complex water analyses within shorter timescales, using standardized methods, cutting-edge equipment and qualified personnel. In 2023, regulatory compliance rates for water distributed were 99.8% and 99.8% respectively for bacteriological and physicochemical parameters,
  - by monitoring compliance of the largest distribution networks throughout the world.

		2019	2020	2021	2022	2023	2023 Target
Compliance rate with local regulations and distributed water contractual requirements	Bacteriological parameters	99.8 %	99.8 %	98.8 %	99.8 %	99.8 %	>99%
	Physicochemical parameters	99.7 %	99.8 %	99.5 %	99.7 %	99.8 %	>99%

- offering solutions to local public authorities for operational improvements and the investments required to control water quality across the entire supply chain: maintaining network water quality, safeguarding the production and distribution of drinking water and protecting resources;
- informing populations and ensuring an optimal response in case of accidents or crisis situations: on-call service 24/7, telephone service for responding to consumer concerns, distribution of bottled water in the event of extended service disruption, telephone warning system to advise all consumers of any restrictions on consumption and distribution points for bottled water.

Ensure an ongoing service for vulnerable customers and people with illnesses:

Veolia acts locally to ensure a continuous supply to people who need constant access to water for medical reasons. The Group has therefore implemented specific measures to guarantee an uninterrupted water supply for these people.

For example, in **Spain**, Aigües de Barcelona identified all hospitals and health facilities among the 23 municipalities in the metropolitan area. These facilities were classified as "significant" customers and specific protocols were developed to ensure they are not affected by water outages and establish channels of communication and coordination to minimize the impact on their operations. At Aigües de Barcelona, a dedicated team monitors water consumption, bills and water leakage alarms to ensure that the healthcare facilities receive a constant and uninterrupted water supply. More specifically in 2022-2023, in response to the drought that permanently affects the Barcelona region, the Drought Operational Plan and Protocol devised by Aigües de Barcelona and validated by the authorities take into account health facilities (public or private) as "significant" customers to ensure they do not suffer water outages.

In Prague, Veolia PVK's local subsidiary set up a system for distributing bottled drinking water to vulnerable customers (people with disabilities, elderly people, hospitals, etc.) in case of an interruption in supply. The project was launched in 2018 in cooperation with a district in Prague, and in 2023 21 districts were involved, with 397 registered customers.

4.3.3.3.4 Lead international outreach and development actions with the Veolia Foundation

Solidarity is expressed in contracts through the services that the Group provides and that contribute to the common good. Combating insecurity and inequality by ensuring access to essential services for people without a water supply, sanitation services or electricity is one of the ways that Veolia is actively committed.

Veolia's commitment is also demonstrated through its Foundation. One of its missions is to help people to live healthily and with dignity. As part of this mission, the Veolia Foundation:

- provides **emergency humanitarian assistance** during natural disasters and humanitarian crises to evaluate requirements and ensure that people have access to water, sanitation, energy and waste management;
- supports **development aid projects** for these essential services which are core Veolia businesses.

Veolia Foundation's international solidarity initiatives help develop access to essential services. It provides financial support and the skills of the Group's employees.

Multi-year partnerships

The Veolia Foundation has forged numerous partnerships: with United Nations agencies (**UNICEF, UNHCR**), major international bodies (**Red Cross, Doctors of the World, Doctors Without Borders, International Solidarity Movement**, etc.) and States. One such example is the partnership signed in 2014 and renewed on 19 December 2017, with the French Ministry for Europe and Foreign Affairs to boost efficiency when responding to emergency humanitarian situations.

The Foundation has also committed to providing **Doctors without Borders** with Veoliaforce experts to support its research and innovation projects for humanitarian issues in sectors close to Veolia's business lines.

Veoliaforce missions, emergency humanitarian assistance and development aid in 2023

The Veolia Foundation naturally works alongside stakeholders to temporarily respond to essential needs in the event of a crisis or deploy long-term solutions in regions without suitable infrastructure. In 2023, the Veolia Foundation took part in 10 development aid or emergency humanitarian assistance projects. Around twenty Veoliaforce missions called upon some 31 volunteers for 450 man-days of skill-based sponsorship, in addition to the nine permanent staff members dedicated to the Foundation's support and sponsorship activities (i.e. 1,474 man/days).

5 weeks of mobilization in Morocco

Veoliaforce experts, deployed by the French Red Cross via the International Federation of Red Cross and Red Crescent Societies, took turns in Morocco to work on providing access to water following the earthquake of September 8, 2023. Assigned to the French Red Cross Emergency Response Unit (ERU), these team members deployed hundreds of meters of network extension and installed several dozens of water access points as well as showers and latrines. Aim: to respond as quickly as possible to the needs of the population by guaranteeing healthy drinking water distribution and proper hygienic conditions.

Veoliaforce equipment and human expertise to watch over Ukraine

On June 6, the Ukrainian population suffered terrible floods after the destruction of the Kakhova dam. In support of the solidarity operations carried out by the Crises and Support Center (CDCS) of the Ministry of Europe and Foreign Affairs, the Veolia Foundation provided mobile water treatment units. These units - Aquaforces 2000 - can supply up to 10,000 people, in line with humanitarian standards (20 liters per person per day). This equipment was dispatched prior to the assignment of a Veoliaforce volunteer in Lviv, Ukraine, to train the staff of Solidarités International, an NGO present in the field, in how to deploy the units.

Turkey: Intervention of Veoliaforce experts after the earthquake

The Veolia Foundation mobilized to help the populations affected by the earthquake that devastated south-east Turkey and northern Syria on February 6, 2023. Less than a week after the earthquake, the Foundation's Deputy CEO was in the field for a week of coordination with employees from Veolia Water Technologies (VWT) Turkey. Joined by a Veoliaforce volunteer shortly afterwards, he deployed an Aquaforce 2000, a mobile water purification unit, transported from France by cargo plane, to cover the needs of 2,000 people. The unit, installed near Antioch in the Hatay region, supplied water to refugees in a camp run by AFAD, the government disaster management agency.

4.4 Human resources performance: impact on employees

4.4.1 COMMITMENTS AND ORGANIZATION

Human resources are at the core of Veolia's Purpose (see Chapter 1, Section 1.1.2 above).

They play a key role in a culture that is common to all Veolia's actions, founded on the five principles of responsibility, solidarity, respect, innovation and customer focus.

Veolia's responsibility is to ensure the health, well-being, development and fulfillment of its employees. Social cohesion and dialogue, notably within staff representative bodies, are very important to the Group, which ensures the promotion of professional equality between men and women. The Group's overall performance also depends on its ability to attract and retain talent. Veolia endeavors, as never before, to be an employer of choice for all the regions.

Under its Impact 2023 strategic program and its commitment to multifaceted performance, Veolia confirmed its human resources performance policy around four objectives for 2023:

- safety at work (see Section 4.4.3 below);
- employee commitment (see Section 4.4.4 below);
- employee training and employability (see Section 4.4.4 below);
- diversity (see Section 4.4.5 below).

Working groups were conducted throughout the year to prepare the contribution of human resources to the next 2024-2027 strategic program, which will focus on the following three objectives (see Chapter 4, Section 4.1.1 above):

- safety at work, with a commitment to achieve an employee lost time injury frequency rate of less than 4.1;
- employee engagement, with the employee engagement rate to remain above 85%;
- diversity and inclusion, by increasing the number of women in the Group's executive bodies (commitment: 30% of women on the Group Management Committee).

The Group uses social reporting to monitor the roll-out of its human resources policies and their performance using the Group's human resources data. The human resources information presented below is extracted from this tool.

The year 2023 was marked by the integration of the Suez teams. To support the cultural dimension of this integration, work to align the two cultures resulted in "Management Behaviours@Veolia", a veritable code of conduct for managers transmitting the Group's 5 values.

> The year 2023 was marked by the launch of Veolia Cares, initiated by Madame Estelle Brachlianoff. This global social benefits program, which protects all Group employees, was rolled out in all Group regions on September 1, 2023 (see Chapter 4, Section 4.4.4.4 below).

In terms of health & safety, 2023 was marked by a very significant improvement in the work accidentfrequency rate.

Among the numerous measures undertaken: the deployment of live-saving rules, formalized at the end of 2022, readjustment of the health and safety prevention policy and the roll-out of Health & Safety performance contracts, thereby strengthening managerial presence in the field.

In parallel, work began on managing Health & Safety for our temporary employees in order to reduce number of accidents and improve their well-being at work.

In terms of social dialogue, work was carried out in close collaboration with labor and management representatives to finalize draft common resolutions in favor of health & safety and well-being at work.

At the same time, negotiations continued on the draft European Diversity and Inclusion agreement.

In addition, the Diversity & Inclusion department furthered its efforts in 2023 to promote gender diversity, disability, inclusion and the fight against discrimination. The measures also focused on the prevention of sexism and sexual violence in the workplace.

Talent training and development efforts also continued in 2023. In 2023, 94.5% of Veolia employees benefited from at least one training course. The number of training hours increased significantly to 29 hours on average per employee (vs 26 hours on average in 2022).Training covering a total of 5,887,961 hours was followed by Group employees, of which 78% by non-managers.

Finally, to support the Group's ambition to become the global leader in ecological transformation, and ensure the realization of the GreenUp program, an analysis was conducted to identify the competencies that the Group should develop or acquire. New training programs are being designed and rolled out, particularly on hazardous waste, energy, decarbonization, digital technology and artificial intelligence. At the same time, programs designed to train/inform employees in ecological transformation continue to be rolled out across the world (Fresque, Atelier 2 tonnes, Greenpath, etc.).

All these human resource initiatives are essential to secure the engagement of all employees. According to the external engagement survey Voice of Resources 2023, 89% of employees are fully committed to serving the Group to contribute to its ambition of becoming the world champion in ecological transformation.

4.4.2 CHANGE IN THE WORKFORCE

Geographic breakdown of the workforce: 218,288 (√) employees as of December 31, 2023 [1]

Geographic breakdown and change in the workforce

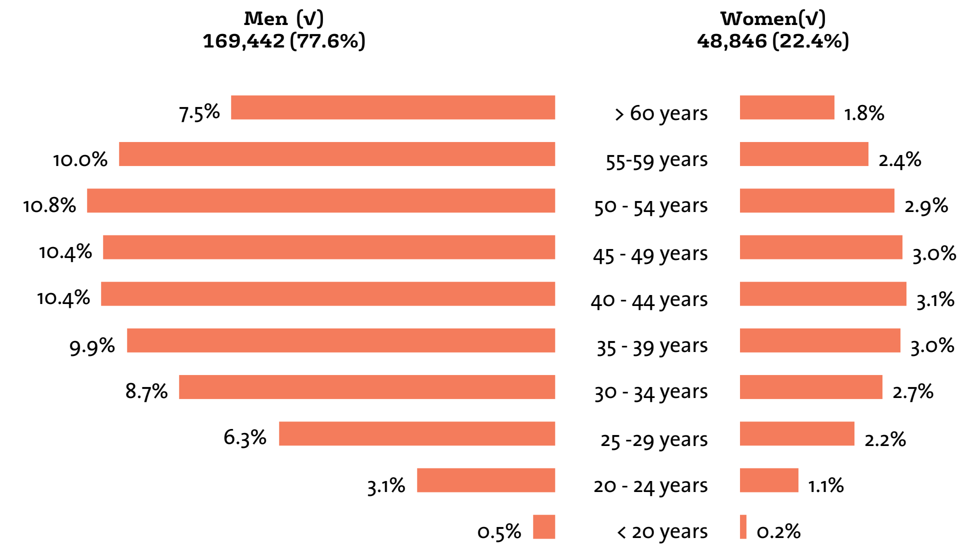
	2020	2021	2022	2023	Change 2023/2022	Workforce (in %)
Europe excluding France	63,629	63,736	79,783	81,980	+3%	37.5 %
France	51,685	49,403	50,863	50,338	-1%	23 %
North America	7,869	6,906	13,851	14,090	+2%	6.5 %
Latin America	19,964	20,093	25,105	24,815	-1%	11.5 %
Africa - Middle East	11,801	12,677	14,655	14,408	-2%	6.5 %
Asia - Oceania	23,946	23,673	29,427	32,657	+11%	15 %
TOTAL WORLD (√)	178,894	176,488	213,684	218,288	+2%	-

As of December 31, 2023, the total workforce was 218,288 employees, compared with 213,684 as of December 31, 2022. The workforce increased by 4,604employees or 2% year-on-year due to:

- an increase (excluding inter-company scope impacts) of 12,400 employees as a result of acquisitions, new contracts and/or business development. The main increases involved:
  - Central and Eastern Europe for 4,700 employees, including Uzbekistan with nearly 3,800 employees under the contract to manage the Tashkent district heating network,
  - Latin America and Iberia for more than 2,200 employees, in the Water business in Spain, Peru and Colombia, the Waste business in Brazil and the Energy and Waste businesses in Argentina,
  - Asia-Pacific for nearly 1,000 employees, mainly driven by the Waste business in Australia,
  - Near and Middle East for nearly 1,000 employees in the Energy business, in Saudi Arabia following the start-up of new facilities in the Water business and for the Waste business in the United Arab Emirates and Turkey (following the new contract in Istanbul),
  - Northern Europe, for 900 employees, particularly in the United Kingdom for waste collection;
- a decrease (excluding inter-company scope impacts) of approximately 7,700 employees. This decrease is due to entity disposals, employee departures and lost contracts. The main decreases took place in:
  - in America, following contracts and disposals in the Water business,
  - in Niger, following the resumption of activity by the Nigerienne des Eaux,
  - in France, following the return of the Greater Lyon water services to state control, the sale of Veolia Déconstruction France and the remaining divestments of industrial water activities.

[1] *Excluding employees of the Chinese concessions.*

Workforce by gender and age in 2023



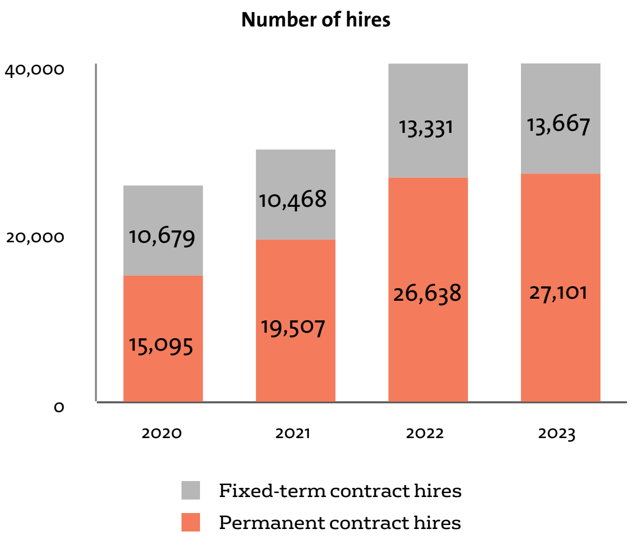
Breakdown of total workforce by type of contract and by category

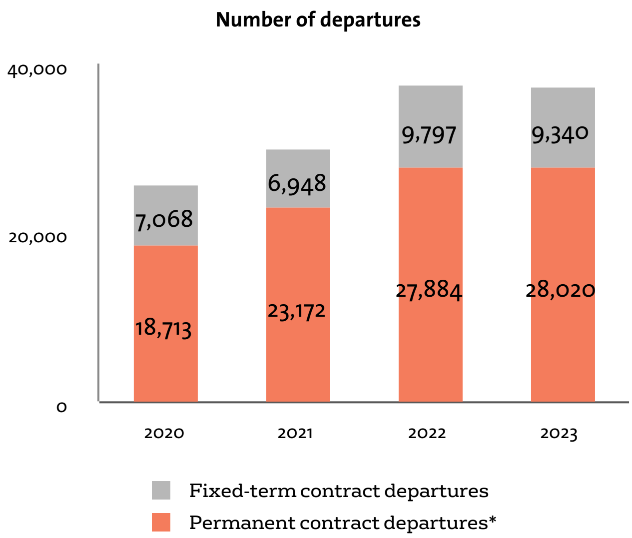
	2020	2021	2022	2023
Total workforce as of December 31	178,894	176,488	213,684	218,288 (√)
Annual full-time equivalent workforce	171,450	169,741	202,210	205,614 (√)
Share of workforce with permanent contracts (FTE)	92.4 %	93.3 %	93.3 %	94.6 % (√)
Total managerial staff	13.3 %	14.4 %	16.8 %	17.6 % (√)
Total non-managerial staff	86.7 %	85.6 %	83.2 %	82.4 % (√)
Proportion of direct workforce (FTE)	93.9 %	93.1 %	92.5 %	92.8 %
Proportion of indirect workforce (FTE)	6.1 %	6.9 %	7.5 %	7.2 %

The full-time equivalent workforce is calculated by weighting the total workforce by both the employment rate and the amount of time worked by each employee. This represents the proportion of employee work.

The direct workforce corresponds to full-time equivalent employees with permanent or fixed-term contracts and the indirect work force corresponds to full-time equivalent temporary employees, freelancers and independent workers.

Hires and Departures - Permanent and fixed-term contracts





** Excluding contract losses.*

Employee movements

	2020	2021	2022	2023
Fixed-term contracts transformed to permanent contracts	3,947	4,148	4,551	4,500
Permanent contract hires as a % of total external recruitment	58.6 %	65.1 %	66.6 %	66.5 %
Hires following a contract takeover	3,960	1,076	1,127	1,263
Internal mobility	5,273	9,678	10,297	10,900
Departures following a contract loss	4,103	2,833	2,022	2,419
Turnover rate (1)	11.6 %	14.4 %	14.7 %	14.3 %
Resignation rate (1)	5.6 %	7.5 %	8.6 %	8.2 %

(1) Employees with permanent contracts.

In 2023, the Group recruited 31,601 employees on permanent contracts (including fixed-term contracts transformed to permanent contracts). In 2023, the number of employees benefiting from internal mobility increased by 5.9% compared to 2022.

In addition, 11,288 employees were promoted in 2023 (11,174 in 2022).

Of the total departures (permanent and fixed term contracts) recorded by the Group in 2023:

- 12.2% were the result of individual redundancies (same in 2022);
- 0.5% collective redundancies (0.4% in 2022).

The turnover rate for employees with permanent contracts was 14.3% in 2023 (14.7% in 2022) and the employee resignation rate was 8.2% (8.6% in 2022). This was primarily due to a stretched labor market. A general downward trend was observed in 2023.

Departures recorded in 2023, under voluntary departure programs or redundancy plans, involved 207 employees mainly in Uzbekistan.

The restructuring plans implemented in 2023 most often corresponded, after a review of the various alternatives inside the Group, to a reorganization that was vital for Business Units. These operations are carried out in compliance with local legislation.

4.4.3 GUARANTEE A SAFE AND HEALTHY WORK ENVIRONMENT

4.4.3.1 Prevention, health, safety, and well-being at work

4.4.3.1.1 Risks and opportunities

The Group's most valuable resource and consequently its primary asset is its employees. In accordance with Veolia's Human Rights policy, sustainably protecting the health and safety of employees and subcontractors while protecting customers and communities served by the Group is an absolute priority.

The variety of Veolia's business sectors, geographic zones and working environments requires constant due diligence (see Chapter 2, Section 2.2.2.2 above). The Group is committed to ensuring the physical and psychological integrity of its employees and subcontractors in all its businesses and facilities by implementing an ongoing initiative and an enhanced health and safety culture. Veolia is also committed to continually improving working conditions and ensuring a safer environment for future generations.

Mindful of its responsibility, the Group makes health and safety "non-negotiable" and "zero accidents" an objective and a performance driver.

4.4.3.1.2 Policy and commitments

Health and safety at the core of Veolia's Purpose

As part of its Purpose and the Impact 2023 strategic program, Veolia gave commitments in favor of its employees with a 2023 target (see Chapter 4, Section 4.1.1 above). These commitments comprise several objectives, including safety at work.

Commitment	Objective	SDG	Indicator – definition	2020 Results	2021 Results	2022 Results	2023 Results	2023 Target
Give meaning to our employees work and help them with career development and engagement	**Safety at work**	3 GOOD HEALTH AND WELL-BEING	• Lost time injury frequency rate	6.6	6.65	5.61	4.95 (√)	5
Sponsor	Estelle Brachlianoff		Chief Executive Officer					

GreenUp

As part of its GreenUp 2024-2027 strategic program, Veolia renewed its commitment in favor of its employees and adopted the following objective and target:

Commitment	Objective	SDG	Indicator – definition	2023 baseline	2027 target
Give meaning to our employees work and help them with career development and engagement	**Health, safety and well-being**	3 GOOD HEALTH AND WELL-BEING	• Lost time injury frequency rate (Veolia employees)	4.95 (√)	≤ 4,1
Sponsor	Estelle Brachlianoff		Chief Executive Officer		

Health and safety action plans and results are monitored closely by different governance bodies, i.e. the Board of Directors, the Executive Committee, the Management Committee, and the Ethics Committee. They are also shared with employee representative bodies at local and Group levels (Group French and European Works Councils)and are made available to all Group employees via the Veolia intranet.

A process was set up to escalate initiatives according to their importance and impact. Strategic decisions and actions are developed by the Health and Safety Center of Excellence, then submitted to the Executive Committee, and finally integrated into the three-year strategic plan and, more generally, the commitment of Executive Management.

A commitment shared at all levels of the organization

The Group implemented measures to meet the highest international standards and the principles and recommendations of international organizations. It includes in its health and safety roadmap and continuously monitors compliance with legal obligations with regard to health and safety at work in all its geographies.

Veolia Environnement is signatory to the Seoul declaration of the International Labor Organization (ILO), which recognizes the basic human right to a safe and healthy working environment.

Based on the guiding principles of the ILO, Veolia is committed to promoting the continuous improvement of prevention, health and safety and training for managers and employees and more generally, all Group stakeholders, as well as promoting social dialogue on these issues.

At the highest level of the organization, Veolia's continuous improvement approach to prevention, health and safety is formalized in a letter of undertaking that was updated in September 2022 following the appointment of Estelle Brachlianoff as Chief Executive Officer. This update strengthens the Group's commitment to well-being and psychosocial risks, in addition to business risks.

Veolia's five strategic pillars on which the prevention, health and safety policy is built are to:

- involve the entire managerial line;
- mitigate health and safety risks;
- communicate and discuss;
- train and involve all employees;
- monitor and control health and safety performance.

This process supports the efforts already initiated and involves all employees at all levels of the organization, as well as the Group's suppliers, subcontractors and joint venture partners.

The policies and standards deployed by the Group are very proactive: in addition to being consistent with ILO guiding principles and complying with local regulations and standards, they incorporate additional requirements stemming from the Group's best practices and accident feedback. For example, the set of 10 high-risk management standards includes around 650 requirements, including 100 newly created in 2022-2023.

In 2023, the policy roll-out initiative was bolstered with the set-up of "health & safety performance contracts". 55 contracts were signed by the Group Health & Safety Prevention Department and the directors of delegated zones or BUs. Through transformation programs and proactive indicators, these contracts cover managerial visibility, employee engagement, standards deployment, etc. They are supported all year round by the officers of the Health & Safety Prevention Department and a detailed year-end review is conducted to assess the state of progress of commitments resulting in a rating.

This assessment forms part of the indicators used to determine the variable compensation of executive corporate officers (Executive Resourcers) and, more generally, managers for certain Group regions, when measuring performance in terms of prevention and health & safety.

A steering body: the prevention, health and safety center of excellence

The prevention, health and safety center of excellence is comprised of some 30 international experts within the Group. It proposes prevention, health and safety strategies to the Group's Executive Committee and coordinates Group-wide projects, creates synergies between the businesses by encouraging the sharing of best practices, and evaluates results using performance indicators. In addition, experts have been appointed to ensure the consistency, monitoring and coordination of measures by country and by region. This organization provides a structured and flexible continuous improvement system which incorporates the cultural and regulatory dimensions specific to each country.

The year 2023 was marked by strategic discussions to draw up the Group health & safety roadmap for the period 2024-2027, in line with Group directives: increase sharing and momentum in terms of health and, more generally, well-being, take into consideration the stakeholders and increase the focus given to temporary employees, anticipate risks such as those relating to chemical transition, climate change as well as those pertaining to new Veolia businesses deployed in new regions (e.g.: battery recycling, etc.).

A continuous improvement process

To communicate their involvement and commitment, all management levels regularly conduct managerial safety field visits. These visits offer an opportunity to observe working situations in situ and promote discussions on best practices and areas for improvement with employees, and thus take action on certain behaviour.

More than 150,000 managerial safety field visits were conducted in 2023 (132,005 in 2022), up by over 15.4% compared to 2022.

As part of the process to establish and formalize a common culture (creation of a *Management Behaviors* guide (see section 4.4.4.3.1 *below*))incorporating the arrival of employees from the Suez merger, several defining initiatives were developed to assist managers: creation of common culture training *OHS Leadership*, design of the health & safety manager guide, promotion of a just culture, signature of health & safety contracts describing expected cultural transformations. These initiatives adopt the founding principles of both corporate cultures to create a new common dynamic.

4.4.3.1.3 Actions and results

There was a huge collective response to the theme of health and safety. In the 2023 Voice of Resourcers engagement survey (see Chapter 4 section 4.4.4.3 below): as in 2002, 94% of respondents (+18 points above the external benchmark) pointed out that health and safety are deemed very important in their entity/Business Unit.

The lost time injury frequency rate is one of the indicators of Veolia's multifaceted performance under its Impact 2023 strategic program.

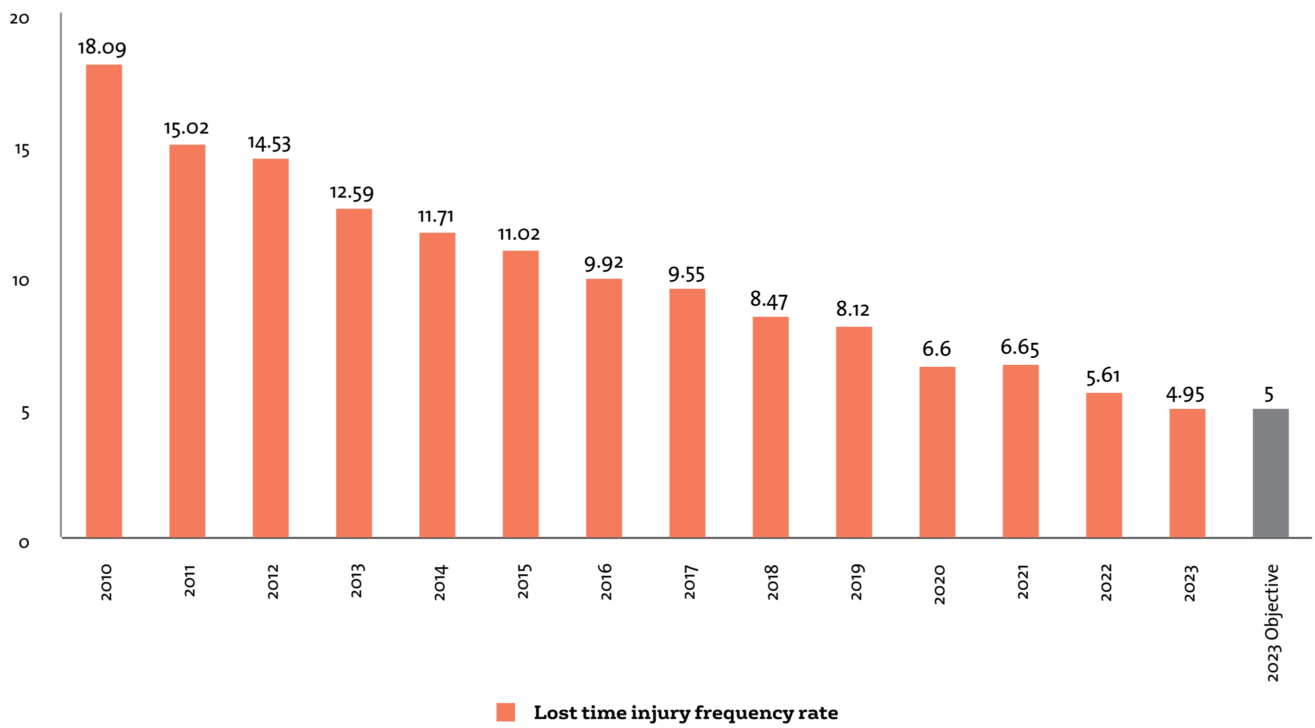
Since 2010, the lost time injury frequency rate (the number of lost time accidents per million hours worked) has been constantly falling from: 18.09 in 2010 to 4.95 (√) in 2023 (i.e. a decrease of 72.6% in 13 years - a decrease of 25.6% since 2021).

This decrease is the result of significant measures implemented to prevent workplace accidents and occupational diseases for all employees on a human, technical, organizational and behavioral level. These measures are reinforced by a major training effort that combines both face-to-face and online training.

In 2023, 31 countries where the Group is active did not record any lost time injuries.

In 2022 the Health and Safety Department conducted a detailed benchmark with Veolia's main historical business operators. Based on its global performances in 2022, Veolia is ranked among the best in comparison to the benchmark by business: for Water 4.0 (vs 6.6), for Waste 8.2 (vs 16.2) whereas this business records many more accidents due to the type of activity with a high risk exposure.

Lost time injury frequency rate trends since 2010



Monitoring prevention, health and safety performance

Using an internal tool, health and safety performance data has been compiled on a quarterly basis since 2015.

In 2023, the monitoring and analysis of accidents suffered by temporary employees and subcontractors were strengthened to establish a 2024-2027 improvement plan. A major project to improve the reliability of temporary employee data was prioritized in 2023.

	2020	2021	2022	2023
Lost time injuries (excluding commuting) (employees)[1]	2,103	2,101	2,112	1,895(√)
Lost time injuries (excluding commuting) (tempory staff) [1]	–	–	–	418 (√)
Calendar work days lost due to lost time injuries (excluding commuting) (permanent and fixed-term contracts) (employees)	137,082	136,243	148,221	130,110(√)
Lost time injury frequency rate (employees) (number of workplace accidents with lost time per million of hours worked)[2]	6.60	6.65	5.61	4.95(√)
Injury severity rate (number of days lost due to workplace accidents per 1,000 hours worked)[2]	0.43	0.43	0.39	0.34(√)
Lost time injury frequency rate (employees, temporary workers, employees of employment placement agencies and self-employed workers) (number of workplace accidents with lost time per million of hours worked)	–	–	–	5.71
Number of employee deaths tied to processes	3	6	2	7
Number of subcontractor and employees of temporary employment agencies deaths tied to processes	1	4	3	3
Injury rates analyzed (based on root cause analysis)	74.1 %	74.5 %	69.7 %	71.1 %
Near misses, unsafe acts, unsafe conditions related to work and equipment failure (excluding commuting) reported	177,546	228,094	274,563	313,203
Number of employees having participated in at least one health and safety training course	136,072	130,221	160,550	184,101
Number of employees who have benefited from a well-being program	36,438	102,189	60,636	71,752
Percentage of employees having participated in at least one health and safety training course	67.5 %	72.1 %	74.3 %	83.0 %
Number of authorities dedicated to or incorporating the study of health and safety issues	1,927	2,268	2,307	2,555

(1) Workplace accidents, excluding commuting, resulting in lost time of at least one day.
(2) Including the Chinese concessions.

The Group noted with regret the deaths of seven employees tied to business processes: two in Asia relating to equipment safeguarding, two who fell from a height in France and Bulgaria, two in a confined space in Spain and one in Armenia following a trench cave-in.There were also three subcontractor and temporary employee deaths related to processes: one in China, one in France and one in Mexico.

“Feedback” committees were set up to analyze each of these accidents. The assessment was presented to Executive Management and the Health & Safety Prevention Department by local management and action plans covering the scope of the BU, zone or Group were set up.

The Bird pyramid ratio of the number of safety observations (near misses, unsafe acts, unsafe conditions related to work and equipment failure) to the number of lost-time injuries, demonstrates cultural progress, in particular in the escalation of near misses, and a preemptive approach to more serious accidents. The ratio of safety observations escalated per employee has steadily increased from 0.93 in 2018 to 1.52 in 2023 (1.36 in 2022). This highlights the atmosphere of trust and the engagement of employees.

Since 2022, the Group strengthened its approach to identify, collect and analyze High Potential (HiPo) incidents. An HiPo is an incident of minor or considerable severity which realistically could have become serious or very serious under slightly different circumstances The treatment of HiPos is key to reducing situations that lead to serious accidents. 3,510 HiPos were reported in 2023. The HiPo analysis rate in 2023 was 94%. The HiPo indicator is now a Veolia health & safety indicator.

Guidelines for the management of health and safety at work

The Group has a defining and structured approach based on two sets of compliance guidelines: guidelines for Health and Safety Management and high risk activity management standards.

In 2018, members of the Health and Safety Center of Excellence developed guidelines to manage health and safety at work based on best practices identified in all of the Group’s activities.

The aim of these guidelines is to organize and define clear guidelines to enable management to develop and roll out a continuous improvement plan tailored to each business unit.

The guidelines were designed on the basis of the five strategic pillars of Veolia's health and safety prevention policy; they cover the specific measures, actions and requirements to achieve an "interdependent" safety culture and make zero accidents a choice and goal of excellence. These guidelines are available in several languages.

Risk mapping and the 10 management standards for high-risk activities

To improve control of major risks, ten management standards for high-risk activities have been defined (e.g. working in confined spaces, safeguarding of facilities; excavation and trenching, hotwork, working at a height, hazardous substances, electricity, traffic management, lifting operations, high pressure etc.)

This list, which is common to Veolia business lines, was drawn up by the prevention, health and safety center of excellence after analyzing past events at Veolia. A matrix to evaluate the level of compliance with human, organizational and technical requirements was also implemented to support operational deployment in the field.

As part of the integration of Suez employees following the merger and the updating of standards to improve assimilation by all employees, mixed work sessions were set up to share and supplement, where necessary, each of Veolia’s ten management standards for high-risk activities. Seven standards were therefore revised over the period 2022-2023. The latest three standards are under revision. To support the deployment of the revised standards, a cycle of Group webinars was launched in 2023 with an explication of the requirements and new components of each standard as well as the highlighting of accidents and good practices. In 2023, efforts mainly focused on specific work traffic requirements (on and off-site): traffic plan, strengthening of measures for areas of concurrent activity generating risks of collision between vehicles and pedestrians, additional safety features for collection trucks and on those relating to the safeguarding of facilities or hot works.

The implementation and development of standards are tracked within each country then and each zone, and finally to be consolidated at Group level. For example, overall revised standards compliance for the Latin America delegated zone was 84.2% at the end of 2023, verified by several on-site audits following a self-assessment.

Various projects were also undertaken to build a common culture: the first joint project was to clarify the common life saving rules to illustrate the most dangerous situations. Based on health and safety standards., they are applicable to all, and are the latest employee protection measures designed to avoid serious or fatal accidents.

Distributed at the end of 2022, they were the subject in 2023 of game-based employee commitment and innovation meetings (quizzes, escape games, etc.).

In addition, Veolia has set up safety management systems (SMS) based on standards such as ISO 45001, ILO OSH 2001 and/or OHSAS 18001. Every year, entities throughout the world are certified, labeled or recognized for their procedures in prevention, health and safety.

At the end of 2022, 57.7% of Veolia revenue was covered by a SMS (ISO 45001, ILO OSH 2001 or equivalent).

A global accident and non-accident management solution: the “PaTHS” program

The Prevention & Training on Health & Safety (PaTHs) program, currently being rolled out, comprises a collaborative tool and a mobile app.

This program helps to significantly improve and harmonize the management of health and safety events, strengthen the benchmark between geographies and build a reliable database and a predictive risk approach. The tool is designed to anticipate and manage various health and safety training courses, certifications and authorizations. Alerts are generated to anticipate expired authorizations and certifications. This process is used to systematically manage all sensitive training courses (e.g. chemicals, confined spaces, explosive atmospheres, hot works, working at height, consignment, etc.) and issue a health and safety passport for each employees that can be presented at any time (in paper or digital format) to a supervisor, auditor, client or any other stakeholder.

Initiated in 2021, the PaTHS program considerably expanded and the employee coverage rate was 75% at the end of 2023 with an expected rate of over 90% at the end of 2024 (countries such as China cannot integrate the program due to regulatory constraints).

Risks assessment, safety audits and visits, and the monitoring of action plans

A risks assessment as well as safety audits and visits of the facilities are carried out before operations commence to detect any risk situations and propose corrective measures. The Group’s facility design and building activities incorporate risk prevention mechanisms as far upstream as possible, in order to eliminate risk situations and guarantee the health and safety of any future operators.

At the same time, the BUs implemented audit programs to develop their health and safety culture and/or to ensure that the minimum health and safety requirements defined by the country’s regulations, Veolia's rules, the Business Unit or customers are applied. These audits include all stakeholders. Self-assessments are conducted in addition to the audits. Corrective and preventive actions must be put in place once the findings of the audits have been analyzed.

In addition, the members of the Group Prevention, Health and Safety Department carry out audits every year to assess the health and safety culture maturity level., post serious or fatal accident audits and verify the level of standards implementation via the BU self-assessment.

Since 2022, a dedicated system has been set up for the entities with the highest accident frequency rate, i.e. 19 entities whose workforce is greater than 500 FTE with an injury frequency rate greater than ten, representing 5% of the entities. The BUs comprising these entities each established an overview of their situation as well as a specific action plan, shared at strategic meetings with the Group Prevention, Health and Safety Department. Some were also audited by health and safety experts to better assess the situation, understand the areas where progress is needed and adjust the initial action plan as part of a continuous improvement process. The health & safety performance contract (see Section 4.4.3.1.2 above) was strengthened to ensure a differentiated and more qualitative monitoring.

The Group’s Prevention, Health and Safety Department therefore carried out over 130 site and project visits and 6 complete audits covering, as is the case every year, a wide Group scope (Japan, India, Korea, Taiwan, China, Hong Kong, United States, Canada, Spain, United Kingdom, Belgium, Uzbekistan, Poland, Germany, Chile, Mexico, Ecuador, South Africa, and numerous sites and subsidiaries in France).

In 2023, the health & safety questionnaire included in the internal control department self-assessment process used to assess the maturity of each BU was expanded from 12 to 15 key questions. The self-assessment is designed to strengthen current processes and implement action plans to improve overall organizational efficiency in terms of performance and compliance.

The participation rate was 100% with 66 questionnaires. The results illustrate a very good level of maturity for the various pillars with 88% of responses ranging between satisfactory and high.

Regular presentations to the Executive Committee allow the fit between actions conducted and the Group strategy to be verified.

Each assessment is followed by one or more action plans to adopt the necessary measures to improve risk management. The effectiveness of each action plan is measured using pre-determined indicators and objectives (budget, deadline, target risk level, etc.). Following the implementation of action plans, the level of risk management is reassessed and new priorities are drawn up, resulting in a continuous improvement process.

Personal protective equipment

Veolia provides all employees with personal protective equipment (PPE) at work that meets the best international standards. PPE is provided for each employee in sufficient quantities, taking into account the risk assessment, and is periodically renewed.

Sharing best practices

Each Veolia employee can suggest a best practice that may, after validation, be widely shared at Group level. The Group Health & Safety Prevention Department set up a platform with contacts for each BU in order to organize the submission process and share proposals. Furthermore, Group Health & Safety Prevention Department produces and distributes a publication *Believe* News containing the top best practices.

The platform is intended to guide managerial staff in implementing high risk activity standards and the health & safety at work management framework and showcase the best practices of business units worldwide. It is also set up to help other entities copy & adapt such practices. At the end of 2023, it featured more than 2,000 best practices.

To promote the sharing of these best practices, the Group Health & Safety Prevention Department organized an annual competition to reward the top best practices with an "Always safe Award". The awards are handed out by Group Executive Committee members. In 2023, in connection with these awards, the Group Health & Safety Prevention Department promoted the collaboration of Veolia teams with subcontractors, temporary employees and other stakeholders.

A joint commitment

The themes of occupational health and safety are fully integrated into the social dialogue (see Chapter 4, section 4.4.5.2 above). Signed agreements relating to prevention and health & safety, which have steadily improved, represented 11.4% of agreements in 2023 (10.9% in 2022 and 10.7% in 2021).

To promote greater collaboration and sharing with labor and management representatives in terms of prevention, health & safety, the decision was made at the Group European Works Council meeting at the end of 2022 to set up a dedicated working group. This group comprises representatives from eight countries and the main topics discussed were:

- value of health and safety monitoring indicators;
- social dialogue on health and safety;
- health and safety policy within the Group;
- human and organizational factors: commitment of individuals;
- well-being at work, health including psychosocial risks.

In 2023, the working group met six times to discuss the current situation, European disparities and priorities for the 2024-2027 roadmap in the form of common resolutions.

Raise awareness and train

Training is one of the five pillars of the occupational prevention, health and safety policy.

At the heart of human resources performance with respect to Veolia's Purpose, the goal of "zero accidents – a choice" was set for all Group activities. To support cultural changes in terms of health & safety prevention, each Group employee must receive specific training in these topics.

In 2023, 83% of Veolia employees received health & safety training or training involving a major health & safety component (vs. 74.3% in 2022, 72.1% in 2021, 67.5% in 2020), and 42.3% of training hours were devoted to safety (vs. 42.3% in 2022, 45.6% in 2021, 46.5% in 2020).

Development of the health and safety culture: the OHS Skills program

To support cultural change with respect to safety and strengthen the integration of health & safety at all levels of the organization, a new training program *OHS Leadership* is currently being rolled out across the entire Veolia scope. This program is intended for all managers, Health & Safety Prevention functions to become a coach and internal trainers to facilitate the program's roll-out.

After the training, managers receive individual safety coaching to boost the impact of their managerial safety visit and their leadership in these topics. The health & safety performance contracts initiated in 2023 and renewed for 2024 very clearly define the roll-out objectives and priorities for this program.

Participants received several guides and supports to help them put into practice the conduct expected in the Management Behavior guide.

At the end of 2023, 883 managers, 168 safety coaches and 16 internal facilitators were trained in various Business Units, including the management committees in France, Germany, Latin America, Portugal and Asia. At the end of 2024, training is scheduled for all Group BU management committees and around 30% of managers of entities which report the most accidents.

In parallel, the Group continued the OHS Skills program, initiated in 2019. This program seeks to: maintain the technical competencies of health & safety prevention professionals, develop their know-how, help them improve their management and ability to support the development of managers during managerial safety visits, safety discussions, risk and incident analyses and application of the 10 standards and life-saving rules. The aim is to share a safety-related state of mind, acquire the best leadership practices and strengthen the health & safety at work culture in Veolia. At the end of 2023, 120 experts from different BUs had been trained or were in the process of being trained.

E-learning program on the management standards for high-risk activities

To help assimilate the 10 high risk activity management standards deployed in the Group since 2016, and the 12 life-saving rules, an online training program on each of these activities was launched in 2021.

This course aims to strengthen the health and safety culture at all levels of the organization, increase the perception of hazards for such activities, increase employees' knowledge of the risk control measures and ensure that the fundamental components of these standards are known and understood by all employees including external stakeholders (subcontractors, service providers, suppliers, customers) and that they are effectively adopted.

Six available courses are being rolled out in all BUs. Course no. 1 "Introduction: health and safety culture at Veolia" and course no. 2 "Work traffic" concern all Veolia employees. They were already deployed to over 85% of employees at the end of 2023 and will be maintained for new hires in 2024.

All BUs have also selected two or three programs to train by the end of 2023 risk-exposed individuals (work from height, facility safeguarding, confined spaces, hot works). All the programs for the other 5 standards will be gradually produced and rolled out by the end of 2025.

In addition to widespread e-learning, the Group has set up a framework agreement to deploy virtual reality modules to put ourmajor risks into context. More than 39 headsets and licenses were contracted in various regions. Specific business models were designed for life-saving rules and the primary risks.SARP designed a video combining real-life images and 3D effects to educate teams about safety. Virtual technology offers more opportunities to view the inside of a pipe and simulate serious accidents. The video is shown to all new employees who then receive an assessment that determines their subsequent assignment to projects.

Use of digital tools to complete training

Veolia uses digital tools to anticipate and complete various health and safety training courses. Alerts are generated to anticipate expired authorizations and certifications. An authorization should be issued at the end of a training course upon signature of the attendance sheet and then approved by the hierarchy. This process is used to manage all sensitive training courses (e.g. chemicals, confined spaces, explosive atmospheres, hot works, working at height, etc.) and issue a health and safety passport that can be presented at any time (in paper or digital format) to a supervisor, auditor, customer, etc.

Analysis to prevent risks

The Group is particularly attentive to employee awareness and the monitoring of at-risk situations and near misses, in particular HiPos.

The Prevention, Health and Safety Department uses the Bird pyramid to prevent accidents, which has five levels:

- near misses, unsafe acts, unsafe conditions (base of the pyramid);
- first aid injuries;
- medical treatment injuries;
- lost time injuries;
- fatalities.

At Veolia, all work accidents are analyzed. Material incidents that impact activity (explosion, fire, etc.) and HIPO (High Potential) incidents must also be analyzed. Accidents are analyzed in order to:

- prevent the repetition of these events;
- understand and clarify what really happened;
- effectively identify the causes that led to the events;
- determine and implement action plans;
- continuously improve and monitor your work environment;
- avoid the costs (direct and indirect) associated with an accident, particularly in human and social terms;
- ensure compliance with applicable regulations.

The Group has also implemented a procedure for many years to investigate work-related incidents and accidents for prevention purposes, mainly using “safety alerts”. In the event of a workplace accident, the health and safety coordinator sends the Group Prevention, Health and Safety Department a record using a template detailing the circumstances, consequences of the event and the corrective measures put in place (human, organizational and technical). A more in-depth analysis is conducted for serious accidents.

These safety alerts are then shared with the entire prevention, health and safety network, and more broadly on the Group intranet.

International Health and Safety Week

Veolia has organized an International Health and Safety Week since 2015, to help firmly establish a health and safety culture at work. This event is one of the Group’s main levers of change to achieve “zero accidents”.

The 2023 edition was built around two themes: awareness of unconscious errors focusing on the risks of accident relating to reflex actions and the identification and treatment of HIPOs through a challenge involving an external stakeholder (subcontractor, temporary employee, client, etc.) to continue forging a real partnership in terms of health & safety.

Monitoring of subcontractors,employees of temporary employment agencies, employees of employment placement agencies and self-employed workers

Suppliers are also expected to take steps to guarantee the health, safety and well-being of their employees in accordance with the Supplier Charter. Accordingly, a preliminary risk analysis is performed of subcontracted activities to contractually define the prevention measures to be applied by all subcontractors. These measures are regularly audited.

Depending on the specific characteristics of Veolia’s businesses, regulatory measures and a cultural adaptation approach are integrated into the management of stakeholders’ health and safety within the Group.

Managing subcontractors operating on Veolia sites and Veolia customer sites is a vital component of the overall prevention, health and safety policy. It is reiterated in the Veolia Occupational health and safety management guidelines that each Veolia BU must have an exhaustive list of its subcontractors and must inform them of the Veolia Health and Safety requirements in relation to the tasks subcontracted.

A documented risk assessment is carried out jointly by the BU, the subcontractor and all companies operating in the work area, to define joint preventive measures. A system for assessing health and safety requirements is put in place and determines whether the subcontractor is listed and used again. The system provides, where appropriate, for the temporary or permanent exclusion of a subcontractor in the event of a serious breach of the prevention, health and safety rules.

The BUs provide a health and safety induction for subcontractors’ employees working on Veolia sites. This training session includes a final test with a minimum threshold to be allowed to work on the site. A manager is identified at each site to supervise the subcontractors.

As part of its commitment to continuous improvement, Veolia has monitored workplace accidents of subcontractors in the same way as employees since 2018.

In 2023, efforts focused specifically on managing the health & safety of employees of temporary employment agencies, employees of employment placement agencies and self-employed workers in terms of their lost time injury frequency rate (14.15(√) in 2023). It supplements the historical annual meetings with temp agencies which assessed their performance and growth. A review of countries using this type of contract and the related accidents was conducted. A specific pilot approach for France, where the Group has had framework agreements with temp agencies for several years, was set up. Internationally, a purchasing task force was launched to set up in 2024 four global framework agreements to better structure our requirements. In France, all temp agencies were met and several decisive projects were rolled out:

- creation of a temporary employment charter specifying the responsibilities of temp agencies and Veolia sites to better integrate temporary employees. Signed by seven main temp agencies, it will be deployed in 2024 at all Veolia sites;
- launch of a satisfaction survey on the health and safety of temporary employees who have worked during the year at Veolia. Transmitted at the end of 2023 by each temp agency, the results will be escalated and consolidated by March 2024;
- conduct of analyses at certain Veolia agencies which have reported the highest number of temporary employee accidents to identify improvements.

This work should help gradually reduce the number of temporary employee accidents and improve their well-being at work.

Medical check-ups and prevention of occupational diseases

All employees attend a regular medical check-up to detect occupational diseases, with a particular focus on prevention.

In 2023, 146 new employees had an occupational disease (vs. 153 in 2022 and 126 in 2021). However, the information on occupational diseases can vary due to differences in local practices and regulations. The Group monitors occupational diseases by cause category, namely: chemical agents, physical agents, biological agents and infectious or parasitic diseases, respiratory disease, skin disease, musculoskeletal disorders, mental or behavioral disorders, occupational cancers. Musculoskeletal disorders represent over 80% of the occupational diseases recognized in the Group.

Work station ergonomics: a musculoskeletal disorder prevention tool

Veolia strives to detect any ergonomic defects that could generate risks relating to musculoskeletal disorders, lack of visibility and falls. To this end, the Group rolls out 3 types of ergonomics to improve the performance of professional activities: physical ergonomics, cognitive ergonomics and organizational ergonomics. With this in mind, Veolia undertakes to improve and optimize the ergonomics of a workstation by:

- studying the work environment;
- consulting employees before selecting equipment;
- respecting basic rules governing office supplies;
- organizing the work.

The Veolia Department of Scientific and Technological Expertise (DEST) therefore conducts analyses during design projects (initial or upgrading). They enable the ergonomist to have detailed knowledge of all determining factors and their interactions and a systemic view of work activity. The ergonomist can then:

- direct design options and priority work streams in order to save time in carrying out the project;
- encourage more operators to accept the innovation/solution approach using the “user-centric design” concept tailored to specific user requirements and contexts determined previously by analysis;
- help employees assimilate this innovation/solution approach in the medium and long term;
- ensure, via feedback after several weeks or months of use, that innovation is actually used and such use meets initial project expectations.

Risk of exposure to noise and vibrations

Veolia pays particular attention to occupational risks associated with exposure to noise and vibrations, assessing such risks and reducing exposure to the lowest reasonably possible level. Efforts are made to combat noise and vibrations using existing collective protection best practices. Workstations are designed and continuously adapted to reduce exposure time. For vibrating vehicles, machines and work situations, operators and drivers are rotated to reduce exposure to vibration.

Health and safety tested by the health crisis

After successfully managing the COVID crisis period, Preventing preventing health crisis situations remains a priority at Veolia. Monitoring remains well organized and flu and Covid vaccination campaigns are offered to Group companies worldwide.

Prevention of psychosocial risks (PSR)

Prior to implementing any measures to improve well-being and quality of life at work, Veolia incorporated management of psychosocial risks, an essential phase in the management of Group professional risks.

The Internal Audit Department conducted an analysis at around ten BUs, enabling them to issue recommendations in April 2022 to achieve the following objective: “increase the sharing of good practices and the roll-out of a common Group approach in terms of psychosocial risk management”.

Based on the audit results, it was concluded that in most countries, various psychological hotlines with external specialists provide valuable information, while ensuring support for employees encountering difficulties professionally and personally. These therefore help the Group to assess possible factors and sources of stress and supplement the risk analysis conducted in connection with the single documents, which cover both business and psychosocial risks.

To strengthen current processes in the BUs, a Group training program for all managers will be rolled out in 2024. The objective is to gradually structure a Group management system, training courses and tools as well as a coordination system to bolster existing local initiatives and strengthen “copy and adapt” within the entities.

In the RVD BU in France, a PSR prevention action plan was set up with a specialized firm. It resulted in support measures in regions/subsidiaries for managers and employees who encounter difficulties (training, forums, individual assistance, emergency interventions, mediation, etc.). At the end of 2023, 88% of managers were trained and around 600 workshops were held to extend the notions.

In 2023, Veolia drafted its PSR strategy in Australia & New Zealand. Projects were initiated to address ISO 45003:2021 (PSR management guidelines) recommendations. The risk assessment model to identify and mitigate psychosocial hazards was finalized and will be tested in 2024. A training program “Responding to Mental Health and Psychosocial Hazards at Work” was launched for executives. To date, 100 managers/supervisors completed a training program with positive feedback. 220 mental health first-aiders were also trained and invited to attend a quarterly improvement session covering various topics on how to support our employees and prioritize the management of their own health.

Employee well-being and support

The well-being of the Group's employees is a priority that is firmly anchored in the Group and enshrined in Veolia's Purpose (see Chapter 1, Section 1.1.2 above).

In 2021, the Group launched, with the Center of Excellence, an initiative to support the entities with their health and well-being issues, improve the quality of life at work, strengthen cohesion and contribute to the Group's performance. This So'Well initiative is based on promoting best practices and aims to raise awareness and embed well-being into the daily lives of employees.

The Group made real progress in 2022 and 2023 in structuring its well-being policy and the related transversal action plans. A Group officer was appointed to coordinate these actions in liaison with a new division set up in early 2023 within the HR and health and safety networks: well-being officers. At the end of 2023, this network covered all Veolia regions with 60 officers. It has been regularly facilitated and will be extended in 2024 by a training program on various topics such as emotion management, stress management, eco-anxiety etc. These training courses are also available to all HR and Health & Safety divisions.

In 2022, a well-being at work indicator was therefore set up in the Voice of Resourcers engagement survey (see Chapter 4 section 4.4.4.3 below) It measured 75 out of 100 in 2023 (74 in 2022), +9 points above the external benchmark. 81% of respondents (80% in 2022) are satisfied with the work/life balance (+5 points above the external benchmark).

The Veolia Care program (see section 4.4.4.4 below), initiated in 2022, was fully rolled out on September 1, 2023 in all Group regions. It supplements this process by proposing tangible improvements in the level of social security protection offered to our employees (healthcare, important life moments, etc.). An additional return-to-work help initiative supports employees who have been off work for long periods due to an accident or illness to enable them to easily resume a professional activity while limiting the risk of relapse or social exclusion.

In addition to the Group's programs, more local health and well-being at work initiatives, adapted to their context are adopted by different Business Units.

For example, since 2020, Veolia has rolled out an online well-being program in Poland in which 2,298 employees have already participated (555 in 2020, 762 in 2021, 451 in 2022 and 530 in 2023). The program covers over 70 different topics such as: energy and time management, resilience and anxiety management, taking care of oneself in a world of uncertainty, sleep physiology, art of optimism, managing stress and emotions, work station ergonomics and working from home, diet under stress, etc.

In Portugal, over the past year, Veolia has organized Happy Mondays on the first Monday of each month to debunk the myth that Monday is always the most difficult day of the week. In an atmosphere of benevolence and empathy, an employee shares a personal project and its impact (Kilimanjaro climb, original agricultural project, etc.)

In 2023, in Australia and New Zealand, Veolia launched an annual well-being calendar, with a monthly theme (sleep, cardiac health, nutrition, etc.) and dedicated toolboxes and webinars. An employee heart health check campaign was launched at 35 sites and will continue in 2024. The process is supplemented by an app proposing various types of mental health content and local events (seminar, barbecue, breakfast, etc.) were organized by sites to facilitate dialogue on the matter and ensure freedom of speech. Finally, qualified specialists (*Thrive by Assure*) provided free consultations 24/7 (psychology, nutrition, financial and legal, wellness coaching).

Corporate sport: a dynamic vector of well-being at Veolia

Veolia also relies on sport as a vector to promote well-being, quality of life and health in the workplace.

In the various zones,Veolia enables its employees to take part in national, European and global sporting events. 8,000 sportspersons from over 50 countries took part of numerous sporting events and won multiple national, European and global awards, including the title of World Champion in Mexico in December 2023.

Since 2014, from the first race on diversity organized in Paris to 12 simultaneous races in various cities in 2023, Veolia has brought together over 5,900 participants while highlighting a gender balance and the inclusion of persons with disabilities in each race. The week-long "International E-run for Diversity" was held in parallel. This online race brought together 73 countries and entities, with 2,800 participants (vs. 2,227 in 2022). This event flies the flag for the Group and its values.

To accompany the buzz surrounding the Olympic Games on its home ground, Veolia has used its "Talents & Champions" program to recruit and employ seven top-level champions in different entities. The Group supports them in their career paths while helping them to prepare for the 2024 Olympic Games in Paris. At the end of 2023, four had already qualified, while the others are soon to qualify.

Thanks to these efforts and results, in September 2022 Veolia obtained the European Workplace Active Certification for 2022-2025 for these activities in Europe, which presented their sporting, preventive and well-being actions in the workplace. This certification proves that Veolia successfully promotes physical, preventive and sporting activities at work.

4.4.3.2 Work organization

The terms and conditions governing the organization of working time depend on the companies concerned, the nature of their business and where they are located.

Nevertheless, the Group is particularly focused on work rate flexibility and working conditions.

31.2% of collective agreements signed in 2023 relate to the organization and working time.

In an attempt to increase agile working, the Group has introduced working from home in several Business Units for jobs where this is possible. In France, in 2021, the Group negotiated with all the representative trade union organizations a framework agreement defining the terms and conditions for working from home for those who are able to do so and also defining the balance between working from home and working in the office to ensure team cohesion.

The number of part-time employees in 2023 was 6.1% (7.6% in 2022).

According to the Voice of Resourcers 2023 survey, 81% of employees are satisfied with their work/life balance.

The average work-week is 40 hours (√).

Moreover, Veolia promotes the Nation-Army link. As such, the Group pays particular attention to its reservist employees, supporting their commitment through a partnership agreement with the French National Guard. Signed in 2019, the purpose of this agreement is to facilitate the operational employment of salaried reservists in the Group, by giving them the opportunity to spend an extended reserve period (15 days) compared to the legal period (10 days) and maintain their salary over this period.

The agreement expires in March 2024 and is being renewed under a new model tripartite agreement: Veolia - French Ministry of the Armed Forces - French Ministry of the Interior and Overseas Territories that will prolong the existing provisions and extend them to reservists in the French National Police Force.

The total number of overtime hours worked was 18,875,088 (√), i.e. an average per employee of 92 hours of overtime per year (vs. 93 hours in 2022).

The definition of overtime, however, varies from country to country, which can make it difficult to evaluate this indicator. Moreover, in a service business, a large number of overtime hours are due to emergency work performed by on-call or on-site personnel, to restore water supplies or heating within a reasonable time frame, for example. Veolia ensures that every employee is treated fairly and with dignity and that the labor laws and regulations applicable in each of the countries where the Group operates are respected: health and safety standards to ensure a safe and healthy working environment and conditions.

Absenteeism trends

	2020	2021	2022	2023
Absenteeism rate (excluding maternity and paternity leave)	4.54%	4.22%	4.37%	4.19%
Absenteeism rate (illness)	3.39%	3.17%	3.36%	3.19%

4.4.4 ENCOURAGE EACH EMPLOYEE'S PROFESSIONAL DEVELOPMENT AND COMMITMENT

4.4.4.1 Risks and opportunities

The quality of Veolia's responses to environmental challenges and the growing demands of public authorities and industrial entities depends on its expertise and, more generally, the performance of its labor relations model. Veolia's performance partly depends on its ability to attract and retain talent and manage risks linked to the availability of skills which it needs (see Chapter 2, Section 2.2.2.2 above).

The Group is convinced that the motivation and mobilization of the Company's staff are an asset and a genuine competitive advantage. This is why Veolia strives to attract, train, develop and retain its staff at all levels of qualification and in all areas of employment in which it operates.

4.4.4.2 Policy and commitments

As part of its Purpose and the Impact 2023 strategic program, Veolia gave commitments in favor of its employees with a 2023 targets (see Chapter 4, Section 4.1.1 above). These commitments break down into several objectives, including employee commitment and employee training and employability. The level of employee commitment is measured annually via an independent survey (see Section 4.4.4.2.3, below). In 2023, the participation rate was 79%.

Commitment	Objective	SDG	Indicator – definition	2020 Results	2021 Results	2022 Results	2023 Results	2023 Target
Give meaning to our employees work and help them with career development and engagement	**Employee commitment**		• Rate of engagement of employees, measured through an independent survey	87%	87%	89%	89% (√)	≥ 80%
	Laurent Obadia		Member of the Executive Committee, Senior Executive Vice President, Stakeholders and Communications; Advisor to the Chairman;					
	Employee training and employability		• Average number of training hours per employee per year	17 h	21 h	26 h	29 h (√)	23 h
Sponsor	Isabelle Calvez		Member of the Executive Committee, Group Human Resources Director					

GreenUp

As part of its GreenUp 2024-2027 strategic program, Veolia renewed its commitment in favor of its employees and adopted the following objective and target:

Commitment	Objective	SDG	Indicator - Definition	2023 baseline	Target 2027
Give meaning to our employees work and help them with career development and engagement	**Employee commitment**	8 DECENT WORK AND ECONOMIC GROWTH	• Employee engagement rate (Voice of Resources survey)	89 %	≥ 85%
Sponsor	Laurent Obadia		Member of the Executive Committee, Senior Executive Vice President, Stakeholders and Communications; Advisor to the Chairman;		

4.4.4.2.1 Train and develop skills

Set-up of a Group International Training Department

Launched in 2023, the Veolia Academy supports the Group's transversal training offer. The 2023 Veolia Academy roadmap comprises four priorities:

- spread the Veolia common managerial culture;
- cultural assimilation of all employees to ecological transformation issues;
- development of new Group training programs on strategic competencies;
- acceleration of digital learning.

Spread the Veolia managerial culture

Spreading the Veolia managerial culture involves:

- The Group's Executives, Talents and Managers programs: in 2023, over 1,300 Executives, Talents and Managers took part in a Group training program. Nearly 800 managers took part in the new managers integration program (VIP). In this context, they took part in the "Management Behaviors" workshop developed by Veolia Academy to improve the adoption of behaviors aligned with Group values;
- E-learnings available for all managers on Veolia's fundamentals (Purpose in Motion, Essentials, Health-Safety Standards);
- A new program intended for Group executives and managers to strengthen the safety culture (OHS Leadership) was designed.

and rolled out in pilot entities in 2023. More than 50 Executives and 150 Managers completed this program in France, LATAM and Asia zones. It will be further deployed in 2024.

Support the challenges of ecological transformation

An entire catalogue of classroom and digital Group programs promoting awareness of environmental and ecological transformation issues is available to Group entities and included in Group Onboarding programs. This catalogue, launched in 2022, was gradually expanded in 2023. It includes:

- The Ecological Transformation Fresk (more than 5,000 participants since its launch in September 2022): this educational workshop, based on the "Climate Fresk", explains environmental issues and the role and impacts of Veolia's activities in relation to them. This tool is designed to raise awareness and engage all employees as ambassadors of ecological transformation;
- 2 tonnes workshop: the purpose of this recreational and educational workshop is to understand individual and group actions to substantially reduce our carbon footprint. It is proposed to all Group entities. 95 workshops were facilitated in the Group in 2023 for 940 participants. The roll-out momentum accelerated at the end of 2023 in particular.
- A set of online e-learnings on sustainable development was uploaded to the Group training platform Learning@Veolia and is available to all platform users. It mainly includes:
  - 20 courses from our partner Climate School. These courses available in 9 languages are aimed at assimilating climate issues and measures to be taken in the various corporate functions (HR, Marketing, Finance, IT, etc.).
  - An e-learning on the planet's limits deployed in September 2023
  - A "Responsible purchases" e-leaning deployed in December 2023.

Develop the Group's strategic competencies

In the second half of 2023, the Group's HR department worked with each zone to identify the competencies required for the 2024-2027 strategic program. According to the type of competency, the Group

may choose the best options according to internal and external resources: recruitment, development of competencies via training, outsourcing, acquisitions.

The Veolia Academy business academies design and roll out programs for the BUs to help them accelerate the deployment of the strategic competencies identified by the Group.

In 2023, Veolia Academy launched the following programs:

- Digital Academy: the "Digital Keys" course, rolled out in September 2023, is designed to share digital fundamentals at Veolia. It currently comprises 3 short modules ("Digital@Veolia", "Digital technology driving ecological transformation"; "Introduction to cybersecurity"). At the end of 2023, an Introduction to Generative AI workshop was tested on pilot BUs (headquarters and France): it will be further deployed in France and internationally in 2024.
- Innovation Academy: in collaboration with the innovation department, this academy build and tested 3 programs in 2023. The Innovation Behaviors workshop is designed for managers to understand how to create innovation conditions. The Design Thinking training is intended for Innovation project teams. Finally, an "Innovation" passport will be deployed in early 2024 for all employees.
- Hazardous Waste Academy: in collaboration with BS&P, this academy rolled out several e-learnings, including a course on incineration. A Sales rep training program on the specificities of hazardous waste is currently being designed and will be deployed in 2024.

- Energy Academy: 2 new programs are currently being tested for a deployment in 2024. "Virage Energie" was set up to training site managers and technicians on optimizing energy at our sites. "Energies Locales" is a recreational workshop designed to find out about Veolia's local decarbonizing energy solutions.
- Sales & Marketing: 2 Decarbonization training programs are currently being deployed. The "Greenpath Digital Platform" is aimed at training local coordinators and sales reps in how to measure the environmental footprint of our solutions. "Greenpath 0 Carbon" is designed to train managers and sales reps in the sale of Veolia's decarbonizing solutions.

Accelerate Digital Learning to foster a learning culture for all

- Digital Learning is a pillar of the training strategy, designed to provide everyone with easy access to training at the right time and on a wide range of subjects.
- 2023 marked a turning point with the launch in early July of the new Group digital learning catalogue, available for all Learning@Veolia platform users (over 100,000 users in all Group BUs). This catalogue includes all Group e-learning courses organized by major theme (Veolia culture, Health-Safety, Digital, Veolia Businesses, etc.) as well as access to more than 19,000 LinkedIn Learning catalogue courses, available in over 24 languages.
- Following the launch of the catalogue, there was a sharp increase in completed e-learning courses.
  - In November 2023, a total of around 8,000 users logged on at least once to LinkedIn Learning
  - The number of average log-ons per month to Learning@Veolia jumped to over 24,000 in 2023 (vs a monthly average of 13,000 in 2022).
- In addition to the catalogue that is always available on shelf, 3 key Group campaigns were rolled out in 2023:
  - "Les Essentiels" campaign: this campaign, compulsory for Executive Resourcers (500+ completed e-learning courses), was then deployed by the BUs (completed by over 9,000 managers)
  - "Maximiser la génération de cash" campaign: this campaign was compulsory for the finance department. More than 10,000
  - employees completed this e-learning course (5,000 financial employees, i.e. 87% of the target financial population, 5,000 non-financial managers)
  - Compliance campaign: as in the case each year, this campaign took place in the last quarter and concerned all Group managers as well as certain non-managers with a sensitive role in terms of compliance. In total, over 35,000 employees validated the course, i.e. 99.9% of the population targeted in the campaign

Work-study policy

Veolia confirmed its commitment to apprenticeship and the recognition of competencies by degree or diploma by signing an apprenticeship pact in January 2020. It undertook to increase the number of apprentices to 2,500 in France by 2023 and the number of apprentices present to 5% of its French workforce.

Work-study contracts are a key recruiting tool for helping young workers into stable employment, particularly in France, Colombia, Germany, Morocco and the UK.

Work-study encourages the transfer of knowledge and key skills thanks to intergenerational exchanges between the tutor and their trainee, and develops corporate culture through professional promotion. By placing Group employees in a tutor role, it reinforces the feeling of belonging to the Group, whilst providing a tangible avenue to promote their expertise.

The work-study policy is specifically implemented within regions and contracts through a significant number of partnerships with local employment and training players. To this end, Veolia is one of the partner companies in the FIPA network (Innovation Foundation for Apprenticeships) with which it has developed several innovative and inclusive programs.

- the Lotus program, supporting the integration of refugees via work/study training
- the !ngénieuses project enabling young women aged 17-29 to complete technical work-study training and be qualified to join an engineering school
- the Altern'Up project, which aims to showcase the entrepreneurial mindset of work-study students who wish to develop a business creation project.

At the end of 2023, Veolia had 3,510 apprentices worldwide. In France, there were more than 2,200 apprentices, representing 4.4% of the total workforce; i.e. an increase of 32% in five years.

4.4.4.2.2 Manage careers: sourcing, identification and development tools

Attract talent

Faced with growing pressure from the employment market, the Group initiated a process to optimize its employer brand: creation of a recruitment campaign launched in 2023, optimization and enhancement of career pages, improved applicant experience, support for recruiters to help their hire and attract talent. A call for tenders was launched in 2023 to choose a service provider which will help Veolia to create a new more attractive job offer portal, proposing a more efficient job search engine and an improved applicant experience. It will be deployed in the first half of 2024.

Support, develop and retain talent

The Group Talents Department seeks to attract and retain talent throughout the world and facilitate the assessment of managerial performance. Its dual aim is to meet the skills requirements of the Group's business activities and provide career opportunities for employees. Employee career development is a major focus of the human resources management policy. Talent management is performed by sector and comprises support for jobline mobility and the identification and development of experts, managers and the leaders of tomorrow.

Its implementation relies on various processes and tools described below.

A common job appraisal tool for all the Group's businesses

A single classification tool is deployed for all executive positions (Global Grading System, developed by Willis Towers Watson) and even all employees in some Business Units. It is used to apply HR processes in a transparent and fair manner.

Grading is deployed across all Group regions and is used to apply HR processes in a transparent and fair manner.

Sourcing tools

A career portal	Publishes all job offers in the Group
A bimonthly publication	Veolia JobLink: publishes the Group's latest management jobs on the career portal and management jobs advertised locally.
Programs to attract young talent	PANGEO: a program offering young talent under the age of 28 international experience for 12 to 24 months. It enables Veolia to create a multicultural pool of employees trained in its business lines. The program relies in large part on the International Business Volunteers (VIE) contract. GRADUATE PROGRAM: permanent contract hires were finalized at the end of 2023 for 7 BUs (France and international), enabling eight young engineers to discover the Group in all its diversity thanks to a dedicated 24-month program.

Talent APP: a new skills management digital app

A pilot test of the Talent App was launched in January 2021 with 2,000 users. Backed by artificial intelligence, this app is designed to accelerate the development of mobility and cooperation by mobilizing employees for short assignments. It is gradually being deployed, with 12,000 employees registered in 2023. It can also be used to actively implement a skills and career path matrix at all levels of the organization. Its roll-out will be continued in 2024.

A simplified and scalable Group job library

In 2021 Veolia finalized a simplified job map shared by all the Group's entities. The aim is to share a common language, to adapt to and anticipate changes in jobs and skills (notably through the organization of skills vision workshops), to improve clarity and promote mobility. This library is also shared to help employees

explore the business lines they are interested in. Job descriptions are displayed in "Talent App" so that an employee's skills can be compared to those required for a job. This library also enables the Human Resources network to visualize career paths by presenting grade bands for generic jobs. It consists of approximately 130 jobs divided into two areas: business lines and support functions.

SmartRecruiters: the recruitment tool

The recruitment tool SmartRecruiters was rolled out in the last quarter of 2021 and in 2022 for all entities in France, the United States, Northern Europe and certain entities in Asia and Latin America. Its roll-out in Spain was completed at the end of 2023 while it continues to be deployed at WTS. To date, more than 700 recruiters share a platform ensuring enhanced tool usage, with the creation of talent pools and an improved applicant experience.

Talent hub: the shared human resource process management tool

A comprehensive and integrated human resources solution, Talent Hub is the Group tool for employees managing annual reviews (OneForm), salary reviews, people reviews and succession plans. This tool supports users in their human resources and/or managerial activities, facilitates access to information through a single entry point, assists managers in managing teams, builds a reliable database and makes human resources reporting secure. At the end of 2023, more than 50 Business Units deployed the tool.

A robust talent management process

Since 2017, people reviews common to all entities have been organized for senior executives, key contributors and high-potential employees. They are used to systematically develop succession plans and implement development plans to retain the managers of the future. They aim to consolidate organizations' sustainability and agility, and to help with the individual development of the most talented employees.

This annual process is carried out, zone by zone, then by sector to get an international overview. It also helps to address the challenge of diversity within teams and in management positions, to enable Veolia to achieve its multifaceted performance objectives in this regard.

In 2023, more than 1,300 employees were reviewed at Group level. These reviews for senior executives, key contributors and high-potential employees are used to systematically develop succession plans and implement development plans to retain the managers of the future.

The Group therefore has succession plans for most senior management positions and where this is not the case, action plans have been implemented:

In 2023, the number of women in the Veolia staff review has increased: 34% women in total and 50% among high-potential executives;

These reviews are also rolled out in zones and Business Units for other Group employee categories.

A policy for recognizing and promoting experts

The Human Resources Department, in conjunction with the main functional departments and, first and foremost, the IT, technical and purchasing divisions, has launched a specific expert management program. This will be used to accurately map the expertise present in the Company, structure the sectors and offer career recognition and paths to experts.

A common model for performance appraisal

In order to ensure managers' objectives are aligned with the Group's strategy and values, a single annual interview process, Oneform, is used for all managers at all our sites worldwide. (for non-managerial employees, a different form is used by the Business Units).

In 2023, the annual executive interview form was modernized.

Following the optimized ergonomics proposed in 2022, the basic structure and reasoning behind the annual interview were questioned to provide a more tailored response to business unit expectations.

In a collective intelligence approach involving BU executives, the HR network and managers, the 2023 version promotes dialogue between employees and management, while limiting data entry requirements.

While offering a simplified interface, this version defines individual objectives more clearly in line with the company's multifaceted performance and strategy and addresses the Group's values by enabling discussions on the behaviors expected to meet our challenges (Management Behaviours@Veolia).

The "development" section leaves considerable scope for discussions on career aspirations and the support options offered by the Group.

Finally, this new form is structured to promote discussions on well-being at work and support the assimilation of a feedback culture within the company.

Development tool

Talent development programs

Talent development programs Veolia Excellence is the training program for Veolia talent. Sessions are organized in three primary areas: business models, value creation, and team management in a context of rapid and profound change. The program uses innovative training methods, with e-learning sequences, inter-session work, collaborative workshops and a post-seminar follow-up. It also includes a 360° evaluation that is debriefed by internally trained individuals.

In 2023, 124 participants were trained in the program, of which 30% were women and 19% were employees from the Suez merger.

Four other collective individual development programs are deployed by the Group:

- DISRUPT is aimed at "millennial" managers to accelerate their integration within the Group;
- ACCELERATE is aimed at middle management as part of the digital transformation. This program allows participants to better understand the potential of this transformation and to develop the required interactions with Group businesses. It should help change behavior by allowing managers to become the business partner of other Veolia players and to see the bigger picture in order to better anticipate future challenges;
- WIL (Women in Leadership) is designed to develop female leadership in relation to the Group's ambitious gender diversity targets (see Section 4.4.5.3.2 below).
- FEEDBACK: an individual and collective feedback development program. Three "pilot" sessions were launched in 2022: in the United States and within the VESA Purchasing Department and the VESA BS&P department.

In 2023, 519 employees participated in the Group's talent programs.

Mindful of allowing its talents to have personal alignment as well as sharing a common strategic vision, the Group fully integrates staff development tools in these programs (MBTI, 360°, Self Management Leadership).

Equivalent programs are offered in different zones such as Impulsa in Latin America, BOOST in Africa and the Middle East, "THE LEADERSHIP CADRE" or "STEP UP" in the UK, OMEGA in Benelux, STREAM in Asia or RELIEF in France and Leaders For Tomorrow in the United States and Canada.

Increased mentoring

The Group mentoring program, initiated in 2021, continued in 2023 with 75 pairings.

With the involvement of mentors, members of the Group Executive Committee and Management Committee, mentoring helps develop competencies, accelerate career opportunities and expand the professional network of mentees.

In 2023, two new aspects were set up:

- "boosters" workshops were created. They were specially designed to provide practical tools, integrate apprenticeships and make the most of the mentoring relationship, strengthening the leadership and operational effectiveness of mentees;
- this program, exclusively reserved for women upon its creation, was also opened to men in 2023.

This program is scheduled to be renewed in 2024, with a launch in April that will welcome 50 new pairings.

Executive development programs

- The EXECUTIVE SEMINAR prepares individuals for corporate management by working on a changing world and its impact on our current and future activities, and the ability to carry the values of corporate social responsibility. It is based on four study trips spread over one year and offers training conferences, the discovery of Veolia activities and numerous visits to external companies. Trainees complete the program with a project related to the Group's strategy, which they present to the Executive Committee. Veolia is particularly focused on including a significant portion of women in training schemes aimed at talents and executives.
- EXPLORE TOMORROW: a learning expedition focused on innovation and digital transformation;
- LEADING TEAMS in crisis times: team management training focused on crisis and uncertainty management.

In 2023, 168 top executives participated in the Group's talent programs.

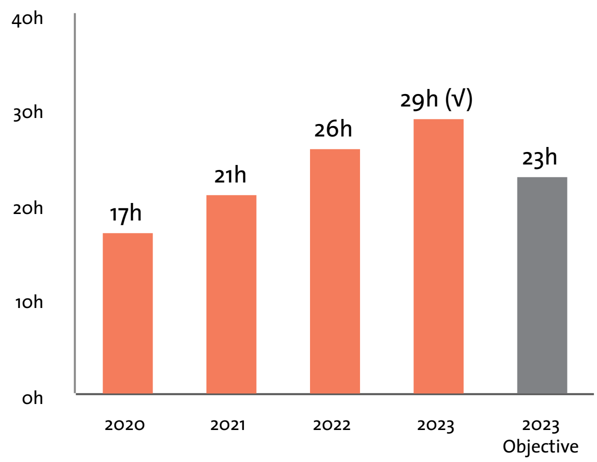
4.4.4.3 Actions and results

Training indicators

The indicator adopted for the Impact 2023 plan is the average number of hours of training per employee (expressed in FTE - full- time equivalent) and per year.

In 2023, the Group delivered 29 training hours per employee, compared with 26 hours in 2022, i.e. a 3h increase per employee. This result largely exceeds the 2023 target of 23 hours.

Change in average training hours per employee



In addition, this progress is reflected in the results of the 2023 Voice of Resourcers Engagement Survey, which highlights a high level of employee satisfaction with training. 84% of respondents consider that they have enhanced their skills in the past year.

Change in training indicators

These very satisfactory results were attributable to:

- improved tracking of learning situations (induction days, webinars, workshops, etc.) which, based on an educational objective, enables employees to develop their skills in the context of their activity;
- continuation of Group programs launched in 2022 to support the integration of management teams (more than 1,200 executives, talents and managers participated in a Group program in 2023);

- accelerating Digital Learning with an on-shelf catalogue available to all 100,000 users of the Group Learning@Veolia platform, offering a wide range of e-learning courses in many languages through new partnerships with LinkedIn Learning and Climate School.

The aim in 2024 is to consolidate this excellent result and improve it further by refining the learning ambition of the Strategic Programme, which is based on the following pillars:

- development of the strategic competencies identified in GreenUp 24-27;
- strengthening of the Veolia leadership and culture;
- further improvement in learning effectiveness through digital technology.

This indicator was not used as a main multifaceted performance indicator at Group level for the new strategic plan. However, it will continue to be steered and monitored to assess the Group's human resources performance.

Changes in training indicators

	2019	2020	2021	2022	2023
Number of training hours delivered	3,081,137	2,891,041	3,599,361	5,289,961	5,887,961
Percentage of employees having participated in at least one training course	79.5 %	82.3 %	86.2 %	91.0 %	94,5%
Percentage of training hours intended for non-manager	83 %	86 %	84 %	79 %	78%
Number of training hours per non-manager	17.5	16.8	20.9	25.2	27.3
Number of training hours per manager	21.2	17.5	22.9	30.8	34.6

Veolia is committed to training all its employees:

Veolia is committed to training all its employees:

- 78% of training hours are aimed at operators and technicians;
- 16% are aimed at employees under the age of 30;
- 25% are aimed at employees over the age of 50;
- 24% are aimed at women.

In 2023, the Group invested €743 per full-time equivalent employee in training (€652 in 2022).

Relations with schools at Group level

A proactive approach reaches out to the public and local employment and training partners to raise awareness of environmental activities and services. It facilitates the recruitment of candidates for local jobs, including people with no prior experience. Mobilizing and attracting the resources required by the company is a key priority: Veolia affirms its presence through events focused on environmental businesses, job and work-study fairs, and forums in schools and universities. The partnerships set up with schools and universities also contribute to the reputation of Veolia and its businesses among students completing strategic training for Group. Programs like the "Veolia Summer School", the Ecological Transformation trophies and the Student solidarity Prize are special opportunities that give international students an opportunity to discover Veolia's businesses and to adapt their course of study to the Group's challenges. These actions aim to consolidate Veolia's visibility with young graduates, and strengthen its appeal by positioning it as a responsible, innovative and meaningful business.

Veolia Summer School dedicated to ecological transformation

In 2023, the fully virtual Veolia Summer School brought together students from all its geographies. Over five days, 63 Master's students, from 36 countries, spread across 14 multinational teams and three different time zones, discovered the Veolia universe through presentations from experts and operational managers in all countries. Along with Veolia specialists, they discussed the challenges of ecological transformation and possible solutions by working as a group on business cases, the results of which they presented to a panel of experts.

Ecological transformation trophies

Since 1998, the Trophies have been awarded to the most innovative end-of-study dissertations by French or foreign students in their last year of education (Bac+5) from engineering and business schools and universities.

Short-listed students and applicants came to Veolia's headquarters in December 2023 to present their theses to a jury of Veolia professionals. Four 2023 winners from UTH in Zurich, Imperial College & Royal college of London, UFJR in Rio de Janeiro, and INP de Grenoble were rewarded.

Launch of a Group Graduate Program

In 2023, the Group Human Resources Department launched a new program: the Veolia graduate program. Hirings were finalized at the end of 2023 for an official launch of the first year group on January 11, 2025: in total, seven entities (Eau France, RVD, VESA, SARPI,

VWT Egypt, India, Middle East) are taking part in this 24-month program, during which eight recently graduated young engineers will discover the Group in all its diversity.

Hired under permanent contracts, they will begin their first year with two months at the recruiting entity's headquarters, before a ten-month assignment at the operational site. In the second year, they will learn about the Group's diversity thanks to a 3-month innovation assignment (in a Hub or at the IT department), followed by a 6-month operational assignment abroad before returning to the original entity.

At the same time as these field experiences, the graduates will complete an ad hoc training program, combining Group talent e-learnings and programs (VIP and Disrupt).

The purpose of this program is to train young high-potential engineers and retain operational managers destined to progress rapidly within Veolia.

4.4.4.3.1 Engaging employees

Management Behaviors @Veolia, a common managerial identity

Because the cultural dimension is one of the major challenges and one of the key success factors for the integration of Suez into Veolia, defining a new common culture was essential.

With this in mind, consistency / pooling work resulted in "Management Behaviours@Veolia".

Via workshops with Veolia managers (1,200 participants), the Group's five values were reflected in 20 concrete behaviors.

These behaviors contribute directly to ecological transformation and the multifaceted performance and are really unique.

A new guide on managerial behavior was drafted for the Resourcers of this common cultural identity.

The roll-out began and should continue in 2024 and behaviors were incorporated into several key HR processes: next annual assessment cycle (OneForm), 360° assessments, training programs, etc.

Management Behaviors@Veolia is also included in several events and gatherings: VIP, Excellence, etc.

Employee engagement survey

In line with its Purpose and the Impact 2023 strategic program, Veolia is committed to giving meaning to our employees' work and helping them with career development and engagement, with the objective of maintaining the employee engagement score at more than 80% by 2023.

The engagement index and the positive response rate to the ethics and compliance question are therefore included in Veolia's multifaceted performance indicators.

The Voice of Resourcers engagement survey was conducted over three weeks in November 2023 with an extended panel of around 155,000 employees (equivalent to 2022) based on a fully online questionnaire available in 29 languages and adapted to a wide audience as follows:

- all Group managers in 55 countries;
- all employees in 37 Business Units/entities: Germany, Argentina, South Africa, Australia/New Zealand, Belux, Brazil, Canada, China, Ecuador, Water France, Enova, USA, Spain, Hong Kong, Hungary, Italy, Ireland, Macau, Morocco, MIB, Middle East, Nordics, Netherlands, Poland, Portugal, Czech Republic, Waste Recycling and Recovery, Romania, United Kingdom, VESA, Veolia Water Technologies, WTS, SARPI-IWS, Seureca, Slovakia;

This panel represents 75% of the Group's workforce.

The 2023 survey participation rate increased significantly: 79% of the entire panel, or more than 121,000 employees, responded to the questionnaire, i.e. up by 7 points compared to 2022.

Changes in the engagement index

	2019	2020	2021	2022	2023
Employee engagement index	84 %	87 %	87 %	89 %	89 %
Manager engagement index	92 %	94 %	94 %	91 %	91 %

Employee engagement, the index for which is calculated based on questions regarding work objective clarity, useful contribution, work atmosphere, sense of belonging and the desire to recommend Veolia to family members as a place to work, remained high at 89%. It was maintained at 91% for managers and 88% for non-managers. The overall index is 15 points above the sector benchmark.

The results highlight the Group's strong dynamics and the support of teams in the context of the Suez post-merger: 82% of respondents are confident in the Group's ability to achieve its ambition of becoming the world leader in ecological transformation.

The strengths identified since 2019 were once again confirmed: initiative, collaboration, pride of belonging, performance and customer focus, health and safety. More and more employees believe in the Group's ability to innovate and processes are becoming more simplified and effective.

The results are positive; 28 assessment criteria gained points.

70% of respondents know the Group's purpose and among them (+11 points vs 2022), 93% consider that their work contributes to this purpose (+1 point vs 2022).

Over the past year, 84% of respondents believe they have enhanced their skills (+2 points vs 2022). 84% also see themselves working well at Veolia in the years to come.

Managerial practices are appreciated: 86% of respondents consider that their manager supports them in difficult situations (+2 points vs 2022)

The Diversity and Inclusion Index gained 2 points with 79% positive responses.

This survey in now conducted annually, demonstrating Veolia's interest in the employee experience and ascertaining employee expectations in the field, their perception of the business and their professional situation.

The 2023 "Voice of Resourcers" edition delivered an updated view of the social climate, providing key indicators and trends for employee commitment and their understanding of the Company's vision, policies and culture.

The 2023 "Voice of Resourcers" helped:

- supplement HR performance indicators at different levels of the organization (Group, zone, country);
- support managers by providing tools updated for interaction with and feedback from teams;
- demonstrate, once again, the importance of HR innovation and dialogue with employees at Veolia.

The overall results of this survey were presented to the Group's Executive Committee and the Veolia Environnement Board of Directors. The results per zone were sent to zone directors and human resources directors, which organize feedback with the surveyed employees.

Action plans are established based on the overall results of each zone and will be implemented during the first-half of 2024.

4.4.4.4 Compensation policy and employee savings

Veolia applies a comprehensive compensation policy that is consistent with the Company's results and encompasses the following components: wages, social protection, employee savings and retirement.

This policy is based on the following general principles:

- offering competitive compensation in accordance with local markets;
- guaranteeing competitive fixed and variable compensation which reflects the Company's results;
- harmonizing the calculation bases and methods for the variable components of executive compensation across the Group, particularly by integrating Veolia's multifaceted performance indicators in the bonus calculation of all managers;

- optimizing coverage of health care and insurance costs in the main countries where the Group operates;
- harmonizing existing employee savings plans;
- securing existing pension plans in the various countries where the Group operates by privileging defined contribution plans.

Compensation

Total compensation consists of a basic salary and individual or collective performance-based variable compensation (depending on the professional category, countries and applicable regulations).

Veolia ensures that the compensation paid to employees complies with the legislation in force in the country (minimum wage, overtime etc.). Veolia ensures that the Group's employees, particularly blue collar workers (50% of the workforce), are systematically above national minimums or on minimum wages paid on the labor market for a given job.

The annual average gross compensation for all Group employees was 40,350 in 2023 (€39,303 in 2022).

In 2023, average gross compensation was €40,973 for men (€39,983 in 2022), and €38,034 for women (€36,732 in 2022), representing an average difference of €2,939 (vs €3,251 in 2022).

Breakdown of average compensation by category

(in euros)	Average compensation of women	Average compensation of men
Managers	65,953	83,421
Non managers	28,142	32,774

This difference is mainly due to the distribution of men and women between different jobs.

These averages are only indicative, however, and should be interpreted with an element of caution. They correspond to a wide diversity of situations due to the nature of the professions and jobs carried out and their geographic location. This data is also impacted by fluctuations in exchange rates.

It is Veolia policy to respect equality between men and women who have the same employment conditions and qualifications. For this purpose, the Group is particularly vigilant regarding the application of a fair wage policy.

Decent salary

As part of its ESG policy, Veolia launched a pilot scheme in 6 countries representing a significant proportion of the group's workforce and covering all the main operating regions: France, United States, United Kingdom, Japan, Colombia, Poland.

Work was initiated at the end of 2023 during meetings organized with local HR officers. The study will be finalized in 2024.

Anti-inflation measures

In France, with regard to the ongoing inflationary context in 2023 and in keeping with the measures adopted in 2022 (additional wage increases set up on September 1 and measures to promote soft mobility), a 1% wage increase measures for non-executive employees as of September 1, 2023, in addition to wage revisions at the start of the year.

For the second year running, the implementation of a measure to factor in a high level of inflation helped maintain a stable social environment, in the same way as it resulted in the satisfactory conduct of 2024 mandatory annual negotiations.

Internationally, wage measures in addition to those already applied at the start of 2023 were also adopted in a certain number of countries to take into account the inflationary context.

Social protection: Veolia Cares

Veolia aims to offer all its employees the social guarantees to protect them against life's risks. Veolia Cares is a comprehensive employee benefits program that is exceptional in its avant-garde nature and scope. Launched in 2022, it has been fully deployed in all our geographies since September 1, 2023.

Veolia Cares is based on five pillars:

- parental leave: basic salary maintained over 10 weeks for the first parent, and over 1 week for the second parent. This measure can also be used in the event of adoption.
- death cover: capital equivalent to at least six months of salary is paid to beneficiaries, whatever the cause of death.
- health cover: guaranteed access to medical care for all our employees, whatever the local organizational methods (legal life insurance and corporate schemes).
- support for our employee carers: all employees carers are given the necessary flexibility in the organization of working time.
- community charity work: possibility for each employee to devote one paid day-off per year to a charity or environmental protection organization in line with Group values.

Veolia Cares applies to all Group employees, without gender discrimination, and whatever their status from the first day of recruitment.

This program seeks to improve the safety and well-being of employees. It is a factor of appeal and pride for employees and future employees.

In addition to these 5 Veolia Cares program pillars, and specifically for France, two new measures were also adopted as of January 1,2024.

The extension of death cover in the event of a professional accident: Previously, this cover was only offered to executives, via the Veolia insurance captive; now non-executives also receive this cover with the payment of 2.5 years of salary for beneficiaries.

A scheme to help eligible employees return to employment organized by a dedicated service provider. With this program, employees who have been off work for long periods due to a long- term illness are supported to enable them to easily resume a professional activity while limiting the risk of relapse or social exclusion. To date, this program covers ⅔ of Veolia employees in France and should be extended in 2024.

Profit-sharing and incentive schemes

The Group's French entities are generally covered by profit-sharing agreements when they fulfill the necessary employee and financial conditions.

Veolia favors extending incentive agreements in France to give employees a vested interest in the performance of the companies to which they are assigned, based on criteria tailored specifically to the business in question. At the end of 2022, nearly 96% employees of French entities were covered by an incentive agreement.

In 2023, gross profit-sharing and incentive payments for all French entities including Veolia Environnement, in respect of 2022, totaled €107,803,929. Gross amounts invested in 2023 by employees of French entities in respect of 2022 profit-sharing and incentive payments totaled €65.94 million [(1)],or 61.16% of the sums distributed.

Added to this amount is a gross contribution from the Group's French entities amounting to €4.04 million.

Employee savings and retirement savings

Since 2002, Group employees in France have been able to save in the medium term with the help of their company via the Group savings plan (PEG).

In addition, Veolia Environnement offers its employees and the employees of its French subsidiaries under an agreement signed with labor and management partners (December 2012), access to a Group retirement savings plan ("PERCOL G"). This plan allows employees who so wish to prepare for retirement under advantageous tax and social security conditions. In 2020, a new amendment was signed changing the PERCO to a PERCOL and enabling Group employees to benefit from the advantages offered by the Pacte Law.

At the end of 2023, employee savings in France in the two Group

savings plans totaled €816.89 million broken down as follows:

- €720.57 million in the PEG held by 76,653 current and former employees;
- €92.04 million in the PERCOL G held by 41,956 current and former employees.
- €4.23 million in Blocked Current Accounts (CCB) held by 6,275 current and former employees.

Company investment funds invested in Veolia shares (employee share ownership) total €475.89 million in 2023 and are held in the PEG.

The range of dedicated company investment funds (monetary, equity, bonds, and diversified) totaling €336.77 million is held in the PEG and the PERCOL.

Sequoia: Employee share ownership

The last transaction took place in 2023. Veolia wished to enable 190,144 employees[(2)] in 49 countries to benefit from a leveraged offer in addition to the standard offer. With these two offers, employees benefited from:

- a secure offer guaranteeing a minimum return on capital invested of 4% per year (including the employer's contribution as part of the offering), as well as a multiple of 2.9 in the event of an increase in the Veolia share price;
- a standard offer with a discounted subscription price.

Subscriptions therefore totaled 78,935 representing a 41.5% Group-wide subscription rate. The average person contribution invested per employee increased significantly to €831 in 2023 (vs €552 in 2022). Accordingly, the total amount subscribed was €221.9 million[(3)], including leverage and the Group's additional contribution. This rate represents a 0.5-point rise on 2022 and is also the highest rate ever achieved by Veolia since the launch of the first employee share ownership transaction in 2004.

As of December 31, 2023, over 158,000 current and former Group employees were Veolia Environnement shareholders, holding 7.5% of its share capital (vs. 6.5% at the end of 2022). Veolia employees therefore remain the Group's leading shareholder.

As such, all of the Group's employee shareholders voted in 2022 to elect an employee director to represent them on Veolia's Board of Directors.

Performance share plan

In 2023, Veolia deployed a performance share plan aimed at 526 beneficiaries, including Group executives, high potential staff and key contributors, including corporate officers.

This plan benefits senior executives, high potentials and key contributors equally.

It is subject to the following conditions:

- beneficiaries must remain with the Group until the end of the three-year vesting period i.e. until expiry of the plan scheduled for 2025;
- a performance condition tied to the attainment of the following internal and external criteria:
  - an economic criterion,
  - a stock market criterion,
  - criteria relating to the Company's Purpose.

These elements are detailed in Chapter 3, Section 3.4.3 above.

Pension plans

Pension plans are directly managed in the various countries where the Group operates based on the applicable labor and tax legislation.

The Group pension plan policy is to replace defined benefit pension plans, if possible, with defined contribution pension plans that are more cost-effective and balanced with respect to all stakeholders.

(1) *Including amounts invested in respect of the 2022 employee share ownership plan.*
(2) *Including the UK, with deployment with a Share Incentive Plan.*
(3) *Excluding the UK.*

4.4.5 ENSURE RESPECT FOR DIVERSITY AND SOCIAL COHESION

4.4.5.1 Diversity and labour relations: individual and collective performance drivers

Social cohesion and stability, respect for diversity and equal opportunities and the fight against discrimination are all very important to the Group. Veolia considers diversity and social cohesion as an asset and a driver of performance. Moreover, the Group views diversity as a priority, as it ensures internal cooperation, commitment and employee loyalty.

Non-compliance with human and social rights has a direct impact, leading to labor disputes, disengagement and damage to the employer brand (see Chapter 2, Section 2.2.2.4 above).

Consequently, Veolia aims for innovative and respectful labor relations with its internal stakeholders, which allows it to provide collective solutions.

4.4.5.2 Cohesion and social dialogue

4.4.5.2.1 Policy and commitments

Veolia is particularly vigilant regarding labor relations, as it contributes to greater workforce cohesion, the implementation of human resources policies, and the Group's economic and social performance.

As part of its Purpose, Veolia encourages social dialogue, particularly within employee representative bodies, which help employees to adopt the collective project.

Social dialogue takes place at the highest level of the organization, with the two Directors representing employees appointed by the Group French and European Works Councils, respectively and a non-voting member who sit on the Board of Directors.

It forms an integral part of the Group's purpose: "Veolia also promotes, particularly on staff representative bodies, social dialogue,which encourages employees to adopt our collective project as their own."

Veolia reiterated its commitments, objectives and vision of social dialogue in its social dialogue policy published in 2023. The social dialogue commitments have been incorporated into the "Essentials", an internal document that sets out the rules, processes and policies that apply to all managers within the Group.

Veolia has prepared a certain number of indicators to assess and steer the policy and quality of its social dialogue to define its new objectives:

- social dialogue coverage rate (countries legally recognizing the freedom of association and collective bargaining);
- list of countries not covered and action plan;
- collective bargaining: number of agreements signed for the Group as a whole and by country (1,713 agreements signed in 2023 in 40 countries);
- thematic analysis of the signed agreements;
- monitoring of conflictuality rates;
- analysis of feedback or conclusions of mediations organized during major controversies or conflicts;
- analysis of Whispli alerts on social dialogue matters;
- number of employee representatives in the Group and by country.

To advance the quality and development of labor relations, Veolia ensures that there is effective dialogue with employees at all levels of the organization:

- at company or site level, a place for negotiations on many issues that impact employees' daily lives. Within Veolia, 1,713 new labor agreements signed at operating level supplement the Group directives and agreements;
- at country level, which includes the formal structures for consultation and dialogue that handle all transversal national issues;
- at Group level in the corporate offices and with the Group French and European Works Councils.

In collective bargaining negotiations, Veolia draws on both direct relationships with trade union and employee representatives, as well as the joint organizations created according to the rules of each country.

Veolia gives the same amount of attention to its various levels of local and national bargaining and initiated in 2023 a process to build transnational agreements with the European Federation of Public Service Unions (EPSU).

Social dialogue is expressed in the employee representation bodies, through information and consultation processes or exchanges of views on key issues within local, country or Group bodies (France and Europe Group Committees). Executive Management systematically participates in Group bodies.

Role of the Group's Committees

Through an agreement, Veolia has implemented a Group French Works Council and a Group European Works Council. The Group European Works Council represents about two-thirds of Veolia employees. It is made up of 16 countries: Belgium, Bulgaria, Czech Republic, Denmark, France, Germany, Hungary, Italy, Luxembourg, Netherlands, Poland, Portugal, Romania, Slovakia, Spain, United Kingdom.

The Group Works Councils are key players in Veolia's transformation. They receive information on the activity, the financial position and the employment situation. They must be informed or consulted in the event of restructuring, acquisition or disposal plans, as was the case throughout the merger between Veolia and Suez. They are also informed and consulted each year to exchange ideas on the Group's strategic direction and its social impacts.

The agreements signed with trade union representatives at Group France level and agreements in the form of joint commitments made within the Group European Works Council demonstrate the will of Executive Management to structure unique relations with employee representatives and thus contribute to the Group's actions on behalf of all its employees.

Annual discussion on Group strategy with the Group French and European Works Councils

Since 2015, management meets annually with members of the Group French and European Works Councils to discuss the Group's strategic direction and its human resource impacts. These annual discussions provide a shared understanding of the strategic and commercial challenges and their impacts on the workforce, employment and skills.

At a time when various consultations were being conducted within the Group to build the 2024-2027 strategic program, it was requested that employee representatives for the Group French and European Works Councils be included in the discussions. The aim of this integration is to consider the priorities raised by the Councils when preparing the next strategic program, particularly regarding the main human resources issues in the context of ecological transformation.

The "+1" consultation process (see section 4.1.2, above) dedicated to employee representatives was set up to create a common dynamic to address ecological transformation and devise, with the help of our stakeholders, solutions for the future.

Following a second session, the main recommendations of Group France and European Works Council members focused on the performance of an analysis of current competencies, the capitalization of competencies already present internally or even the development of internal and geographical mobilities, and on the transmission of know-how and investing in training in connection with the ecological transformation, the set-up of specific training assessment and monitoring indicators, encouraging and showcasing the sharing of know-how between peers (mentoring, joint development) and raising the awareness of managers about monitoring and upskilling their teams.

In addition, in 2023, the new members of the European Works Council, particularly those from the merger with Suez, received a two-day training session on European Works Council operating procedures and the role of its members.

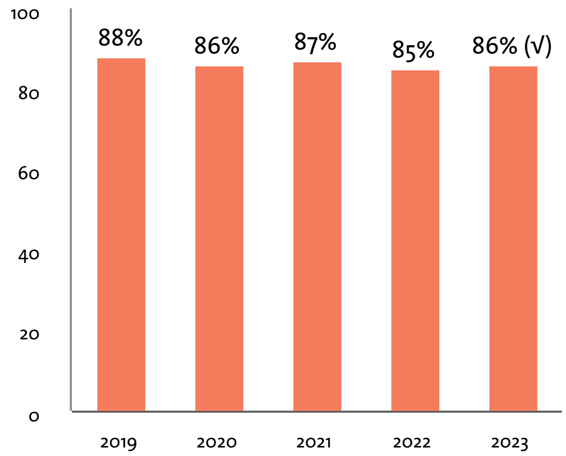
Veolia - Member of the United Nations Global Compact

Veolia has adhered to the United Nations Global Compact since June 2003, committing the Group to promoting ten fundamental principles concerning in particular human rights, labor rights and the environment. Since 2014, Veolia has been at the "Advanced" level of the Global Compact Differentiation Program, which, based on 21 specific criteria, is the highest level of UN reporting and voluntary performance standard with respect to sustainable development.

4.4.5.2.2 Actions and results

Change in the rate of coverage by a social dialogue body

In 2023, 86.2% of employees were covered by a social dialogue body.



In countries where freedom of association and the right to collective bargaining are not recognized, Veolia maintains labor relations by leading workshops groups on specific issues (health and safety, social protection, social responsibility, etc.).

Furthermore, each year Veolia examines whether the countries where it operates are covered by a social dialogue body. The results are presented to the Group France and European Works Councils as part of the review of strategic directives. Those countries which are not covered are discussed with council members. Veolia reiterated its commitments on the promotion of basic human and social rights including freedom of association and the importance of collective bargaining.

Overview of collective agreements

In 2023, 1,713 new collective agreements were signed at entity or company level or with Group bodies in each country. All of these collective agreements impact the Company's labor and therefore economic performance.

Breakdown of issues covered by signed agreements at global level

Compensation and benefits	Health and safety or working conditions	Organization of working time	Social dialogue	Skills development	Other
34.6%	11.4%	31.2%	13.2%	3.7%	5.9%

These agreements have been signed in 40 countries where Veolia operates. The five main countries are France, Japan, Spain, Germany and Brazil.

At the end of 2023, there were 9,000 employee representatives worldwide.

There were 1,009 strikes in 2023, mainly relating to the pension reform in France. They represented 0.05% of the total number of days worked.

Pursuant to the employment protection law, two directors representing employees were appointed in 2014 by the Group French and European Works Councils, respectively, to sit on the Veolia Environnement Board of Directors for four years. In May 2018, Mr. Pavel Pâša was reappointed by the Group European Works Council.

In September 2018, Mr. Franck Le Roux was elected by the Group French Works Council. Their terms were renewed in 2022 for another 4 years and will expire on October 15, 2026. (see Section 3.1.1.2 above).

Furthermore, Mr. Enric Amiguet i Rovira, a director representing employees on the Suez Board of Directors was appointed as a non-voting member of the Veolia Environnement Board of Directors in 2022.

Date of signature	Purpose of the agreement
2017-2018	New Group France agreement on the forward management of jobs and skills.
	Agreement, in the form of a letter of undertaking with the Group European Works Council, on changes to skills and jobs, particularly with regards to the Company's strategic direction. This agreement supplements the Group's management commitments with the Group European Works Council on prevention, health and safety.
2020	Amendment changing the PERCO to a PERCOL and enabling Group employees to benefit from the advantages offered by the Pacte Law. (see Section 4.4.4.4 above).
	Agreement on the quality and the development of labor relations within Veolia in France. This Group France agreement replaces the 2010 agreement on the same topic and notably includes the implementation of a comprehensive support, promotion and recognition system as part of the trade union scheme.
2021	Amendment to the 2018 agreement regarding "support for changes to skills and jobs, particularly with regards to the Company's strategic direction" and integrating the "Diversity and Inclusion Policy within the Group". This amendment follows on from the priority actions with respect to diversity and the fight against discrimination identified by the Group French Works Council's dedicated working group..
	Group France agreement on working from home in normal times. This framework agreement defines a company-wide working from home scheme applicable according to the same guiding principles throughout the entire Group in France.
2022	2015 three-year agreement on the Group's strategic direction renewed in 2022. It provides for an annual discussion with the Group France and European Works Councils on the Group's strategic direction and its impact on staff, employment and skills. On this occasion, the themes of ethics, the Sapin 2 law and the corporate duty of care were presented and discussed. Group European Works Council meeting in Agbar/learning expedition with labor and management representatives on ecological transformation solutions: during the Group European Works Council meeting organized in Barcelona, Spain, at the headquarters of Agbar, two site visits were organized for members of the council and the council's new Spanish delegation: one to the Aigües de Barcelona center in Collblanc on the theme of water reuse and another to the Biogas plant in Zona Franca on Veolia Énergie innovative solutions.

Social dialogue at European level

In November 2023 the latest meeting of the European Works Council Health & Safety Working Group was held to finalize common draft resolutions to develop and accelerate the roll-out of the health, safety and well-being at work culture and policies. This working group launched at the end of 2022 comprised European Works Council members appointed from 8 different countries and representing all Group activities in Europe (Water, Waste and Energy). These common draft resolutions comprise 10 fundamentals which are consistent with the 5 Veolia Health & Safety pillars and applicable to all entities included in the scope of the Veolia European Works Council. Aligned with these 10 fundamentals on health and safety at work, 10 priority measures were defined to strengthen the prevention culture and performance in terms of the health, safety and well-being of all employees and external contributors working on Veolia sites within the Veolia European Works Council scope. They are in line with the health and safety performance contracts drawn up in early 2023 to help Group Bus and/or entities to roll out priorities and transform their safety culture.

At the end of June 2023, further negotiations were launched on a draft European framework agreement on Diversity and Inclusion in collaboration with the EPSU (European Public Services Union). The aim of this framework agreement is to build momentum and outline with main principles of the Veolia diversity and inclusion policy in line with national and European requirements, particularly the European Sustainability Reporting Standards (ESRS). A Special Negotiation Group was set up comprising 19 trade union representatives from 13 European countries (France, UK, Spain, Germany, Czech Republic, Belgium, Poland, Italy, Hungary, Romania, Slovakia, Bulgaria and the Netherlands). The key discussions focused on:

- the widespread expansion of the diversity and inclusion culture, particularly through social dialogue and the challenge of cognitive biases;
- further action against any form of discrimination and exclusion in favor of equal treatment based on 4 Veolia D&I policy pillars(gender diversity, respect for gender identities, integration and development of employees with disabilities and diversity of social and cultural bodies);
- prevention and strengthening of measures against any form of harassment and violence, including support for employees experiencing domestic violence;
- support for the living conditions of employees, including the Veolia Cares program, support for parental leave, help to family caregivers, etc.;
- training/awareness-raising (including the deconstruction of stereotypes and support to managers/HR to promote the roll-out of the Veolia D&I policy).

Under the 2010 Group France agreement, reviewed in 2020, trade union seminars were set up by each organization in order to improve their structure and define the priorities of the Group's employee policy. These seminars are renewed each year and are the subject of an open dialogue session with Group human resources management. The new agreement on the quality and development of social dialogue signed in 2020 also includes a general system for union career management and to support representatives at the end of their mandates.

Adherence to the Global Deal

Veolia participates actively in Global Deal France working groups, notably on the future of work and changes to skills. Veolia's skills-based international social dialogue experience was presented in 2019 in the publication "Global Deal members commit to the G7 Social" and in 2021 upon the creation of a social dialogue quality index, currently being validated by the Global Deal bodies and its ILO and the OECD partners. In 2022, Veolia participated in the working group on duty of care issues.

4.4.5.3 Promotion of professional equality, diversity and inclusion, and the fight against discrimination

4.4.5.3.1 Policy and commitments

As part of its Purpose and the Impact 2023 strategic program, Veolia gave commitments in favor of its employees with 2023 targets (see Chapter 4, Section 4.1.1 above). These commitments comprise several objectives, including diversity.

Commitment	Objective	SDG	Indicator – definition	2020 Results	2021 Results	2022 Results	2023 Results	2023 Target
Give meaning to our employees work and help them with career development and engagement	**Diversity**	5 GENDER EQUALITY	• Proportion of women appointed among Executive Resourcers from 2020 to 2023 [1]	28.3%	30.4%	30.3%	30.7 %	50%
Sponsor	Helman le Pas de Sécheval		Member of the Executive Committee, Group General Counsel					

(1) Previously referred to as the Group's Top 500 senior executives.

GreenUp

As part of its GreenUp 2024-2027 strategic program, Veolia renewed its commitment in favor of its employees and adopted the following objective and target:

Commitment	Objective	SDG	Indicator – definition	2023 baseline	2027 target
Give meaning to our employees work and help them with career development and engagement	**Diversity and inclusion**	5 GENDER EQUALITY	• Proportion of women in the Group Management Committee	25.6%	≥ 30 %
Sponsor	Helman le Pas de Sécheval		Member of the Executive Committee, Group General Counsel		

Diversity policy and inclusion

Our Diversity and Inclusion policy is based on Group values of respect and solidarity that require our employees to be treated with respect and fairness and without discrimination. This implies that they should feel recognized as an individual and full members of our collective system so that they can contribute fully to the Group's ambition to become the champion of ecological transformation.

The Group has therefore renewed its commitment to be a more diverse and inclusive company, ensuring non-discrimination, equal treatment and individual social promotion for all employees.

Our Diversity and Inclusion policy focuses on three fundamentals:

- guarantee fair and non-discriminatory HR and managerial practices, from induction until the end of careers, for all employee categories;
- guarantee non-discriminatory access to employment in Veolia (age, origin, disability, gender, sexual orientation, religion, etc.); ;
- guarantee the advancement of social dialogue and employee freedom of speech.

Accordingly, the Group wishes that all its entities endeavor to:

- further the roll-out of action plans in favor of gender diversity and gender equality (attract and retain, reduce wage inequalities, promote and support women's careers and combat sexism and sexual harassment);
- develop and create inclusion programs for individuals with disabilities (welcome and integrate, retain in employment, facilitate accessibility, forge partnerships and raise employee awareness);
- develop and create inclusion programs for LGBT+ individuals in accordance with local laws (train and inform about LGBT+ phobias, ensure inclusive HR and managerial processes and showcase our commitment);
- develop and create action plans in favor of social and cultural diversity (promote access to employment for those most exposed to discrimination, create conditions for social promotion, unite all diversities and combat racial discrimination).

The diversity of the Group's employees and the recognition of all talents and competencies are key to overcoming the challenges of ecological transformation.

It is for this reason that diversity and inclusion at Veolia must form part of a corporate culture which leaves no-one to one side and is based on HR and managerial processes that can deliver our ambition.

In accordance with applicable local laws and regulations, Veolia will not permit, practice or support any type of discrimination based on age, medical condition, sex, gender identity, sexual orientation, pregnancy, disability, ethnic origin, religion, political opinions, philosophical opinions, family status, morals, family name, trade union activities, place of residence, vulnerability resulting from their economic situation, migrant status, belonging or not belonging, in reality or presumed, to an ethnic group, a nation or so-called race. This list of examples of discrimination was drawn up for the sake of clarity and is not exhaustive.

Coordination of the Diversity and Inclusion policy

The Diversity and Inclusion policy is supported by a global network of Diversity and Inclusion coordinators.

At the end of 2023, the Group had around 100 correspondents and 33 local Diversity and Inclusion networks in the following countries/BUs: Veolia North America, United Kingdom, Poland, Germany, Belux, Italy, India, Australia-New Zealand, China, Ecuador, Mexico, Argentina, Chile, Peru, Colombia, Portugal, Spain, Morocco, France, Romania, Netherlands, Côte d'Ivoire, South Africa, Taiwan, South Korea.

Their duties are to:

- implement commitments with regards to local issues;
- establish diagnoses and action plans adapted to contexts;
- measure results;
- promote innovative actions which support Veolia values.

The Diversity & Inclusion action plan was set up to promote a culture of inclusion guaranteeing that each employee is treated without discrimination, recognized as an individual and is a full member of the company's collective system. It focuses on four priority targets:

- diversity;
- LGBT+ employees (in regions where the cause may be supported)
- disability;
- social and cultural diversity

The Group Diversity and Inclusion Department organizes meetings with the Diversity and Inclusion coordinators every 2 months.

In 2023, a seminar brought together Group D&I coordinators to further strengthen our Diversity & Inclusion network and enhance our roadmap based on 4 priority pillars and transversal themes.

Assessment of the Diversity and inclusion policy

To measure the impact of its diversity and inclusion actions, Veolia monitors several indicators:

- gender equality: the employment rate for women, the percentage of women managers, the percentage of women in management recruitment, the percentage of women departures, the percentage of women executives, and the percentage of women on Group company Boards of Directors, including the Veolia Environnement Board;
- disability: the employment rate for employees with disabilities;
- the employment rate for employees over the age of 55;
- the employment rate for employees under the age of 30.
- training rate by age and gender

An annual Diversity and Inclusion index produced in connection with the Group engagement survey is used to measure employee perception of this topic. In 2023, the index stood at 79%

Diversity and inclusion training and awareness-raising

A comprehensive offer of online training modules (LinkedIn Learning) was made available to employees in 2023 in connection with the Diversity and Inclusion Academy of the Group Learning program. Employees can therefore access around twenty online training courses covering gender diversity, disability, inclusive management, unconscious biases, cultural and social diversity and the issue of LGBT+ issues in regions where it can be raised.

In addition, a workshop on unconscious biases (in French, English and Spanish) is available to entities to raise employee awareness about stereotypes and prejudices.

A sequence dedicated to the presentation of the Diversity and Inclusion action plan was included in the Group's VIP integration program More than 800 Group managers attended this new sequence in 2023.

Support for the United Nations LGBTI standards of conduct for business

In accordance with its CSR commitments, its human rights policy and its adherence to the Global Compact, Veolia supports the United Nations standards of conduct for business regarding combating discrimination against the lesbian, gay, bisexual, transgender and intersex community. These five standards were developed by the United Nations High Commissioner for Human Rights.

4.4.5.3.2 Actions and results

Ongoing partnerships

The Group is a partner and/or a member of various organizations that promote diversity and equal opportunity, notably the UN Global Compact and the International Labor Organization.

In France, Veolia has also partnered with several associations such as the French Association of Diversity Managers (AFMD) the À Compétences égales association and ANVIE.

Diversity within the Group

To encourage diversity and gender equality in the workplace, Veolia has set itself quantified objectives:

- women to make up more than 40% of the Veolia Environnement Board of Directors;
- women to make up 30% of managers in 2023;
- 35% of women managers recruited on permanent contracts every year;
- 50% of women appointed among senior executives (Executive Resourcers) between 2020 and 2023;
- 26% of women among the Group's senior executives in 2023 (Executive Resourcers); 30% in 2026 and 40% in 2029.

Proportion of women in the workforce:

	2020	2021	2022	2023
Proportion of women in the workforce (√)	21.4%	21.7%	22.3%	22,4%
Proportion of women managers (√)	28.3%	29.0%	30.0%	31%
Proportion of women managers on permanent contracts recruited externally	30.9%	33.0%	35.0%	36,6%
Proportion of women in senior management (Executive Resourcers) (√)	21.0%	22.2%	25.2%	26,7%
Proportion of women on the Veolia Environnement Board of Directors	45.0%	50%(1)	60%(2)	54.5%(2)

(1) Excluding Directors representing employees pursuant to Articles L.225-27 and L.22-10-7 of the French Commercial Code.
(2) Excluding Directors representing employees and the Director representing employee shareholders in accordance with Articles L. 225-27 and L. 22-10-7 of the French Commercial Code. (Code de commerce).

Since 2020, 30.7% of women were appointed among top executives (Executive Resourcers).

The percentage of women among the Group's executive officers (Executive Resourcers) rose from 15% in 2016 to 26.7% in 2023.

The percentage of women managers has steadily increased since 2020, from 28.3% in 2020 to 31% in 2023. The 30% target set for the end of 2023 was achieved in 2022.

Similarly, the external recruitment rate of women managers increased from 30.9% in 2020 to 36.6% in 2023. The annual target of 35% was achieved in 2022.

In top management (executive resources), the proportion of women increased by almost 6 points between 2020 and 2023 standing at 26.7% in 2023.

Gender equality

To attract talented people and ensure women are present at all levels of the Group and in all its businesses, the Group has implemented an action plan focusing on gender equality in the workplace so as to:

- develop gender equality in its jobs and operations;
- increase the number of women in the Group's executive bodies and management;
- promote gender equality in employee representative bodies.

The Group's actions to develop diversity in management focused on the following points:

- recruitment: inclusive recruitment process and youth talent policy, creation of a pool of women executives;
- identification: executive succession plan including at least one woman for each executive (Executive Resourcers), a target of 50% of women in high-potential people reviews, additional people reviews for women with a grade below Executive Resourcers;
- development: development of mentoring by senior executives for high-potential women executives, target of 50% of women in Talents and Executive programs achieved;
- coordination of the WEDO gender equality network: numerous initiatives promoting gender equality in the workplace have been rolled out in the various countries where the Group operates with the support of the WEDO network. WEDO is Veolia's internal gender equality network launched in 2016, bringing together Veolia's men and women who and seeking to promote gender equality within the Group. At the end of 2023, this network had in the Google Space community over 3,000 employees from around 50 countries:
  - among the actions undertaken by the network, WEDO renewed the "Yes WEDO Week" which centered around the theme chosen by the UN for International Women's Rights Day 2022 on March 8, 2023: "DigitALL: Innovation and technology for gender equality". This week, dedicated to internal and external awareness actions, was again very successful: 50 entities (+2 vs 2022) on 5 continents organized over 200 initiatives (+50 vs 2022): talks with young female pupils in schools, visits by female middle and high school students to Veolia sites to learn about Veolia's businesses, conferences and webinars with employees on gender equality issues, etc.,
  - at the Group level, various gender diversity awareness-raising initiatives were proposed to employees (in French, English and Spanish): a roundtable at the Veolia headquarters "Les femmes et la Tech" which brought together around 400 participants, participation in a self-analysis "Êtes-vous un allié de la mixité? " accessed by around 1,500 employees, participation in a conference based on key self-analysis components which brought together 530 participants;
- the new WEDO for Tech program:
  - in 2023, Veolia set up the WEDO for Tech program to raise awareness of young girls in technical sectors (IT, engineering, etc.). This program rolls out various initiatives including employee involvement in schools, welcoming students atVeolia under the Ma Ville en Vert program or theTech my Job day.
  - The day of March 8, 2023 was also an opportunity to launch Tech My Job as part of the WEDO for Tech program, set up for Veolia women engineers, technicians or IT specialists to welcome female students for a day to learn about their profession and spend valuable time with a professional. The aim is to inform young girls about technical businesses and make them want to enter these sectors where women are under-represented. At the headquarters, thirteen young girls were welcomed by Veolia female employees; Tech My Job was also set up in various countries and entities: Morocco, Niger, France, Ecuador, Lebanon, Egypt, Saudi Arabia, Turkey, India, Colombia, i.e. 11 entities in total.
- awareness-raising initiatives such as the organization of the conference on the prevention of sexist and sexual violence on the International Day For The Elimination Of Violence Against Women on November 24, 2023 to inform employees about the issue. This event brought together 200 participants.
- the development program entitled "Women In Leadership - WIL": initiated by Veolia in North America, WIL was gradually deployed in other regions: Africa (Morocco), Latin America (Colombia, Mexico) and Asia-Pacific; WIL also has a Group program that is available to participants from all geographic areas. This 7-month coaching program seeks to create development opportunities for women managers in the organization. It coached 83 women in 32 different entities in 2023. This program alternates between group and individual face-to-face and online sessions. Digital coaching and online workshops are flexible and guaranteed to have an impact. They maximize interaction by organizing regular meetings between participants and their managers, who also benefit from the program. The success of WIL is demonstrated by its high satisfaction rate. In 2023, the program achieved a Net Promoter Score (NPS) of 90 from participants;
- combating sexism at work:
  - with the set-up of the online module "Combating everyday sexism in the workplace". In 2023, 6,350 employees worldwide were invited to complete this module launched in September 2020 for a pilot group of 1,000 individuals in France. 4,500 completed it, bringing the completion rate to 70%. This module supplements the awareness actions already conducted within several Veolia entities;
  - the signature in 2023 of the StOpE Sexisme initiative by Veolia as part of its membership with the AFMD which seeks to promote and share good practices within a group to combat everyday sexism in the workplace. Veolia relies on internal tools and took part in 3 good practice sharing events.
- the male/female professional equality index that companies with over 50 employees in France are required to publish, the results of Veolia entities in France published in March 2023 are mostly above 75/100 (legal minimum), with an overall index at 89/100, i.e. +2 points compared to 2022. This result reflects Veolia's efforts over many years to create appealing and adapted conditions to allow women to reach the same level of pay and career opportunities as men.

Employment and social integration of people with disabilities

Change of the rate of employees with disabilities

	2019	2020	2021	2022	2023
Rate of disabled employees (Worldwide) (1)	2.60 %	2.50 %	2.40 %	2.40 %	2.40 %
Rate of disabled employees (France) (2)	3.9 %	3.8 %	3.9 %	3.7 %	3.8 %

(1) Number of employees with declared disabilities compared to the total workforce as of 12/31 in countries where it is possible to declare disability (excluding subcontractors and the sheltered sector).
(2) Number of employees with declared disabilities compared to the total workforce as of 12/31 in France (excluding subcontractors and the sheltered sector).

At the end of 2023, 2.4% of Veolia employees worldwide had disabilities, i.e. 4,167 employees. In France, this rate was 3.8% and €10.4 million was spent in the protected workers sector. Veolia wishes to change people's perceptions of disability and the ways it is represented. It also seeks to accompany people with disabilities and their integration. Several actions were undertaken in this area:

- "Disability and work" of the International Labor Organization (ILO)

Veolia joined the "Disability and Work" network of the ILO in December 2022, strengthening its commitment towards the inclusion of people with disabilities at Group level. In 2023, as a member of this network, Veolia became involved in initiatives undertaken by the ILO, particularly in consultations regarding the inclusion of people with disabilities in green transition sectors, an active contribution to the sharing of good practices such as the RVD entity initiative (waste activity) "Handiscape" (an escape game designed by internal teams to inform employees about invisible disabilities) that has to date involved 700 employees (including 153 in 2023).

- Group Disability Good Practices Handbook

To encourage our entities worldwide to support disability, in 2022 Veolia produced a handbook of good practices which is updated every year. Structured around the action levers of our Diversity & Inclusion (D&I) policy, this handbook focuses on welcoming and integration, job retention, accessibility, local partnerships and the transformation of the Group's culture. Each entity is invited to share their experiences and good practices in this handbook with the aim of going beyond internal inspiration by also encouraging other BUs to set up similar initiatives. To date, the handbook identifies 68 initiatives; 27 were added in 2023.

- Group awareness-raising webinar

On December 4, 2023, World Disability Day, the Group organized a Webinar on neurodiversity, facilitated by an international expert, to underline our commitment to explore all aspects of diversity to create an inclusive work environment. This webinar was an opportunity to reiterate the Group's D&I strategy and recognize the signature of a new Disability agreement at the headquarters. This webinar brought together 600 participants (1,300 registrations in total).

- Signature of a Disability agreement at headquarters

An agreement was signed between the HRM of the Veolia Environnement SA entity (VESA) and labor and management representatives on June 21, 2023. This agreement promotes integration, job retention and career advancement for employees with disabilities. It strengthens current initiatives and focuses on recruitment, integration and training, job retention, development of employability and awareness-raising and communication. Under this agreement, a network of voluntary sponsors was set up, offering customized support to employees with disabilities, ranging from an individual welcome to guidance towards the right contacts.

- A few Group initiatives

Additionally, numerous Group entities in different countries

implement action plans and deploy awareness campaigns to better acknowledge people with disabilities, in accordance with the legal framework in each country.

In France, during the Week for the Employment of People with Disabilities (SEPH) in 2023, headquarter employees were made aware of disabilities by taking part in the DuoDay program of the FACE association. This initiative enabled voluntary employees to welcome for a day people with disabilities at Veolia. In 2023, 80 1- day internships were proposed and 40 positions were filled.

In Germany, Veolia's "Diversity Tuesdays" brought employees from various departments and regions online to discuss diversity. Internal and external experts enriched the exchanges and answered employee questions. This initiative particularly showcased the inclusion of people with disabilities.

In India, Veolia WTS showcased a recruitment policy seeking to promote the inclusion of people with disabilities. This initiative comprises specific financial support for the children of employees with mental disabilities to facilitate their access to special schools and provide measures to promote their mobility and learning. This strengthens Veolia's commitment to an inclusive working environment in support of caregiver employees. Social and cultural inclusion and equal opportunities Various programs drive social and cultural diversity globally and locally at Veolia. Below are few examples.

Social and cultural inclusion and equal opportunities

Various programs drive social and cultural diversity globally and locally at Veolia. Below are few examples.

- In 2023, "Ma Ville en Vert", a program enabling students aged 13 to 18 from disadvantaged backgrounds to learn about the professions of ecological transformation, was set up in several entities. It seeks to make them aware that they have a role to play in ecological transformation and there are different professions at Veolia to achieve this. Welcomed at Veolia by volunteer employees who accompany them throughout the day, students learn about Veolia's professions and are asked to imagine how their city could become greener based on the knowledge they have acquired about Veolia. At the end of the day, they present their project to an internal jury of employees. In France, the most motivated students are offered the chance to complete their ninth grade internship at Veolia.

  In 2023, the program was rolled out in several entities (headquarters, Seureca, Water France, Veolia Morocco, Veolia Argentina, Veolia Colombia and Veolia South Africa, etc.). It is part of the group's human resource and social approach, particularly in terms of diversity and inclusion and equal opportunity initiatives.

- In the Middle East, employees come from different countries, which helps create a rich and inclusive work environment. Veolia set up a practice to celebrate various cultural events and promote a working environment in which employees can share their personal experiences and cultural habits and learn from their diverse backgrounds. Under this initiative, presentations are organized, during which employees delve into the history and meaning of various cultural and religious festivals. These presentations include visual items such as traditional dishes, items of clothing and decorations in relation to the event in question. These practices strengthen our commitment in favor of an inclusive work culture that respects all cultural diversities.

- Veolia Portugal set up the "Cultural guidance/teaching in Portuguese" program for sorting operators who do not speak the language. Classes took place at the Veolia site in Loures, where the employees work. Each two-hour lesson is facilitated twice a week, half during working hours and half after work. To date, 13 individuals benefited from these classes.

Measures promoting LGBT+ employees

Train, inform, guarantee inclusive HR and managerial processes and showcase Veolia's commitment are lines of actions to promote LGBT+ employees.

In 2023, a kit comprising around fifteen good practice sheets were made available to D&I coordinators. These sheets inform employees about LGBT+ phobias and the discriminations they may face, support HR and managers in assisting LGBT+ employees with single parent issues, gender transition, etc. This kit was created by the Agence Française des Managers de la Diversité (AFMD), a Veolia partner. This kit is also available in English.

In June 2023, a conference in English and French was proposed to employees to better understand LGBT phobias and how to act for inclusion for LGBT+employees. This conference brought together 160 employees worldwide and two real transition situations were addressed following this awareness-raising.

Recruit without discrimination

In France, recruitment without discrimination is addressed by Veolia's partnership with the association À Compétence égale, renewed for 2023. This partnership enables Veolia recruiters to draw on good practices from other companies, receive legal advice or even participate in workshops on this topic. In 2023, the offer was strengthened with an online kit Recruter sans discriminer (Recruit without discriminating) which provided recruiters with the e-learning module "Recruter sans discriminer" (441 recruiters have completed it since 2021, including 141 in 2023), the online guide Recruter sans discriminer for recruiters and any person in a recruitment situation and tools proposed by the association À Compétence égale.

Development of inter-generational relations

In 2023, 21.7% (√) of the Group's workforce were seniors (over the age of 55) and 13.4% (√) were young (under the age of 30). Veolia encourages its employees to profit from the knowledge of experienced seniors, as well as the latest professional skills and aptitudes of its young recruits. Veolia maintains the balance between seniors and young people through internal recruiting, tutoring, mentoring, training, etc.

Supporting the most vulnerable employees

To support the most vulnerable employees, the Group in France has deployed an active outreach plan in consultation with trade union and employee representatives. Alongside this, an employee listening and support system has been established under the name Allô Solidarité to offer assistance during difficult periods. Today, employees in France have access to a telephone platform that allows them to discuss their social challenges with professionals. In 2023, around 224 calls were received (vs 281 in 2022 due to the national context), mainly about housing and/or financial issues. The partnership with the Vivons solidaires association, since September 2010, helps to tackle social emergencies. The association receives many requests for assistance with emergency housing, food donations, and children's aid.

4.5 Taxonomy

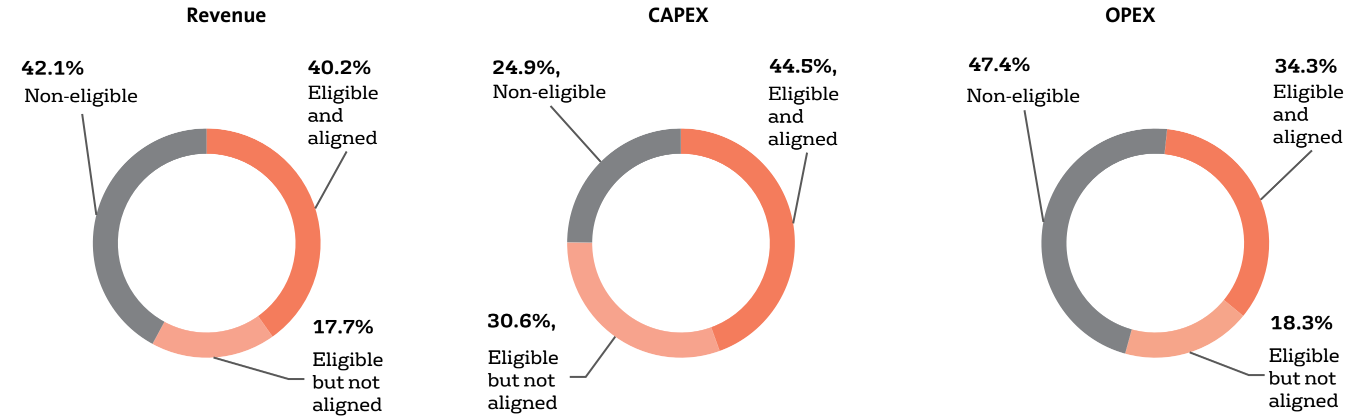
As a company which must disclose non-financial information pursuant to Article 29b of Directive 2013/34/EU, in this section Veolia publishes annual the required information according to the principles of the European Green Taxonomy. The legal framework and principles are covered in Section 4.5.2 below. The methodologies applied by Veolia are detailed in Section 4.5.3 below.

4.5.1 2023 TAXONOMY RESULTS

4.5.1.1 The KPIs* reflect Veolia's contribution to the environment

(*) KPI = Key Performance Indicator

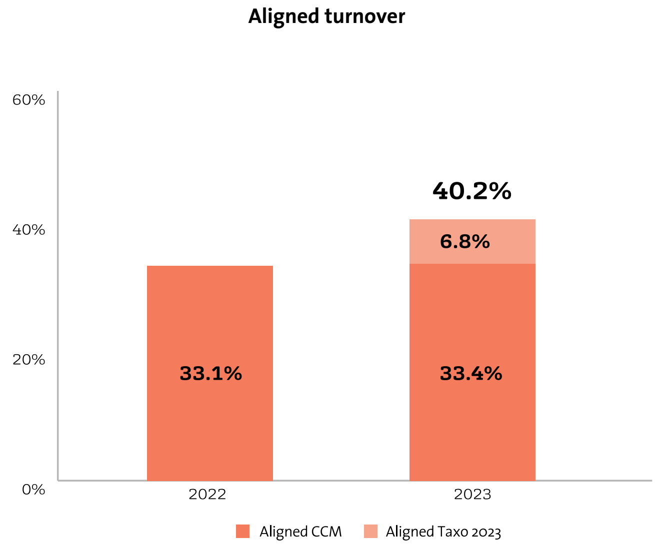
The 2023 KPIs are presented below. Their significant improvement between 2022 and 2023 confirms Veolia's position as a **major player in ecological transformation**. The analysis of their progress over one year is detailed in Sections 4.5.1.2 and 4.5.1.3 below. All the tables relating to taxonomy are available in Section 8.10.3 below.

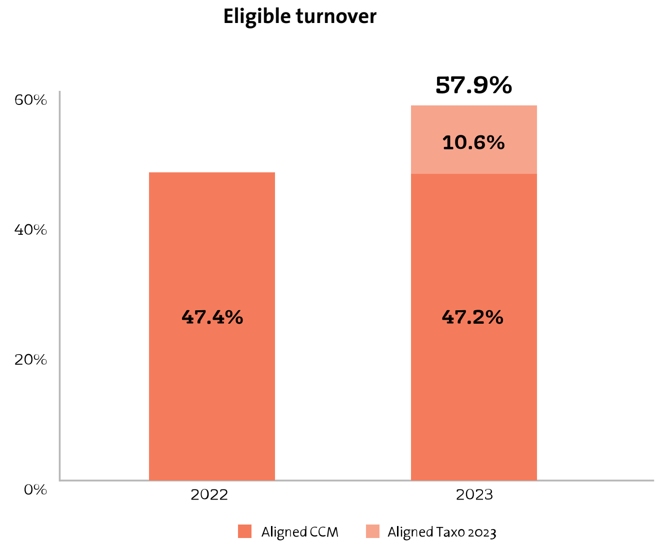


Readers should take note that the main taxonomy KPIs include a **full eligibility and alignment analysis for all eligible activities**. The process deployed by Veolia has enabled this calculation to be performed as soon as 2023 and Veolia has sought to anticipate the publication of the alignment of all its activities to properly inform its stakeholders, even though the European Commission only requires companies to publish eligibility of new activities for 2023.

However, to date the Veolia process has not provided for the multi-assessment of alignment for an activity that may contribute to several environmental objectives. For this reason, Veolia only retained the multi-objective assessment of eligibility in the new tables requested by the Commission to provide the percentage of eligibility and alignment for each of the 6 environmental objectives (see Sections 8.10.3.1.2, 8.10.3.2.2 and 8.10.3.3.2 below). The Veolia process will be adapted accordingly for the full publication of the multi-objective alignment starting in 2024.

4.5.1.2 An alignment of revenue beyond climate change mitigation (CCM)





These charts show that the eligibility and alignment rates increased mainly due to the extension in 2023 of the taxonomy to all 6 environmental objectives (Taxo 2023), which enabled a more comprehensive translation of the Veolia Group's various environmental contributions beyond climate change mitigation.

Activities related to hazardous waste account for just over half of this progress.

More specifically, the main new developments that have an impact on Veolia are:

- **Climate change adaptation:**
  - Eligibility of **desalination**
- **Water resources:**
  - Greater consideration of **water quality** in assessing the alignment of wastewater treatment plants
- **Development of the circular economy:**
  - Eligibility of **water reuse** following wastewater treatment, an activity that is now essential to combat the general rise in water stress
  - Consideration of **intermediate sorting centers** between selective collection and recyclers, compensating for the scope of the climate objective, now limited to only those centers producing secondary raw materials, pursuant to the Q&A of the Commission of December 19, 2022.
  - Eligibility of **hazardous waste collection and treatment** activities focused on the circular economy
- **Pollution prevention:**
  - Eligibility of **hazardous waste collection and treatment** activities focused on pollution prevention.
- **Biodiversity:** Veolia is not directly concerned by new activities eligible for this objective, while contributing very significantly to the preservation of biodiversity and ecosystems through its multiple water and waste decontamination activities.

In addition to the activities added in 2023, Veolia encourages the Commission to continue gradually extending the taxonomy on each of the 6 environmental objectives for an even more comprehensive coverage of all ecological transformation acceleration levers.

4.5.1.3 Capex primarily focused on sustainable activities

The figures show a substantial increase in eligible and aligned Capex rates between 2022* and 2023, with **75.1% eligible Capex, including 44.5% aligned Capex:**

- the 2023 rates surpass the revenue eligibility and alignment rates, demonstrating **the priority focus of Veolia's Capex on sustainable activities;**
- an analysis of the 44.5% of aligned Capex in 2023 (see section 8.10.3 below) reveals the following breakdown:
  - **13.5% in Energy** (withdrawal from coal, green energies, heating networks, energy efficiency, etc.);
  - **14,5% in Water** (primarily drinking water production and distribution);
  - **8.1% in Hazardous Waste** ;
  - **8,5% in Non-Hazardous Waste** (separate collection, material sorting and recycling).

(*) Reminder of 2022 Capex indicators:

- 13.7% eligible Capex, including 8.5% aligned Capex
- These extremely low rates were not representative of the Group's "normal" activity due to the exceptional impact of the Suez merger during the year:
  - Abnormally high Capex denominator due to the change in the asset base and reduced numerator due to the fact that Suez scope Capex could not be analyzed,
  - It is therefore more relevant to compare 2023 with the assessment that supplemented the **2022 taxonomy report for the historical Veolia scope: 58% eligible Capex, including 36% aligned Capex**.

4.5.1.4 "Taxonomic" Opex difficut to interpret

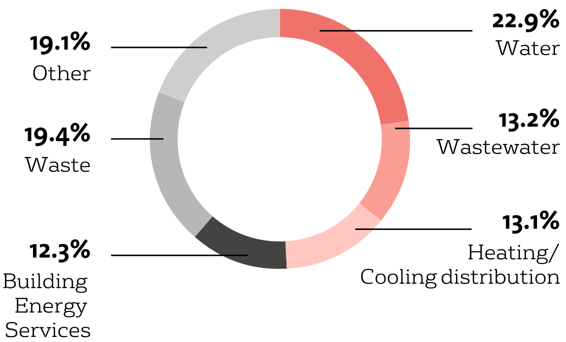
In contrast to revenue and CapEx, OpEx is difficult to interpret as due to the Commission's rules, it only covers a limited portion of operating costs. It excludes energy, water, chemicals, carbon tax and especially operating expenses, which represent a huge proportion of Veolia's operation and maintenance costs.

4.5.1.5 Eligible activities

In terms of turnover, all major sectors of Veolia contribute to eligible activities, mainly:

- drinking water production and distribution;
- wastewater treatment;
- heating networks;
- energy performance services;
- selective collection and waste treatment.

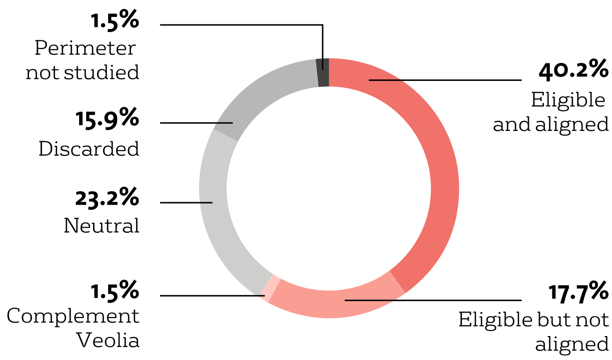
Main Eligible activities in 2023 (Turnover)



4.5.1.6 Non-eligible activities

To properly inform stakeholders, Veolia supplements the information on the eligible scope with an analysis of activities corresponding to 42% of non-eligible revenue:

Detailed breakdown of revenue



A breakdown of non-eligible activities is presented in the following table:

1.5% Veolia complement	Activities reported by Veolia to the European Commission as good candidates for the subsequent extensions of the eligible activity lists; e.g.: • treatment before discharge of industrial wastewater; • storage of certain hazardous waste; • energy recovery of non-recyclable RDF.
23.2% Neutral	Activities with no negative impact on the environment and not covered by the Taxonomy at this stage include a large proportion of basic services provided by Veolia to municipal or industrial customers in the water sector.
15.9% Discarded	Activities excluded from the European Commission taxonomy as they are not part of priority ecological transformation financing: • either for reasons of selectivity regarding best practices, thereby excluding activities that nevertheless contribute to the smooth running of environmental services: • non-selectve collection of waste and related downstream activities, • incineration of non-hazardous waste, • non-hazardous waste landfills, • energy services to buildings with no optimization. • or for reasons of exclusion regarding "brown" activities: • energy production using coal.
1.5% Not studied	The non-analyzed scope was reduced as much a possible below the materiality threshold. It includes: • Ukraine and Russia, as stated in Section 4.5.3.2 below; • a certain number of entities which could not be analyzed as part of this first-time full application of the taxonomy.

4.5.2 EUROPEAN TAXONOMY GENERAL FRAMEWORK

4.5.2.1 Taxonomy general principles

The European "Taxonomy" Regulation (EU) 2020/852 of June 18, 2020 forms part of the sustainable finance policy rolled out by the European Union (EU). It defines a framework to facilitate sustainable investment through improved disclosure by financial market participants.

The sustainability of company activities is assessed in relation to **six environmental objectives:**
1. climate change mitigation (CCM);
2. climate change adaptation (CCA);
3. sustainable use and protection of water and marine resources (WTR);
4. transition to a circular economy (CE);
5. pollution prevention and control (PPC);
6. protection and restoration of biodiversity and ecosystems (BIO).

4

For each of these objectives, the taxonomy bases the notion of sustainability on best practices that contribute to ecological transformation. To be considered as sustainable, an activity must be eligible and aligned:

Eligible	Activity featuring in the list of activities that are likely to contribute substantially to at least one of the six environmental objectives

Aligned	Be an eligible activity and :
	• comply with the corresponding environmental criteria set by the Taxonomy:
	  • contribute substantially to the environmental objective in question;
	  • do no significant harm to any of the other five objectives;
	• respect the minimum safeguards (see Section 4.5.3.3.3 below).

4.5.2.2 Regulatory framework

The general framework is set by Regulation EU/2020/852 of June 18, 2020 and is supplemented by various texts clarifying the means of implementation:

- Commission Delegated Regulation EU/2021/2178 of July 6, 2021, specifying the mandatory Taxonomy-related information to be published in the Non-Financial Performance Statement, and particularly the Key Performance Indicators (KPIs), their calculation methods and related contextual disclosures. It sets out that, after limited reporting in 2021, from 2022 onwards companies must publish KPIs covering (1) sustainable, i.e. eligible and aligned, (2) eligible but not-aligned, and (3) non-eligible scopes for:
  - percentage of revenue,
  - percentage of capital expenditure (CapEx),
  - percentage of operating expenditure (OpEx);
- Commission Delegated Regulation EU/2021/2139 of June 4, 2021 on eligible activities and technical criteria for objectives 1 and 2 (climate change mitigation and climate change adaptation);
- Commission Delegated Regulation EU/2022/1214 of March 9, 2022, supplementing the above regulation on energy production activities from natural gas.
- reports published in 2022 by the Platform on Sustainable Finance on taxonomy for objectives 3, 4, 5 and 6 ("Taxo 4") and minimum safeguards;
- Commission Delegated Regulation (EU) 2023/2485 of June 27, 2023 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives
- Commission Delegated Regulation (EU) 2023/2486 of June 27, 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures of eligibility and alignment rates for each of the six environmental objectives.
- interpretation documents published by the European Commission in December 2021, February 2022, December 2022 and June 2023.

The new eligible activities published in 2023 are referred to in this document as "Taxo 2023".

4.5.2.3 Additional voluntary publications

To provide additional information and give stakeholders a comprehensive overview, Veolia voluntarily publishes a breakdown of its non-eligible revenue according to three categories:

- activities proposed by Veolia for future extensions of eligible activity lists;
- activities that are environmentally-neutral;
- activities excluded by the European Commission.

4.5.3 ORGANIZATION AND PRINCIPLES APPLIED

4.5.3.1 A robust organization

Veolia has adopted measures to be able to provide the required information as reliably as possible. This approach mobilized the Group's financial and technical teams both at headquarters and in the BUs to precisely define how to apply the Delegated Regulations to the operational context of Veolia's activities. It reflects the taxonomy requirements, very often drawn up with reference to European directives, in a manner that is comprehensible and applicable worldwide. The produced methodology was validated by a specialized consulting firm and incorporated into an internally generated tool that is deployed in all BUs. This tool is designed to facilitate and improve the reliability of financial and non-financial data input, while avoiding any double counting:

- entity-by-entity assessment of eligibility and alignment (contextual methodological support);
- reminder of 2022 information to take advantage of the most recent detailed inventory carried out at local level and the technical criteria assessment.

4.5.3.2 Scope covered

The scope covered is that of Veolia's consolidated entities as of December 31, 2023. Entities were assessed and KPIs calculated without taking into account Ukraine and Russia, which were not therefore included in the KPI numerators due to their geopolitical situation over the entire period under review. Certain activities representing 1% of revenue were also not assessed as they were considered to be immaterial.

4.5.3.3 Activity assessment methodology

4.5.3.3.1 Eligible activities

As part of the 2022 Taxonomy assessment, published in the 2022 Universal Registration Document, the Group identified 26 Taxonomy-eligible operational activities, and two activities for individual CapEx.
In 2023, Veolia added 17 eligible activities based on the Commission's new delegated regulations published on June 27, 2023 (see 4.5.2.2 above).
For certain activities, this generates substantial overlap between activities defined with regard to climate change mitigation and similar activities defined with regard to water resources and the circular economy:

Topic	Activities with significant overlap
Drinking water production and distribution	CCM-5.01; WTR-2.01
Wastewater treatment	CCM-5.03; WTR-2.02
Collection and treatment of non-hazardous waste	CCM-5.05; CE-2.03
Material sorting and recovery	CCM-5.09; CE-2.07

These overlaps are taken into account when determining eligibility for each of the six environmental objectives.

The following clarifications may be provided for the collection and treatment of non-hazardous waste:

- as in 2022, waste collection was broken down into separate (eligible) and non-separative (non-eligible);
- the activity CCM-5.09 Material recovery with reference to the climate change mitigation objective was redefined to take into account the clarifications provided by the European Commission in December 2022:
  - this activity is now reserved for centers producing at least 50% directly reusable secondary raw materials,
  - sorting centers, which do not produce secondary raw materials, are analyzed with reference to the new activity CE-2.07 (Taxo 2023 – circular economy), which covers both material sorting and recycling centers,
- the heat recovered in incinerators and used for municipal heating is included in eligible activity CCM-4.25 Heat/cold production using waste heat;
- electricity production from the biogenic fraction of incinerated household waste is included in eligible activity CCM-4.08: electricity production using bioenergy. This fraction represents over half of total electricity produced, and is by default assessed at 50% under a cautious approach.

4.5.3.3.2 Substantial contribution and DNSH criteria

Two types of technical criteria must be assessed when calculating the alignment KPIs:

- substantial contribution criteria for the activity's main objective;
- DNSH (do no significant harm) criteria defined by the same regulations to confirm that activities do not cause significant harm to the other five environmental objectives.

The practical assessment of this criteria by business units is based on the application of the methodology developed by Veolia and referred to in section 4.5.3.1 above.

Regarding certain DNSH criteria, the European Commission has defined generic conditions that do not depend on activities, which led Veolia to define transversal methodologies for purposes of efficiency and consistency:

- **Generic DNSH for climate change adaptation:**
  - seven types of potentially impactful climate change were identified, associated for each Veolia activity with specific vulnerabilities,
  - IPCC projections were conducted at around 2,000 sites worldwide, with reference to the extreme scenario RCP 8.5,
  - climate risks are assessed by comparing the climate changes projected by the model and the vulnerabilities specific to the activity.
- **Generic DNSH for water resources:** the assessment is conducted in relation to the materiality of a qualitative or quantitative impact of activity on water resources; if this impact is material, Veolia verifies:
  - the appropriate treatment by the authority in charge of operating permits (general case),
  - the treatment within an ISO 14001 certification when the regulatory framework is lacking.
- **Generic DNSH for pollution prevention**: this DNSH only concerns a very limited number of activities at Veolia (five in total) and involves the exclusion of chemicals listed as hazardous. For several years, Veolia has mobilized a chemical risk prevention group which brought its expertise to analyse the situation: Veolia does not use such chemicals in the products it assembles or in the processes it operates (except in cases where these products are the input materials treated as hazardous waste, in which case the aim is to eliminate them). Finally, the group purchasing department takes into account this concern and gradually rolls out a supply policy excluding such products vis-a-vis our suppliers.

- **Generic DNSH for the preservation of biodiversity and ecosystems:** when the activity is one of the potentially impactful activities listed by Directive EU/2011/92 (Appendices I and II), the assessment focuses on whether or not an environmental impact including biodiversity has been assessed, and the resulting necessary measures have been undertaken. Note that in the European Union, operating permits take into account this issue.

4.5.3.3.3 Minimum safeguards

When applying the taxonomy in 2023, "Minimum Safeguards" were analyzed as follows:

Human rights and workers' rights in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights;	Veolia complies with these conditions due to its pre-existing compliance, risk and human resources management systems, as set out in Sections 4.4 "Human resources performance", 4.6 "Ethics and compliance" and 4.7 "Vigilance plan" of this document, and in the absence of significant breaches, in line with the French "duty of care" regulation.
Fair competition, bribery and corruption	
Taxation	This issue is closely monitored at head office level by the Veolia Finance Department to ensure compliance with regulations and the absence of any major tax conflicts.

Appropriate due diligence and mitigation measures have been set up, using a risk-based approach.

They will be extended to the value chain in line with the deployment of the CSRD, with two years to adapt the new reporting requirements (i.e. FY-2026 closing at the latest).

In mid-2023, the European Commission also introduced the need to identify, prevent, mitigate and correct the following main adverse impacts arising from the SFDR:

1. Violation of the UN Global Compact principles and the OECD guidelines for multinational enterprises
2. Lack of processes and mechanisms to monitor compliance with the UN Global Compact principles and the OECD guidelines for multinational enterprises
3. Unadjusted gender pay gap
4. Lack of gender diversity of the Board of Directors
5. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons)

These issues are identified by Veolia as subjects of interest, with a measurement of the situation and:

- appropriate due diligence and mitigation plans for points 1 and 2 (see URD 4.1.2.),
- action plans for points 3 and 4 (see URD 4.4.5.),
- and no exposure to point 5.

It is therefore considered that Veolia satisfies the minimum safeguards in 2023.

4.5.3.4 Methods applied to calculate the Key Performance Indicators

Accounting standard	• The analysis was carried out according to IFRS, in accordance with the financial reporting.
Currency	• Figures are expressed in millions of euros, by applying the same exchange rate to local currencies as for the financial closing.

4.5.3.4.1 Key performance indicator for revenue

Denominator	• The total revenue recognized for the denominator is the consolidated revenue in the financial report. • Revenue collected on behalf of third parties is not taken into account
1. Break down contracts into basic lines of Taxonomy-eligible activities or activities that are not Taxonomy-eligible	• The analysis was conducted at basic level, i.e. contracts and contract sub-components for multi-activity contracts. This enabled the identification of the basic lines of activity, corresponding, where applicable, for the same contract to different activities which may or may not be Taxonomy-eligible.
2. Allocate revenue to the basic lines of activity	• Group revenue was allocated at basic level to the various aforementioned contracts, after neutralization of internal sales to determine a contributory revenue consistent with the Group's consolidated revenue. • In certain cases, the allocation of total revenue to basic activities required the use of a physical or financial allocation key selected for its availability and relevance. For example, in the case of collection, tonnages were used to separate Taxonomy-eligible selective collection and mixed collection. For water concessions that do not distinguish between drinking water and wastewater in their revenue, OpEx was used to allocate revenue to basic Taxonomy-related activities. • Accordingly, all Group consolidated revenue was allocated with no double counting in eligible or non-eligible, aligned or non-aligned basic activities.

4.5.3.4.2 Key performance indicator for CapEx

The taxonomy requires the inclusion in CapEx of asset additions resulting from investments during the year and merger-acquisition transactions corrected for changes in goodwill.

In 2023, Veolia included the following CapEx items :

- gross industrial capex as mentioned in Section 3.2.1 above and including:
  - (a) CapEx relating to eligible activities,
  - (b) transformation CapEx relating to the transformation of non-eligible or eligible non-aligned activities into aligned activities or the creation of new aligned activities,
  - (c) individual CapEx, excluding eligible operating activity, for the set-up of Taxonomy-aligned schemes, such as the roll-out of energy efficiency schemes for Veolia buildings.
- changes in the asset base due to mergers-acquisitions and including in 2023 the following acquisitions:
  - the subsidiaries Reciclados La Red S.LL and Banales III located in Madrid and Seville, respectively;
  - Lydec following its consolidation;
  - U.S. Industrial Technologies in the United States.
- restatement of goodwill.

Type (b) CapEx was analyzed using individual datasheets by analyzing investments over the long-term and assessing the taxonomy impact of their activities.

Type (c) CapEx taken into account relates to light vehicles (activity CCM 6.05) and real estate (activity CCM 7.07).

4.5.3.4.3 Key performance indicator for OpEx

The OpEx to be taken into account in the taxonomy is only a limited portion of OpEx: mainly maintenance and excluding current operations costs. This limited definition creates serious problems for Veolia due to the strong interconnection between the maintenance and operating processes with regard to activities performed which makes it difficult to mark out a clear boundary between the corresponding OpEx.

- For the 2022 closing, the decision was made to align as closely as possible with the definition provided by the European Commission and a certain number of expenses were deducted from costs of sales: energy for production and distribution, energy for trading activities, costs of certificates and CO_2, cost of water and chemicals, treatment and elimination of by-products, site restoration and various operating costs.
- For the 2023 closing, and considering the numerous different financial monitoring tools, it was decided to study a reliable and representative sample, in order to define, after the elimination of energy, water, chemicals and CO_2 certificate costs, a ratio based on the residual Opex of BUs to isolate the maintenance Opex required by the taxonomic definition. This ratio was then applied to all BUs, in order to simplify their reporting and improve the reliability of overall earnings calculated at Group level;
- As for revenue, the most relevant allocation keys were used to allocate OpEx, for which the current internal monitoring is not as detailed as the taxonomy breakdown into basic activities.

Note: Individual OpEx, excluding operating activities, relating to the set-up of Taxonomy-aligned schemes was not assessed as it was immaterial (application of the materiality principle).

4.6 Ethics and Compliance

Veolia considers ethics and compliance to be inextricably linked; they both contribute to "ethical security".

The Group is therefore attentive to the knowledge, understanding, sharing and compliance by all employees with these values and the resulting rules of conduct and especially those relating to human and social rights and business ethics set forth in international laws and treaties in the 57 countries[1] where it is present. This approach fits naturally with the Group's Purpose, in the same way as consideration of cultural diversity and preserving the environment. The Company makes every effort to promote these issues among all of its stakeholders.

The Groups rolls out ethics and compliance policies aimed at preventing ethical, legal and reputation risks through compliance with applicable standards to ensure the implementation of its values.

GreenUp

As part of its GreenUp 2024-2027 strategic program,Veolia renewed its commitment in favor of its territories and adopted the following objective and target:

Commitment	Objective	SDG	Indicator – definition	2023 baseline	2027 target
Support regional development through responsible means	**Ethics and compliance**	8 DECENT WORK AND ECONOMIC GROWTH	• Positive answers to the ethics and compliance question in the "Voice of Resourcers" survey	88 %	≥ 83 %
Sponsor	Eric Haza		Member of the Executive Committee, Chief Legal Officer		

4.6.1 ETHICS

4.6.1.1 Ethics Guide

In February 2003, the Company implemented the "Ethics, Commitment and Responsibility" program, which was updated in 2004, 2008, 2011, 2013, 2018 (when it was renamed the "Ethics Guide"), 2020 and 2023. The most recent version of this Guide, issued in December 2018, includes the presentation of the new Group Ethics Whistleblowing system, implemented in response to the recommendations set out in the Sapin II law of December 9, 2016, the Law of March 27, 2017 on the corporate duty of care, and the GDPR general data protection regulation and the Waserman Act of March 21, 2022 which boosts protection for whistleblowers. This system supplements the whistleblowing mechanism levels implemented in the Business Units.

It is designed as a reference document for the conduct of all Group employees at all management levels and in all countries where the Group operates. The anticorruption Code of conduct is appended.

The Ethics Guide sets out the Group's core values and the resulting rules of conduct that form the foundation of the Group's economic, social and environmental performance:

- responsibility: the Group is committed to promoting the harmonious development of territories and improving the living conditions of populations affected by its activities from a public interest perspective, as well as internally, by developing employee skills and improving occupational health and safety;
- community spirit: as the Group serves collective and shared interests through its business activities, this value applies to relationships entered into with all stakeholders. Concretely, it involves developing solutions enabling the supply of essential services for everyone and compliance with a Code of conduct for managers to ensure the Group's core values are shared and complied with throughout the world;
- respect: guides the individual conduct of all Group employees through compliance with the law and the Group's internal rules and the respect shown to others;
- innovation: imagine, create and be audacious in order to develop the environmental services of the future. Veolia has placed research and innovation at the center of its strategy in order to develop sustainable solutions of service to its customers, the environment and society;
- customer focus: seek ever greater efficiency and quality in our services, listen to customers and strive to fulfill their technical, economic, environmental and societal expectations through our capacity to provide appropriate and innovative solutions.

4.6.1.2 Ethics Committee

The Ethics Committee has five members appointed by the Executive Committee, who may be employees, former employees or individuals from outside the Company offering the necessary guarantees of independence and expertise. Independent in the conduct of their duties, Committee members cannot receive instructions from Executive Management or be removed during their renewable four-year term of office.

The Committee is responsible for ensuring the proper application of the values set out in Veolia's Ethics Guide, which have been embraced by the Group and all its employees.

In the course of its duties, the Ethics Committee interprets the Ethics Guide taking account of the diversity of companies comprising the Group, the specific nature of their activities and the regulatory, social and legal frameworks in the countries in which they operate.

[1] *Countries where Veolia has a permanent establishment, employees and capital employed in excess of €5 million.*

It is vested with the authority necessary to perform its duties with regard to Veolia Group companies, both in France and abroad. On that basis, it can access any useful documents and hear any Group employee, the auditors and third parties.

In the conduct of its duties, it can be supported by the Internal Audit Department and all other Group departments which it can ask to intervene on any issues within its remit. It can also call on the services of external experts or visit any Group sites or companies.

Since 2004, any employee who believes there has been a failure to comply with the values and rules of conduct set forth in the Ethics Guide and who believes that informing his or her line manager may cause difficulties or is not satisfied by the latter's response can refer the matter directly to the Ethics Committee.

In this context, the Ethics Committee is responsible for managing the new Group Ethics Whistleblowing tool in force since January 15, 2019 and based on a secure platform enabling whistleblowers to report in over twenty languages. An information campaign informed employees of the launch of this tool and was rolled out in all zones by the Internal Communications Departments. This whistleblowing system was opened to third parties in early 2020.

As in the past, a whistleblower may also refer any matters within his or her remit to the Ethics Committee and in particular any actions considered to represent corruption or influence peddling, using all means available.

While the Ethics Committee does not recommend that whistleblowers remain anonymous, employees and third parties may do so if they wish by using the secure digital platform.

The Ethics Committee will safeguard the rights and interests, not only of the whistleblowers, who it will protect throughout the investigation, but also of the accused parties. The Committee communicates reports that appear within its remit to the Compliance Department and particularly issues covered by the Sapin II law and the corporate duty of care. It can also be assisted by country alert delegates in its investigation.

The existing ethical whistleblower system complies with the Waserman Act of March 21, 2022, which strengthens whistleblower protection.

The Ethics Committee reports annually on its activities to the Veolia Environnement Board of Directors.

4.6.2 COMPLIANCE

4.6.2.1 Strategy and organization

Veolia has a Compliance Department, which reports directly to the Group General Counsel. It is responsible for identifying and preventing compliance risks as well as compliance with procedures in the following areas:

- combating corruption and influence peddling;
- money laundering and terrorist financing;
- corporate duty of care;
- violations of human rights and fundamental freedoms;
- environmental breaches;
- anticompetitive practices;
- personal data protection;
- conflicts of interest;
- lobbying;
- insider trading;
- fraud.

The Compliance Department is responsible for strengthening the compliance culture within the Group and its relations with third parties to protect it against the risks of noncompliance. To this end, it uses all the tools at its disposal: standards, procedures, compliance programs, training and awareness campaigns, etc.

Specifically, the Compliance Department supervises the creation, updating and distribution of all standards: the required charters, guides, codes, policies and procedures linked to its compliance programs. It is supported by a network of compliance officers in the zones and countries to provide Business Units (BUs) with support (see Section 4.6.3.3.1 below).

Along with other departments, the Compliance Department is also responsible for detecting cases of noncompliance, handling them appropriately and proposing potential corrective measures so that these events do not occur again.

Its scope covers the entire Group as well as its relations with customers, partners, intermediaries, suppliers and subcontractors.

The governing bodies (Executive Committee, Management Committee) and the Board of Directors of Veolia Environnement are fully involved in the definition and application of the Group's compliance policy. The Chief Compliance Officer is a member of the Executive Committee and:

- regularly attends Executive Committee meetings, and at least once a year attends a meeting of the Accounts and Audit Committee. When needed, he is also consulted by the Board of Directors;
- reports directly to the Chief Executive Officer.

Compliance Department policies must be deployed by each functional department in relation to their respective activities and by all Business Units and zones, with the necessary adaptations at local level, where needed. Zone Compliance Officers are responsible for deploying the Group's policy at zone level.

4.6.2.2 Management

The Group's Compliance Department interacts with the following Group functional departments: the Risk & Insurance Department, the Security Department, the Legal Department, the Finance Department, the Internal Audit and Internal Control Department and the Human Resources Department.

The compliance approach is based around managing or participating in the following Committees:

Veolia Ethics and Compliance Committee	Created in 2018, this Committee brings together the main functional departments involved in the ethics and compliance policy and promotes the necessary coordination in this area. The Committee is chaired by the chairman of the Ethics Committee (see Section 4.6.3.3.1 below).
Sponsorship and Patronage Committee	Chaired by the Group's General Counsel, this Committee examines and approves sponsorship and patronage projects by Veolia Environnement or projects co-funded by several Group entities in France.
Human Rights and Duty of Care Committee	Created in 2016 by the Executive Committee, and chaired by the Group's General Counsel, this Committee steers Veolia's human rights and duty of care policy.
Inside Information Committee	Created following a meeting of the Disclosure Committee in 2016, this Committee rules in particular on the classification of any event or information likely to be classified as inside information pursuant to the Market Abuse Regulation (MAR). It is chaired by the Deputy CEO Finance, Digital and Purchasing.
Fraud Prevention Committee	Set up in 2020 and chaired by the Chief Compliance Officer, this Committee brings together the departments involved in fraud detection, investigation, implementation of action plans and prevention. It meets twice a year and ad hoc meetings are organized when necessary.

4.6.3 PREVENTING CORRUPTION, ANTICOMPETITIVE PRACTICES AND FRAUD

4.6.3.1 Risks and opportunities

Preventing corruption and other unethical business practices is a major issue for the Group and all its employees. The Group must be particularly vigilant regarding these risks (see Chapter 2, Section 2.2.2.4 above on regulatory, legal and ethical risks in particular), mainly due to the nature of its contracts, the investments made and the difficulties unique to certain countries where it operates. Actions by employees, corporate officers or external stakeholders which contravene the principles set out by the Group could expose it to criminal and/or civil penalties as well as harm to its reputation.

Prevention of corruption, anticompetitive practice and fraud programs fosters a culture of transparency and integrity within the Group, thereby working to protect its reputation and retain the trust of internal and external stakeholders. They not only help reduce risk in these areas, but also strengthen the Group's appeal and the uniqueness of its commercial offerings.

4.6.3.2 Policy and commitments

Veolia values, which are set forth in the Ethics Guide, and notably legal compliance, the Group's internal rules and respect for others, must guide the individual behavior of all employees and managers.

The Company's Executive Management is highly committed to preventing and uncovering corruption, as well as preventing anticompetitive practices. Various internal standards have been implemented under its supervision in this area (notably the Ethics Guide, the Competition Law Compliance Guide, the Criminal Risk Prevention Guide, the Anticorruption Code of conduct, the internal whistleblowing system, the "key" procedures, etc.), specifically aiming to prevent the risks of corruption and anticompetitive practices. These procedures cover a certain number of the Group's "at risk" activities, such as commercial intermediation, sponsorships and patronages, activities in sensitive countries, etc.

This Group commitment is also reflected by various statements by the Company's Chairman and its Chief Executive Officer, underlining the importance of the compliance policy (management seminar, New Year's speech, etc.).

Veolia also conducts ongoing employee training and awareness actions in this area (see Section 4.6.3.3.4 below).

This policy is part of the application of Law no. 2016-1691 of December 9, 2016 on transparency and anticorruption and modern business practices (also known as the "Sapin II law").

As part of the Engagement Survey (Voice of Resources), an independent survey conducted annually by an external provider, the results on the topic of "Ethics and Compliance" improved in 2023. Out of approximately 160,000 employees surveyed, 88% gave a positive answer when asked whether Veolia's values and ethics are applied in their respective entities (See Section 4.1.1 above).

4.6.3.3 Actions and results

4.6.3.3.1 Define, steer and coordinate compliance programs

Governance and definition of compliance programs

A Compliance Department was created in 2018. It is responsible for the governance of compliance programs regarding notably the topics of corruption, anticompetitive practices, fraud and lobbying (see Section 4.6.2. above).

Governance, steering and coordination of zones and Business Units

The compliance policy reinforcement initiative was accompanied by the implementation of a mission statement for Zone Directors, underlining their compliance responsibilities. Each zone was attributed a Zone Chief Compliance Officer (zCCO), reporting hierarchically to the Zone Director and functionally to the Group Compliance Director. Each zCCO deploys the Group compliance policy and performs her/his duties in accordance with the zone or subsidiary's requirements. In 2022, in the context of the Veolia-Suez merger, the compliance network was gradually extended to cover the entire new scope of the Group, in compliance with prevailing anticompetitive regulations.

Veolia Ethics and Compliance Committee

To materialize the complementarity between ethics and compliance a steering committee was created in 2018: the Veolia Ethics and Compliance Committee. Chaired by the Ethics Committee chairman, it brings together the functional departments the most interested in ethics and compliance matters and, especially, the Compliance, Finance, Legal, Human Resources, Internal Audit and Internal Control and Communication departments. The Committee fosters exchanges, the better understanding of ethics topics as well as the coordination of action plans rolled out to materialize the Group's ethics policy.

4.6.3.3.2 Identify and evaluate non-compliance risks

Since 2017, the Group has been continuously strengthening its compliance systems, based on the results of its specific mapping of corruption risks using a common Veolia methodology, which combines internal and external data.
Corruption risks are mapped initially at Business Unit level. This then provides a consolidated view at Group level, which enables the Business Units to identify the risks at global level.
In 2023, the corruption risk mapping was updated, based on a new methodology, at both Business Unit and Group levels.

Group corruption risk mapping: main stages of implementation and updating

2017	**Audit of existing situation**	• Mapping of systems and best practices in place in the form of an online questionnaire sent to the main internal stakeholders (legal directors, corporate secretaries, risk managers, etc.).
2018	**Corruption risk mapping at Group level**	• Identifying and evaluating the main risk areas, depending on business segments, contracts and internal processes; • Inventorying existing systems and determining their level of deployment; • Reinforcing the level of control through specific action plans deployed for the Group.
2018 and 2019	**Corruption risk mapping at Business Unit and zone level**	• Developing corruption risk scenarios based on risk areas identified at Group level. These risk analyses are organized with local teams (executives and management) representing the zone or Business Unit, in the form of interviews and workshops; • Identifying priority actions to be implemented and monitored in action plans.
2020	**Update of the Group Corruption Risk Map through consolidating analyses from Business Unit and zone**	• Consolidating corruption risk areas based on the risk scenarios from the Business Unit and zone workshops; • Determining the risk profile of each geographic zone and assessing the level of maturity of their control environment.
	Third Party Corruption Risk Mapping	• Updating the map of supplier corruption risks based on the Group's purchasing categories;.
2021	**Ongoing roll-out and updating of corruption risk maps**	• For newly acquired entities; • Updating of Business Unit maps.
2022	**Overhaul of the corruption risk mapping methodology**	• Revision of the methodology and alignment with Sapin II Law requirements • Launch of the update campaign in November 2022.
2023	**Update of the BU and Group corruption risk map**	• Roll-out of the new methodology for Business Units; • Consolidation of Business Unit maps and production of a Group map.

This methodology is consistent and integrated with the Group's overall risk mapping process. It is also in line with the best professional practices and recommendations issued by public authorities and professional associations.

Third party assessment (suppliers, partners, intermediaries, customers)

Based on its business risks, Veolia has chosen to prioritize the assessment of its suppliers, strategic customers and certain other particularly sensitive third parties, such as commercial intermediaries and partners in Group development projects, Veolia's system for assessing the integrity of its third parties is based on several components.

Firstly, large customers and suppliers are analyzed using a dedicated software solution, whose deployment was launched in 2021 and continued throughout 2022. In 2023, this solution was operational throughout the Group.

In addition, commercial intermediaries are subject to a specific process, governed by an internal procedure. The Compliance Department is in charge of the process with the support of the Security Department. The contracts regarding these intermediaries are subject to a systematic review. A dedicated team within the Security Department is responsible for the part of the third party assessment process designed to identify and assess the legal, commercial, financial and reputation risks associated with using commercial intermediaries.

Furthermore, when the Group considers contracting with third parties for project development purposes, an assessment of these third parties is performed based on the corresponding internal procedure. Significant projects are therefore systematically reviewed by the compliance chain.

Integration of former-Suez companies

Following the merger with Suez, an integrity risk analysis and integration plan was implemented in 2022 to ensure the effective deployment of Veolia's compliance system within the entities that joined the Group. As such and using a risk-based approach, these entities brought their systems into line with applicable Group compliance rules. The compliance system has since been gradually extended to former Suez entities that joined Veolia, in compliance with prevailing anticompetitive regulations.

4.6.3.3.3 Identify and manage whistleblowing reports

Whistleblowing system

Veolia has a general whistleblowing system which is included in the Ethics Guide. Any breach of one of the rules of conduct indicated in this document can be reported to the Ethics Committee via a dedicated number, the Committee's email address or any other means. In 2022, this system was extended to the scope of Suez companies that joined the Group.

This whistleblowing system is intended to allow the collection of alerts regarding conduct or situations which are contrary to applicable laws and Group policies and rules, notably the Ethics Guide and the Anticorruption Code of conduct. It is important to underline that this whistleblowing system supplements the existing hierarchical alert systems within the Business Units (BU), which continue and are encouraged.

This reporting system is managed by the Ethics Committee. This centralized and secure tool allows whistleblowers to remain anonymous, if they wish. It is available to both Group employees and third parties. However, all internal and external parties can still bring their concerns directly before the Ethics Committee, again with a high level of confidentiality.

Any reports received by the Ethics Committee via this system that appear to fall within the remit of the Compliance Department are immediately forwarded to it to be dealt with.

It is important to underline that this whistleblowing system supplements reports made using other channels within the BUs (hierarchical whistleblowing reports), which continue and are encouraged.Furthermore, certain Group entities (notably the US, Canada, the United Kingdom and Germany) have previously implemented a specific financial whistleblowing system, operated by an external supplier.

Any alerts received via these various systems that appear to fall within the remit of the Compliance Department are immediately forwarded to it by the Ethics Committee to be dealt with.

Internal communications are regularly issued on the handling of whistleblowing reports, hierarchical whistleblowing reports and the promotion of whistleblowing among new employees at Veolia. In 2023, a new communication campaign on the "Whispli Voice" add-on module was conducted.

Fraud reporting

The facilitation and coordination of the fraud prevention system is founded on several components. The "Warning and fraud reporting" mechanism seeks to facilitate the escalation and understanding of fraud patterns, thereby enabling the implementation of necessary protection measures. Cases of fraud identified within the group must be reported. They are broken down into three major categories: "misappropriation of assets", "communication of fraudulent information" and "corruption and unethical behavior". Fraud is assessed based on its severity determined according to the amount, as well as other risks such as reputation risk and commercial risk for the BU and the Group. Since 2020, a Fraud Prevention Committee has been set up within the Group. It brings together all stakeholder departments to continuously improve the fraud prevention process. In 2021, a new online training program on preventing wire transfer fraud was launched for all Group employees. It continued to be rolled out in 2022, particularly to employees who have recently joined the Group.

Since 2023, the corruption risk map has been produced using the lessons learned from fraud reporting.

4.6.3.3.4 Train and raise awareness of our employees and stakeholders

Anticorruption, fraud prevention and competition law compliance training program

Veolia regularly organizes training sessions in ethics and compliance. These programs, which are regularly updated and improved, focus on the prevention of anticompetitive practices, criminal risk and fraud. They are delivered both through e-learning tools and face-to-face activities.

Specific training sessions on the Anticorruption Code of conduct and anticompetitive practices, the content of which was defined by the Compliance Department, are regularly organized. These training sessions are mandatory. Jointly deployed by the HR and compliance departments in the form of e-learning, they are intended for all Group managers. In 2023, 36,200 Veolia employees attended mandatory e-learning courses.

In a broader sense, the Zone Compliance Officers are responsible for defining a compliance training plan specific to each zone at BU level, in close collaboration with the Human Resources Department and based on a risk approach. Under this plan, additional training can be provided to employees in exposed roles.

Anti-corruption Code of Conduct

The Anticorruption Code of conduct, adopted by the Executive Committee in 2018, describes the principles and actions intended to respect the Group's commitment to ban any form of corruption and similar or equivalent behavior, and to comply with best practices and regulations in this field.

It applies within all companies controlled directly or indirectly by Veolia, in France and all countries where they operate or are located, regardless of legal status.

All zones and Business Units must deploy the Code in their respective areas. In France and certain countries, the implementation requires the integration of the Code in the internal regulations of the legal entities in question. Within Veolia Environnement, the modified internal regulations entered into force on July 15, 2018. For France, the Anticorruption Code of conduct was presented to the Works Council. Outside France, the Code disclosure and implementation processes depend on local legal requirements.

This Anticorruption Code of conduct was presented in sketches illustrating the corruption scenarios presented in the document, in order to help the Group's employees better assimilate the issues at hand. Each situation is supplemented with insights, references to the wording of the Anticorruption Code of conduct and practical advice. This illustrated guide is an easy-to-share awareness and training tool that complements other initiatives deployed by the Group, such as e-learning modules or resources made available to employees primarily through the Compliance Department's intranet site.

Ongoing "Ethics and compliance" communication initiatives

Veolia communicates regularly on corruption prevention issues. Accordingly, in 2021, the Group conducted a communication campaign entitled "Ethics & Compliance", to raise awareness of these issues among all the Group's employees over a period of several months. It was disseminated in a variety of ways (videos, messages from management bodies, posters, presentations at team meetings, etc.) in order to reach and involve as many people as possible. This campaign gives concrete expression to the "non-negotiable" ethics and compliance commitments made by the Group within the context of its Purpose and more broadly.

On the 2022 International Anti-Corruption Day, Veolia's Chief Executive Officer reiterated to the Group's employees the importance it attaches to compliance with ethical and compliance rules. In 2023, in a Group-wide video message, the CEO announced the update of the "Les Essentials" document, the Group's manual of 30 main guidelines and policies, the first 10 of which concern ethics and compliance.

4.6.3.3.5 Control and improve processes

Overall assessment of Veolia's compliance system

The Group conducts an annual assessment campaign focusing on the main components of its compliance system.

Almost all Veolia entities participate in this campaign in which the BUs must firstly substantiate their replies (self-assessment phase). Subsequently, this information is reviewed by the Group Compliance Department which considers the system's accuracy and maturity (assessement phase). As such, the compliance function performs a level two control of the existing system. Following the campaign, the results are presented to the Group Audit and Accounts Committee. In 2023, the methods used in this campaign were subject to a level 3 control.

ISO 37001 certification initiatives

ISO 37001 is the international reference standard for anti-corruption management systems. A number of Group zones are currently or will soon be certified. Currently, in 2023 all 36 entities were certified in the Latin America zone. At the end of 2023, the Central and Eastern Europe zone had 86 certified entities across eight BUs and continued to deploy certification in its scope. In the same year, Water France and OTV were also ISO 37001 certified. These initiatives reflect the Group's efforts and commitment to prevent and fight against corruption.

Development of an anticorruption accounting and non-financial control system

In 2023, an anti-corruption control process was set up as part of an internal project involving several central departments of the risk and control functions. Its purpose is to provide the Group with the means to better understand corruption risks and satisfy regulatory requirements. The effectiveness of these controls will be verified in annual assessment campaigns.

4.6.4 HUMAN RIGHTS

4.6.4.1 Risks and opportunities

Due to the geographic scope of its activities, the Group is exposed to non-compliance by stakeholders with the principles set out in the Group's human rights policy and notably external stakeholders (subcontractors, suppliers) (see Chapter 2, Section 2.2.2.4 above on regulatory, legal and ethical risks in particular). Veolia therefore implements appropriate due diligence to ensure compliance.

The Veolia Human Rights program seeks to retain the trust of internal and external stakeholders, reinforce appeal and commercial differentiation and protect its reputation. This program naturally forms part of the Group's Purpose.

4.6.4.2 Policy and commitments

Since it joined the United Nations Global Compact in 2003, Veolia has backed and promoted the principles in its sphere of influence, particularly the recognition of collective bargaining rights, and the fight against employment discriminations. Compliance with these fundamental rights and these commitments for sustainable development is naturally part of the human rights policy defined by the Group. Its formal documentation in 2016 led to the creation of the Human Rights and Duty of Care Committee, which is responsible for supervising the human rights framework within Veolia (see Section 4.6.2.2 above).

The Group has been working hard for years to uphold the rights not only of its employees, subcontractors and suppliers, but also of the communities living in the areas where it operates. Veolia's dedication is reflected in its sustainable development commitments (see Section 4.1.1 above) and its fundamental values and principles set out in its Ethics Guide (see Section 4.6.1.1 above).

The Veolia human rights policy focuses on eight priority issues:

- three issues relating to the rights of the people impacted by its activities:
  - right to a healthy environment and protection of resources,
  - right to water and sanitation,
  - rights and lifestyles of local communities;
- five issues relating to fundamental labor rights:
  - elimination of forced labor,
  - abolition of child labor,
  - elimination of discrimination,
  - promotion of freedom of association and collective bargaining,
  - right to a safe and healthy work environment.

The Human Resources Department and the Compliance Department have pledged to ensure these rights are respected in cooperation with the Group's other functional departments and all entities.

Right to a healthy environment and protection of resources

These concerns are particularly important for Veolia, as they are at the heart of its businesses. Section 4.2 above presents detailed information regarding these two themes.

Right to water and sanitation

These two topics are essential issues for Veolia due to its history and business activities. They are detailed in Sections 4.1.1, 4.1.2 and 4.3.3 above.

Rights and lifestyles of local communities

Veolia is committed to recognizing the rights and lifestyles of communities where it operates. The Group implements various initiatives to maintain a constant dialogue with local people (see Section 4.3.2.3.2 above).

Elimination of forced or compulsory labor

Veolia prohibits any form of forced or compulsory labor. These commitments are recalled in the Ethics Guide, in particular, the requirement to comply with fundamental international labor standards and the prohibition on the use of forced labor in all its operations. This prohibition also applies to any form of modern slavery and human trafficking.

Abolition of child labor

Veolia strictly prohibits child labor. Minors can work in certain special cases, particularly work-study apprenticeships, but only in compliance with all regulatory provisions. These commitments are listed in the Ethics Guide, particularly in regard to compliance with the fundamental international labor standards and the prohibition of child labor.

Fight against discrimination

Veolia's commitments are described in Section 4.4.5.3 above.

Freedom of association and recognition of the right to collective bargaining

Veolia's commitments are described in Section 4.4.5.2 above.

Right to a safe and healthy work environment

Veolia's commitments are described in Section 4.4.3 above.

Veolia has therefore clearly adopted a continual improvement approach to the challenges it faces.

To this end, the Group requests the opinion of various stakeholders especially concerned with this issue such as international organizations, specialist associations and businesses.

4.6.4.3 Actions and results

4.6.4.3.1 Define, steer and coordinate the Human Rights program

Program governance

The Human Rights and Duty of Care Committee is at the center of Veolia's approach to coordinating issues concerning human rights and fundamental freedoms. Chaired by the Group's General Counsel and led by the Compliance Department, it is responsible for the proper roll-out of Veolia's Human Rights policy and its appropriation by employees and monitors the implementation of action plans. The Committee met twice in 2023 to guarantee the effectiveness of this policy.

Contribution of the international network

The Compliance Department performs its human rights role through a network of compliance officers covering the entire Group (see Section 4.6.3.3.1 above). This network is coordinated and facilitated by a human rights and duty of care manager reporting to the Compliance Department. Under this system, compliance directors regularly participated in Veolia's Human Rights and Duty of Care Committee in 2023.

4.6.4.3.2 Identify and evaluate risks

Veolia identifies risks linked to human rights and the duty of care through different tools and methods.

Human rights risk mapping

The human rights risk mapping was updated in 2020 based on a survey. This used a methodology developed by the Risk Department, combining the results of studies carried out at Group level with contributions from the operating entities. Unlike previous years, the 2020 survey covered the entire scope of the Group. It was also redesigned to focus on the following issues: human rights within the Business Units; external stakeholders; and the Group's human rights management system.

As part of a long-term approach, the findings of this work served as a basis for steering Veolia's human rights system in 2023.

Third-party assessment

Veolia has a third-party assessment system, comprising several components.

The Group evaluates the performance of its strategic and/or "at risk" suppliers, including in the fields of fundamental, social and environmental rights. Assessments cover 21 criteria including topics such as water, local contamination, social dialogue, child labor and forced labor.

In 2020, the Purchasing sector enhanced its ability to assess third parties with the introduction of a CSR questionnaire targeting the suppliers considered to be most at risk, in the context of calls for tenders conducted by the Group.

Assessments carried out as part of the so-called "Major Projects" process (see Section 4.6.3.3.2 above), also take into account human rights issues.

4.6.4.3.3 Identify and manage whistleblowing reports

Whistleblowing system

The Group's whistleblowing system is used to handle incidents linked to violations of human rights and fundamental freedoms, issues carefully monitored by Veolia. It can be accessed by third parties. The whistleblowing system is explained in Section 4.6.3.3.3 above.

4.6.4.3.4 Train and raise awareness of our employees and stakeholders

Deployment of the updated Ethics Guide

The Ethics Guide presents the values and principles the Group abides by. The most recent version underlines Veolia's commitment to comply with major international initiatives, such as the UN Global Compact, international human rights law and the OECD guidelines for multinational enterprises.

Development of an online human rights training course

A Human Rights e-learning course was developed in 2022 following the findings of the Human Rights Survey conducted in 2020. This training course was completed by over 60% of Group's employees in 2023.

Raising supplier awareness

Veolia's Supplier Charter, "Our General Principles for Supplier Relationships", aims to engage and make Veolia suppliers accountable, particularly in terms of labor law and environmental protection.

Furthermore, as part of assessments, we ask suppliers to consider our recommendations, to implement corrective action plans if needed and to involve their own suppliers and subcontractors in this approach.

The purchasing compliance policy is detailed in Section 4.3.2.3.4 above.

Raising awareness of sustainable purchasing

Purchasing is an essential topic as part of commitments made by Veolia to sustainable development. In order to reach its targets, the Group has implemented a progressive approach targeting purchasing teams as a priority. In 2019, Veolia launched a buyer certification program, through an e-learning course developed jointly with the Veolia Campus, to strengthen the roll-out of the purchasing compliance program. Training courses in how to assess suppliers are held regularly in French, English and Spanish, for all Group BUs.

4.6.4.3.5 Control and improve processes

Control and assessment

In 2023, the Human Rights and Duty of Care Committee examined progress with operating and functional actions plans.

The Committee's activities benefited from the Group's participation in the human rights association, Entreprises pour les droits de l'homme, a forum for peer exchange aimed at consolidating and distributing human rights best practices. The Committee takes account of feedback from members of this organization, particularly with regard to steering the Group's vigilance plan (see Section 4.7 below).

As part of the annual assessment of the Group's compliance system (see section 4.6.3.3.5 above), compliance with requirements related to the duty of care (human rights, health and safety, environment, sustainable purchasing) is subject to in-depth review. The results of this work are presented and discussed by the Human Rights and Duty of Care Committee.

Implementation of the sustainable development clause

The sustainable development clause is mandatory and included in new contracts, renewed contracts and amended contracts with suppliers and subcontractors. It aims to prevent risks related to ethics and labor law rules (human rights, child labor, corruption, etc.). The clause was 89% deployed in 2023 (see Section 4.3.2.3.4 above).

4.6.5 OTHER COMPLIANCE PROGRAMS

4.6.5.1 Personal data protection

The Group has organized itself to ensure that local regulations and the European Regulation on the protection of individuals with regard to the processing of personal data (GDPR) are applied, giving priority to entities falling within the scope of the GDPR. This approach also contributes to the constant strengthening of data protection measures, to limit risks relating to information systems and data loss. It is based on the deployment of data privacy principles. The Group Compliance Department therefore defines guidelines to strengthen data protection for employees, applicants and customers, as well as the physical persons representing the Group's stakeholders. All the Group's standards were then deployed by the Business Units to adapt to local legal specificities.

In 2023, the Group further strengthened its network organization, which ensures the roll-out of common data protection standards as defined by the Group Compliance Department. This roll-out is being led by the Global Data Protection Officer (GDPO), who is also the DPO of Veolia Environnement SA and reports to the Group Compliance Director. The GDPO works with the Group's Information Systems (IS&T), Legal and Security Departments ("DPO Team"), and coordinates a network of Data Protection Officers (DPOs) and Data Protection Correspondents (DPC) covering all Group BUs, which also have Data Protection Managers in each entity.

The Group takes the necessary measures to efficiently respond in a timely manner to data subjects requests, thanks to the implementation of an appropriate organization through the DPOs and internal escalation processes. To the best of our knowledge, all requests from individuals exercising any of their rights have been addressed by the Group entity concerned without this giving rise to sanctions from the supervisory authorities.

In addition, in 2023, Veolia Environnement furthered the roll-out of its Design and Legal Authority process, common to the IS&T, Security, Compliance and Legal Departments, to guarantee proper consistency and the best possible personal data protection. This process assesses several hundred IT tools annually (evaluation of the technical architecture, security standards, user experience and legal documents, particularly with regard to the protection of personal data, limitations on corresponding liability and licensing policies).

The Group was also involved in integrating the new measures enacted by the European Commission in June 2021 and July 2023 on the standard contractual clauses for the transfer of personal data between controllers and processors located in third countries and the new adequacy decision for safe and trusted EU-US data flows.

These measures required the legal department to review the work undertaken to ensure the GDPR compliance of suppliers agreements. This update work continued in 2023.

As part of its compliance internal control, Veolia annually assesses the compliance program rolled out by its entities to strengthen data protection. This assessment process seeks to measure progress with the level of maturity of each entity and their ability to prevent risks of infringement to personal data protection. It includes the roll-out of Group standards and procedures and is subject to constant improvement.

4.6.5.2 Environmental compliance

Environmental management and protection are closely monitored by the public authorities due to the importance of these issues. This is reflected by numerous regulations in this area with which Veolia must comply. To ensure a high level of performance and thereby satisfy its obligations, the Group has defined an ambitious environmental policy evidenced by the implementation of a dedicated internal management system (see Section 4.2.1 above). In 2023, updated with new methodological clarifications designed to simplify and make the drafting of action plans more relevant, the process now takes into account feedback from previous assessments, as part of a continuous improvement approach.

4.6.5.3 Lobbying

Veolia actively contributes to discussions, consultations and projects on changes in environmental services management initiated by international, European and French authorities, professional associations, think tanks and NGOs. Pursuant to applicable regulations, these actions are implemented in the context of its adherence to the Global Compact and within the general framework of the Group's Ethics Guide and in accordance with its Anticorruption Code of conduct.

Veolia Environnement is listed on several transparency registers, including:

- the transparency register, the European Commission and European Parliament register of lobbyists (since 2009);
- the lobbying disclosure register in the United States;
- the public digital directory managed by the High Authority for public transparency (HATVP) in France. The Group is also registered in the Senate register in France, which records lobbyists on its own list.

Similarly, lobbying employees (or employees likely to lobby) have been made aware of the two objectives of respecting ethics rules and the duty to declare, in coordination with the Group Compliance Department.

In June 2019, Veolia issued an internal standard on the appropriate conduct of employees who are members of professional associations or participate therein. This procedure aims to ensure that lobbying is performed to the highest prevailing standards.

In accordance with strengthened reporting obligations in France and the extension of the system to include activities conducted with certain local public decision-makers that came into force in July 2022, Veolia adapted its internal system to satisfy its legal obligations in this area. In 2023, the Group expanded its reporting requirements to fully comply with the strengthened reporting framework.

Through these rules and initiatives, the Group is formally committed to adhering and ensuring adherence to the rules adopted by the various countries and institutions to guarantee transparency and compliance for lobbying actions.

4.6.5.4 Preventing insider trading

To help prevent insider trading, the Company has adopted a Code of conduct for Securities Trading. The Chief Executive Officer and members of the Executive Committee are deemed to be "permanent insiders" and trading by any of them in the Company's securities is prohibited, except during strictly defined periods and provided that they do not hold material inside information during such periods. These measures also cover so-called "occasional" insiders. The Company's Code of conduct for Securities Trading takes into account changes in regulatory requirements applicable to issuers and their executives and particularly those concerning the compilation and update of a list of named "insiders" and obligations to report transactions in the Company's securities by senior Company executives and closely-related persons.

4.6.5.5 Sensitive countries

Due to its global footprint, Veolia conducts business in certain countries in respect of which some national authorities and international bodies have issued restrictions. The Group may also have contact with individuals against whom restrictive measures have been issued.

To prevent risks arising from the potential breach of such restrictive measures, Veolia has set up a procedure to ensure the compliance of the Group's activities with prevailing regulations on sanction frameworks. This procedure requires a prior risk assessment by the Compliance Department of any activity, new or existing, in countries or in connection with persons likely to be affected by sanction frameworks, and subsequent monitoring of validated projects.

4.7 Vigilance plan

This section summarizes measures implemented by Veolia Environnement to meet the requirements of the French duty of care law. Law no. 2017-399 on the duty of care of parent and subcontracting companies requires the implementation by these companies of a vigilance plan (the Plan). This plan is notably founded on "reasonable due diligence to identify risks and prevent severe impacts on human rights and fundamental freedoms, on people's health and safety, and on the environment".

Veolia Environnement has developed a vigilance plan in accordance with prevailing legislation, covering the entire Group.

A detailed version of the Plan was also prepared. It can be consulted on the Group's website via the following link: https://www.veolia.com/fr/groupe/profil/conformite-vigilance.

4.7.1 COMPLIANCE OF THE PLAN WITH THE LAW

The Plan includes the five pillars required by the duty of care law:

- a risk mapping;
- regular assessment procedures covering the situation of subsidiaries, subcontractors and suppliers;
- actions to prevent and mitigate risks and serious harm;
- a whistleblowing system that collects reporting of existing or proven risks;
- a monitoring scheme to follow up on the plan's implementation and the efficiency of measures.

The law provides for an implementation report which is presented below.

4.7.2 2023 IMPLEMENTATION REPORT

Throughout 2023, Veolia ensured that the system implemented within the framework of the duty of care law matched its requirements. In this respect, the following initiatives were undertaken:

- development of a comparative study on the existence of a human rights policy in CAC 40 companies. The purpose of this initiative was to study the possibility of highlighting Veolia Group's commitment to this cause by officially publishing a policy;
- set-up of a new feature of the internal whistleblowing system "Whispli Voice": this digital hotline enables the whistleblower to leave a voice alert;
- improvements to the Group's Environmental and Industrial Management System (EIMS): updated with new methodological clarifications designed to simplify and make the drafting of action plans more relevant, the process now takes into account feedback from previous assessments, as part of a continuous improvement;
- development of an online training course on human rights: the e-learning aims to raise awareness of human rights issues among Group employees. This module enriches the communication component of Veolia's duty of care system.

The improvements made to the Group's duty of care system, as described above, are all part of a process of continuous improvement in keeping with the spirit of the law.

4.8 Non-Financial Performance Statement Information Summary

Pursuant to Articles R.225-102-1, L.22-10-36 and R.225-105 of the French Commercial Code, Veolia Environnement presents information on how the Company takes into account the social and environmental consequences of its business activity, as well as the effects of this business activity regarding respect for human rights and combating corruption and tax evasion.

Based on its business model (see Chapter 1, Section 1.2.2 above), Veolia has identified the main risks linked to its business activities for each of the required information categories.

In 2017, Veolia mapped its CSR issues. These issues were ranked with respect to their impact for the Group and its stakeholders. In 2019, Veolia clarified this mapping, explaining the risks and opportunities associated with each issue. An update was made in 2020.

Veolia then analyzed the consistency of:

- its mapping of CSR issues (risks and opportunities); and
- its mapping of the Group's risk factors (see Chapter 2, Section 2.2 above).

These two mappings adopt a complementary analysis in their strategic, non-financial and financial approaches to address the challenges of publishing the non-financial performance statement

Principles		Section
	Methodological notes	4.9
	Opinion on compliance and fair presentation of information	4.10
Business model and value creation		
	Business model	1.2.4
	Our Purpose	1.1.2
	Environmental, social and human resources performance commitment	4.1

Risks and opportunities		Description of risks, policies and results Section	Link with the Purpose and the multifaceted performance objectives
Environmental consequences of Veolia's activity			
Natural resources	**Risks** • No major risks **Opportunities** • Circular economy solutions	4.2.2	**Circular economy**
Climate change	**Risks** • GHG emissions at sites • Service interruption in the case of extreme climate events **Opportunities** • Energy efficiency, renewable energy use and methane capture solutions proposed to our customers • Climate change adaptation solutions proposed to our customers	4.2.3	**Combating climate change**
Biodiversity and environments	**Risks** • Pollution emitted by Veolia's activities • Damage to biodiversity at sites with significant issues **Opportunities** • Solutions for the treatment of difficult pollution proposed to our customers • Biodiversity protection and restoration solutions proposed to our customers	4.2.4	**Protection of environments and biodiversity**
Water resources	**Risks** • Operating sites located in areas of water stress **Opportunities** • Solutions for protecting water resources	4.2.5	**Sustainable management of water resources**

Risks and opportunities		Description of risks, policies and results Section	Link with the Purpose and the multifaceted performance objectives
Consequences on society of Veolia's activity			
Stakeholder dialogue	**Risks** • Discontent or protests by civil society or users of our services **Opportunities** • Development of partnerships and new dialogue mechanisms • Anticipation of expectations of external stakeholders • Legitimacy to operate	2.2.2.1 4.1.3	**Multifaceted performance commitments with and for stakeholders**
Local development	**Risks** • Environmental, social or ethical violations by our suppliers or subcontractors • Discontent or protests by civil society or users of our services **Opportunities** • Local socioeconomic development • Co-development of new services and new dialogue mechanisms tailored to local issues	2.2.2.2 et 2.2.2.4 4.3.2	**Job and wealth creation in the territories**
Access to services	**Risks** • Discontent or protests by civil society or users of our services • Distribution of water of unsatisfactory quality **Opportunities** • Tailored solutions to maintain and develop universal access to services • Solutions to develop reliable access to quality water	2.2.2.1 2.2.2.1 4.3.3	**Access to essential services (water and sanitation)**
Workforce consequences of Veolia's activity			
Health and safety	**Risks** • Risk of employee or subcontractors accidents or death **Opportunities** • Physical and mental health of employees • Employee satisfaction and well-being • Productivity and performance improvements	2.2.2.2 4.4.3	**Safety at work**
Professional development and commitment	**Risks** • Reduced employability of our employees • Lack of employee commitment **Opportunities** • Development of employee skills • Employee satisfaction, well-being and commitment	2.2.2.2 4.4.4	**Employee training and employability** **Employee commitment**
Respect for diversity, cohesion and social dialogue	**Risks** • Noncompliance with collective bargaining and diversity rights **Opportunities** • Workforce cohesion and stability • Employee motivation and commitment	2.2.2.4 4.4.5	**Diversity**
Preventing corruption			
	Risks • Corruption **Opportunities** • Trust of stakeholders • Competitiveness and unique commercial offer	2.2.2.4 4.6.3	**Ethics and compliance**

Risks and opportunities	Description of risks, policies and results Section	Link with the Purpose and the multifaceted performance objectives
Respect for Human Rights		
Risks • Noncompliance with human rights	2.2.2.4	
Opportunities • Trust of stakeholders • Competitiveness and unique commercial offer	4.6.4	
Combating tax evasion		
The Group applies a fiscal policy, available on the website, which consists in:	-	
• complying with all laws and prevailing international tax agreements; • paying the right amount of tax around the world; • ensuring that the tax risk is managed; • applying tax choices which correspond to the economic substance of its activities;	6.1 Note 12.3	
• adopting a responsible approach with the tax authorities.	2.1.1 and 2.1.5	
For fiscal year 2023, no consequences due to Group activities were identified in this area when implementing appropriate internal control measures.	2.2.2.3	

Other issues referred to in Article L.225-102-1

Information about:	Sections
• the consequences on climate change of the Company's business activity and the use of goods and services that it produces	4.2.3
• corporate social commitments in favor of:	
• sustainable development,	4.1
• the circular economy,	4.2.2
• combating food waste,	Veolia does not believe that it bears major risks or opportunities in relation to the topics of combating food waste, combating food shortages and respect for animal welfare
• combating food shortages,	
• respect for animal welfare,	
• responsible, fair and sustainable food;	4.2.2.3.2.1
• collective agreements in the Company and their impacts on the Company's economic performance, as well as employee work conditions;	4.4.5.2
• actions aiming to combat discrimination and promote diversity, and measures taken to support people with disabilities.	4.4.5.3

Other topics

Information about:	Sections
• Taxonomy	4.5

4.9 Methodology

The social and environmental information in this document has been taken from the international database that Veolia has developed for its social and environmental reporting. The societal information is taken from this same database and other Group reporting (finance and sustainable purchasing) or obtained from limited geographic or business areas or from departments centralized at Group level.

- The indicators were chosen to monitor the following as a priority: performance relating to the Group's principal CSR challenges;
- effects of the Group's CSR policy;
- regulatory obligations (Article R.225-105-1 of the French Commercial Code; Article 173-IV of the energy transition law).

REPORTING BOUNDARIES

Social reporting covers all companies that are fully consolidated in the Group's financial statements and the companies included in the financial statements which the Group manages operationally, and which are located in all the countries where the Group has employees.

As from 2018, all acquisitions of entities (outside of the Veolia Group) made during year Y, are taken into account in the social scope starting from January 1 of year Y+1. This rule allows for a better integration of the Veolia human resources processes, safety standards and Group commitments.

Since 2016, to ensure consistency with the financial reporting scope, the Chinese concessions are no longer included in the social reporting, except for the indicators defined for sustainable development commitments. Hence, injury frequency and severity rates, the rate of employees who participated in at least one training course and the rate of coverage by a social dialogue organization were calculated including the Chinese concessions which represented 4,225 employees as of December 31, 2023.

Since 2017, employees absent during the entire year for reasons other than occupational disease or following a workplace accident are deducted in calculating the number of calendar days of absence. They are also excluded from the calculation of the full-time equivalent (FTE) workforce.

Training hours cover the period from January 1 to December 31. The sole exception involves Japan which records training hours between the period from December 1, Y-1 to November 30, Y. This rule is applicable until the end of 2023.

The diversity multifaceted performance indicator refers to the Group's Top 500 senior executives. In Veolia Group, this encompasses executive employees with a job position graded 16 and above according to the Willis Towers Watson Global Grading System.

Since 2020, to assess the potential impact of the health crisis on employee data, an indicator was created to record absences in calendar days relating to this period (self-isolation, furlough, childcare).

Environmental reporting covers activities linked to the operation of public water and wastewater treatment services, waste collection, transfer and processing activities, as well as industrial cleaning and maintenance and energy services (heating and cooling systems, industrial utilities and energy services for buildings). Within this scope, the reporting covers all activities over which the Group exercises operating control. Excluded activities in 2023 are estimated at approximately 4% of total revenue and are split between a few operational activities that still need to be integrated into the reporting and low environmental impact activities (support functions, design offices and in-house training centers). In 2023, the activities relating o WTS (Veolia Water Technologies & Solutions) were included.

Within this scope, environmental and social information taken from the Group's dedicated information system is fully consolidated regardless of the consolidation rate in the financial statements.

Societal reporting covers the same scope as that of the social and environmental reporting for the data included in one of these reports, as stated in the societal reporting guidelines. Societal reporting also covers specific scopes due to the nature of the indicators and sources from which the data originates. In this case, the specific nature of the information is stated with the presentation of the indicator.

In calculating the indicator monitoring commitment six (number of people connected), people connected to water or wastewater treatment networks by Veolia continue to be included in this indicator after the termination of the related contracts.

The data collected covers the period from January 1 to December 31, 2023.

GUIDELINES

Where there is no recognized and relevant external reporting reference framework, the Group has defined its own reporting procedures, drawn from best practices and draft international standards, that describe the methodology used for compiling, measuring, calculating, checking, analyzing and consolidating data.

The environmental and societal reporting guidelines are available in French and English for the entities and on the Veolia website (www.veolia.com). The social reporting reference framework is available for the entities in French, English, German, Spanish and Portuguese.

CONSOLIDATIONS AND CONTROL

The Group uses a software package to conduct automated checks on entities. The data is consolidated and checked by the Group's Corporate Human Resources Department and Business Support and Performance Department for the social and environmental indicators respectively. The societal indicators that are not taken from the social or environmental reporting are consolidated and checked by the department/entity concerned (Finance, Purchasing, Foundation) and subsequently by the Multifaceted Performance and Sustainable Development Department.

All the information published by the Group in Chapter 4 has been subject to a specific external review. For fiscal year 2021, the indicators noted by the symbol (V) were checked with a reasonable level of assurance.

METHODOLOGICAL LIMITS

It is important to note that there may be methodological limits to the indicators due to the following:

- lack of harmonization between national and international legislation;
- heterogeneous nature of the data managed and the variety of tools in the Group's many subsidiaries;
- changes in definition that may affect the comparison of indicators;
- specific characteristics of labor laws in certain countries;
- practicalities of data collection;
- availability of source data on the reporting date.

The indicators should be interpreted with caution, in particular averages, since the figures comprise worldwide data that requires a more detailed analysis at the level of the geographic zone, country or business line in question.

As methane production at landfill sites cannot be measured on site, it is modeled using the IPCC Tier 2 methodology. The model is recalculated annually based on the following parameters for each site: historic tonnage (since the site's opening if available), climate data (rainfall, temperature, etc.) and the standard composition of incoming waste (Modecom, Gas Sim, IPCC, etc.).

4.10 Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial statement

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended 31 December 2023

To the annual general meeting,

In our capacity as Statutory Auditor of your company (hereinafter the "Entity") appointed as independent third party, and accredited by the French Accreditation Committee (COFRAC) under number 3-1884[1], we have undertaken a limited assurance engagement on the historical information (actual or extrapolated) in the consolidated non-financial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2023 (hereinafter, the "Information" and the "Statement respectively), presented in the Group's management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

At the request of the entity, we also performed work designed to express a reasonable assurance conclusion on the information selected by the entity and identified by the sign √.

LIMITED ASSURANCE CONCLUSION

Based on the procedures we performed as described under the "Nature and scope of procedures" paragraph and the evidence we obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

REASONABLE ASSURANCE CONCLUSION ON A SELECTION OF NON-FINANCIAL INFORMATION

In our opinion, the information selected by the entity and identified with the symbol √ in the Statement has been prepared, in all material respects, in accordance with the Guidelines.

PREPARATION OF THE NON-FINANCIAL PERFORMANCE STATEMENT

The absence of a commonly used generally accepted reporting framework or of a significant body of established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.
Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement and available on the Entity's website or on request from its headquarters.

INHERENT LIMITATIONS IN PREPARING THE INFORMATION

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

RESPONSIBILITY OF THE ENTITY

Management of the entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators, and the information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- preparing the Statement by applying the entity's "Guidelines" as referred above; and

[1] *Accreditation Cofrac Inspection, number 3-1884, scope available at www.cofrac.fr*

- designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Management Board.

RESPONSIBILITY OF THE STATUTORY AUDITOR, APPOINTED AS INDEPENDENT THIRD PARTY

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- The fairness of the historical information (observed or extrapolated) provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

At the request of the entity and outside of the scope of our accreditation, we may express reasonable assurance that the information selected by the entity, presented in the Appendices, and identified by the symbol √ has been prepared, in all material respects, in accordance with the Guidelines.

It is not our responsibility to report on:

- the entity's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the French Duty of care law, and provisions against corruption and tax evasion law);
- the fairness of information set out in Article 8 of Regulation (EU) 2020/852 (Green Taxonomy);
- the compliance of products and services with applicable regulations.

APPLICABLE REGULATORY PROVISIONS AND PROFESSIONAL GUIDANCE

We performed the work described below in accordance with Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagements, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, “Intervention du commissaire aux comptes - Intervention de l’OTI - Déclaration de performance extra-financière”, acting as the verification program, and with the international standard ISAE 3000 (revised)[2].

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of Article L. 822-11 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

MEANS AND RESOURCES

Our work engaged the skills of twelve people between October 2023 and March 2024 and took a total of about twenty weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted twenty interviews with the people responsible for preparing the Statement.

NATURE AND SCOPE OF PROCEDURES

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- we obtained an understanding of all the consolidated entities' activities, and the description of the main related risks;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III of the French Commercial Code as well as information regarding compliance with human rights, anti-corruption and tax avoidance legislation, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;

(2) *ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the main risks;
- We verified that the Statement presents the business model and a description of main risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, products or services, as well as policies, measures and the outcomes thereof, including key performance indicators related to the main risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented,
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the Appendices. Concerning certain risks[3], our work was carried out on the consolidating entity, for the other risks, our work was carried out on the consolidating entity and on a selection of entities[4],
- we verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity implemented, and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important, presented in the Appendices, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out on a selection of contributing entities4 and covers between 26% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests,
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities' activities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*), a higher level of assurance would have required us to carry out more extensive procedures.

NATURE AND EXTENT OF ADDITIONAL WORK ON THE INFORMATION SELECTED BY THE ENTITY AND IDENTIFIED BY THE SIGN √

With regard to the information selected by the entity, presented in the Appendices and identified by the symbol √ in the Statement, we conducted the same work as described in the paragraph "Nature and scope of our work" above for the Information considered to be the most important, but in a more in-depth manner, in particular with regard to the number of tests.

The selected sample accounts for between 44% and 68% of the information identified by the symbol √.

We believe that our work is sufficient to provide a basis for our reasonable assurance opinion on the information selected by the entity and identified by the symbol √.

Paris la Défense, March 18th, 2024

KPMG S.A.

Baudouin Griton	**Fanny Houlliot**
Partner	*ESG Expert* *KPMG France ESG Center of Excellence*

(3) Customer and consumer satisfaction; Development of innovative solutions; Hazardous waste treatment and recovery; Job and wealth creation in the territories; Ethics and compliance; Economic and financial performance; Access to essential services (water and sanitation).

(4) Veolia Energy Japan; Veolia Water Morocco; Veolia Waste USA; Veolia Waste RVD SUD PACA; Veolia Energy Hungary; Veolia Energy SIRAM; Veolia Eaux de Marseille; Veolia Waste Chile; Veolia Water China; Veolia Water Spain; Veolia Water India; Veolia Energy China; Veolia Energy Czech Republic; Veolia Energy Ireland; Veolia Energy Poland; Veolia Waste UK; Veolia Waste Australia; Veolia Waste Belgium; Veolia Waste RVD Sud-Ouest; Veolia Waste Germany; Veolia LATAM – Biodiversity; Veolia Colombia; Veolia Chile Aguas Andinas; Veolia UES Water France; Veolia Belgium WEB; Veolia Waste Belgium; Veolia Japan; Veolia RVD France; Veolia SADE CGTH; Veolia UK; Veolia Morocco Redal and Amendis; Veolia Czech Republic; Veolia Spain Energy & Water; Veolia USA.

Appendix

Qualitative information (actions and results) considered most important

Social information
Programs and other measures to support the development and commitment of Group employees
Continuous improvement of health and safety measures
Network and awareness-raising initiatives dedicated to gender diversity
Network and awareness-raising initiatives for the inclusion of people with disabilities
Initiatives to make the Group more attractive to young talent
Career development support for young talent
Employee shareholding and employee benefits schemes

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Environmental information
Resources devoted to environmental risk prevention, particularly pollution risks
Environmental and Industrial Management System
Commitments and actions to combat climate change
Policies and action plans to promote the circular economy
Measures to preserve biodiversity
Policies and action plans to improve water resource management

Societal, commercial, economic and financial information
Actions for the benefit of the territories
Solutions developed for access to essential services
Anti-corruption control measures
Provisions for responsible purchasing and supplier evaluation

Key performance indicators and other quantitative results considered most important

Social key performance indicators	Level of assurance
Total workforce at the end of the period and breakdown by socio-professional category, type of contract, age, gender and geographical area	Reasonable
Average number of hours of training per employee per year	
Frequency rate of work accidents with work stoppage	
Frequency rate of work accidents with work stoppage for temporary agency employees, freelancers and self-employed workers	
Work accident severity rate	
Absenteeism rate (excluding maternity and paternity)	
Feminization rate of executives	
Rate of appointment of women over the period 2020-2023 (among Executive Resourcers) Executive Resourcers Feminization rate	Limited
Number of deaths of employees and subcontractors related to work processes	
Staff turnover rate on permanent contracts	
Percentage of employees having benefitted from at least one training course during the year	
Rate of union coverage	
Employee engagement rate	
Number of promotions during the year	

Environmental key performance indicators	Level of assurance
Production of non-hazardous waste	Reasonable
Direct greenhouse gas emissions (scope 1)	
Indirect greenhouse gas emissions related to energy purchases (scope 2)	
Performance of drinking water systems	
Energy consumption	
Volume of plastics recycled in Veolia's processing plants	Limited
Recovery rate of bottom ash, residues from waste incineration	
Recovery rate of residual combustion waste	
Production of hazardous waste	
Indirect total greenhouse gas emissions (scope 3)	
Progress on investment plan to phase out coal in Europe by 2030	
Annual contribution to avoided GHG emissions (in Mt CO_2 eq, assessed against reference scenarios) - FE IEA 2013	
Percentage reduction in greenhouse gas emissions from scopes 1 and 2 compared to the 2018 reference year	
Methane capture rate	
Energy production (thermal and electrical)	
SOx emissions (energy and waste)	
NOx emissions (energy and waste)	
Dust emissions from thermal installations selling more than 100 GWh/year and waste incinerators	
Progress rate of action plans aimed at improving the environmental and biodiversity footprint of sensitive sites	
Energy efficiency for the production of drinking water (excluding desalination)	
Energy efficiency for wastewater treatment	
Recovery rate of sludge from wastewater treatment	

Commercial key performance indicators	Level of assurance
Customer satisfaction rate via the Net Promoter Score methodology	Limited
Number of innovations included in at least 10 contracts signed by the Group	
Consolidated revenue from the “Treatment and recovery of liquid and hazardous waste” segment	

Societal key performance indicators	Level of assurance
Socio-economic impact of Veolia's activities in the countries where the Group operates, in terms of direct or indirect jobs supported and wealth created	Limited
Percentage of positive responses to the question "Veolia's values and ethics are applied in my entity" of the engagement survey	
Percentage of strategic suppliers assessed over the last three years on their CSR performance	
Proportion of contracts including sustainable development clauses	
Purchasing expenditure in France carried out with the protected and adapted labour sector	
Number of residents benefiting from inclusive systems to access water or sanitation services under Veolia contracts	
Share of expenditure reinvested in the territories	
Population having had access to essential services in countries with access deficit	

Economic and financial key performance indicators	Level of assurance
Annual growth in revenue	Limited
Net income before non-recurring items, Group share	
ROCE after tax (with IFRS 16)	
Free cash flow (before discretionary investments)	

5

OPERATING AND FINANCIAL REVIEW

Information from the Annual Financial Report is clearly identified in the table of contents by the pictogram AFR

5.1 Major events of the period

5.1.1 BUSINESS AND INCOME TRENDS

Strong growth in 2023 results, outstripping objectives

2023 annual results are up significantly. They reflect the strength of the Group's business model and strategic choices, which have proved resilient in a contrasted macroeconomic context. These results confirm the Group's ability to deliver solid organic growth through a diversified and complementary business portfolio and a balanced geographic footprint. 2023 also confirmed the success of the Suez merger, which is bearing fruit faster than expected with synergies ahead of targets.

(€ million)	2022	2023	2023 / 2022 Change Δ at constant exchange rates	Δ at constant exchange rates & scope
Revenue	42,885	45,351	8.5 %	9.0 %
EBITDA	6,196	6,543	7.8 %	7.8 %
Current EBIT (1)	3,062	3,346	11.6 %	13.7 %
Net Financial Debt [1]	-18,138	-17,903		

(1) The indicators are defined in Section 5.2 below.

2023 results show strong growth in revenue, EBITDA, Current EBIT and free cash flow despite the economic climate in Europe and an unfavorable weather effect.

2023 **Revenue** is €45,351 million, up significantly on 2022: +9.0% at constant scope and exchange rates. Growth was recorded across all businesses and is driven by excellent performance in Water, steady growth in Waste despite lower recyclate prices and ongoing robust growth in Energy boosted by higher energy prices.

- **Water** activities recorded organic growth of +7.5% due to excellent activity levels in Water technologies and tariff reviews, despite an adverse weather effect that impacted volumes in certain regions;
- **Waste** activities increased by +3.4% and +5.9% excluding the change in recyclate prices, driven by hazardous waste processing activities, particularly in the United States, commercial wins and the effect of price reviews;
- The **Energy** businesses grew significantly (19.9% organic growth), benefiting from increases in heating tariffs and electricity selling prices, reflecting the higher cost of purchased energy and sustained commercial activity, notably in energy flexibility services.

Revenue growth excluding the increase in energy prices was +4.4% at constant scope and exchange rates.

2023 **EBITDA** is €6,543 million, up +7.8% at constant scope and exchange rates. EBITDA growth outpaced revenue growth restated for the increase in energy prices, reflecting excellent operating leverage. In 2023, operating efficiency programs generated €389 million and the Suez integration synergies plan €168 million, ahead of objectives.

Current EBIT is €3,346 million, up +13.7% at constant scope and exchange rates year-on-year.

Net financial debt is €17,903 million as of December 31, 2023, down €235 million euros compared to 31 December 2022, in particular thanks to strong free cash flow generation. Net free cash flow before dividends and financial investments totaled +€1,143 million, up compared to 2022 (+€111 million), primarily due to increased cash generated by operations and lower restructuring costs.

Impact 2023 strategic program financial objectives met or exceeded

2023 marked the final year of the impact 2023 plan, with all financial objectives met or exceeded. The success of the program was founded on steady growth over the period 2020-2023 (average annual growth of 5% excluding Suez) and net current income in excess of €1.3 billion in 2023, above target (€1 billion), while maintaining leverage at below 3.

5.1.2 ESG ACHIEVEMENTS AS PART OF OUR MULTIFACETED PERFORMANCE

As an ESG benchmark company, Veolia continued to roll out its multifaceted performance in 2023. Thanks to this approach, initiated at the beginning of the Impact 2023 plan, the Group has improved its ESG performance. Based on the good results achieved at the end of the Impact 2023 program, this approach will be adjusted and strengthened in the new 2024-2027 strategic plan.

Environmental Commitments

Carbon Net Zero 2050 commitment: a 10-year reduction trajectory already launched and being delivered

- As part of its plan to phase out the use of coal in Europe, Veolia undertook to invest in a massive €1.6 billion program over the period to 2030, to reduce CO_2 emissions by 2.7 million metric tons. At the end of 2023, Veolia had invested a total of €529 million in decarbonization projects in Central and Eastern Europe.
- At the COP 28 organized in Dubai (United Arab Emirates), Veolia reaffirmed its commitment to phase out coal in Europe, by continuing the conversion of coal-based power generation assets to less carbon-intensive energies and local energies in particular. The Group also reaffirmed its ambition to achieve Carbon Net Zero by 2050.
- Veolia aims to decarbonize and reduce its greenhouse gas emissions, while promoting access to locally sourced energy and contributing to the decarbonization of its customers' activities:
  - In Latin America, the Group has committed to a €70 million investment plan to capture gas at landfill sites. These investments will enable CO_2 emissions to be reduced by 1.5 million metric tons per year.
  - The new contract awarded in Hong Kong to design, build and operate the extension to the West New Territories (WENT) resource recovery site is expected to optimize methane capture and avoid the emission of an estimated 10 million metric tons of CO_2 equivalent over twenty years.
  - Veolia launched the roll-out of a residual cold recovery solution at the Enagás LNG terminal in Barcelona. A world first, this solution will generate 131 GWh of local, affordable and environmentally-friendly energy annually. Commissioning is scheduled for the second quarter of 2024. This solution allows the emissions linked to energy production that would have been necessary in the absence of recovered energy to be avoided. This represents over 42,000 metric tons of CO_2 avoided per year.

"Net Zero Water": sustainable management of water resources

- As part of its France "Net Zero Water" ambition by 2033, Veolia successfully renewed the Lille water distribution contract for a period of ten years and combined revenue of €700 million. Through an innovative contract focused on resource conservation, 65 million cubic meters of water will be saved over the duration of the contract. The Group also launched the "Eco d'eau" initiative in France to mobilize all players - citizens, public authorities, companies, associations, etc. - around actions to be taken now to preserve water resources.
- On November 16, 2023, Veolia inaugurated with Vendée Eau the first unit in France for the reuse of treated wastewater for the production of drinking water as part of the Jourdain program. This complementary solution can produce 1.5 million m3 of drinking water during the period from May to October for dry years in the Vendée region. In addition, the installation program for compact water recycling units (REUT boxes) launched by the Group in France is a great success: nearly 55 municipalities have already expressed interest in this solution.

Environmental protection and biodiversity:

- With an average deployment rate of 85% at the end of 2023 on the action plans to protect the environment and biodiversity at sensitive Group sites identified on the launch of the Impact 2023 strategic program, Veolia has exceeded its 75% objectives thanks to the governance and management structures implemented, as well as strong momentum within the Business Units.

Social Commitments

- On September 11, 2023, Veolia announced the launch of its **"Veolia Cares"** program, which aims to guarantee a common base level of social protection for the Group's 213,000 employees, even in countries where there are no such legal requirements. The program provides all Group employee; whether they have fixed-term or permanent contracts, with access to parental leave, health and death cover, support for carers, and the opportunity to dedicate one day a year to a charity or an environmental protection project. This program demonstrates the Company's commitment to the professional and personal well-being of its employees. It also demonstrates the Group's strong roots in the territories where it operates.
- In line with measures implemented as part of the Group's multifaceted performance, employee indicators have progressed significantly. At the end of 2023, the gender balance among Executive Resourcers had improved by 1.5 basis points compared to December 31, 2022 to 26.7%.
- In terms of health and safety, the lost time injury frequency rate continued to fall, dropping below 5 at the end of 2023, the target rate in the Impact 2023 plan (vs. 5.61 in 2022).
- The "Voice of Resources" annual commitment survey, addressed to 160,000 Group employees, was conducted in November 2023. It confirmed the strong results achieved in previous years, with a commitment rate of 89%.
- In September, Veolia launched the YouTube channel Verso, dedicated to analyzing, decoding and popularizing the backstage of the ecological transformation, enabling the younger generation to understand current environmental issues, as well as the Group's ecological transformation solutions proposed to the general public.

Governance Commitments

- Following the Combined General Meeting of April 27, 2023 and as of the date of this Universal Registration Document, 82% of directors are independent and 54.5%[1] are women. Since this General Shareholders' Meeting, the Board of Directors includes three new independent directors with strong academic, corporate and institutional skills and experience in key issues related to the Company's strategy and development.
- The Sequoia 2023 employee share ownership plan was a great success. At the end of this operation, employees strengthened their position as Veolia's largest shareholder, holding approximately 7.5% of the Company's share capital as of December 13, 2023. Offered to 190,000 employees in 49 countries, the Sequoia 2023 plan was subscribed by nearly 79,000 employees, representing a subscription rate of close to 42%. In the same way as the plans performed annually since 2018, the Sequoia 2023 plan confirms Veolia's desire to involve its employees in the development of their Company and its value creation.

[1] *Excluding the two Directors representing employees and the Director representing employee shareholders in accordance with Articles L. 225-27-1 and L. 22-10-7 of the French Commercial Code (Code de commerce).*

5.1.3 CHANGES IN GROUP STRUCTURE - STRATEGIC PROGRAM

5.1.3.1 Innovations and commercial developments

As the global leader in the Decarbonization, Depollution and Resource Regeneration market, the Group continued to innovate and its commercial developments in 2023, in line with the Impact 2023 program, confirming its excellent commercial and innovation momentum.

- Regeneration: **New plastic recycling assets (La Red) in Spain**

In January 2023, Veolia completed the acquisition of the La Red Group in Spain, which specializes in the collection and recovery of ordinary waste and plastic recycling.

- Decontamination: **First integrated waste management contract in the county, in the Gold Coast, Australia**

On March 9, 2023, Veolia announced it had been awarded the integrated waste management contract for the Gold Coast, Australia's second largest regional authority and sixth largest city. The contract has an initial term of seven years with options to extend to eighteen years, which would represent around €500 million for the full extended term of the contract. This new contract combines the management of recovery and collection facilities and will optimize the implementation of existing infrastructure across the entire waste treatment value chain. It will also reduce carbon emissions by around 77,000 metric tons per year.

- Decarbonization: **Veolia operates the largest waste-to-energy plant in Turkey**

On April 20, 2023, Veolia announced it had been awarded the contract to operate and maintain Turkey's first waste-to-energy plant, the largest in Europe, in Istanbul. With a processing capacity of around 1,1 million metric tons of non-recyclable household waste per year, the plant will save nearly 1.5 million metric tons of carbon emissions annually, thanks in particular to the production of 560,000 MWh of electricity, equivalent to the consumption of 1.4 million inhabitants of the metropolis.

- Decarbonization: **Successful start-up of the Braunschweig biomass plant in Germany**

In the first quarter of 2023, Veolia successfully launched operations at the Braunschweig biomass plant, which will produce 800 GWh of heat per year to supply 68,000 homes. This plant has allowed Veolia to replace the use of coal with a mix of biomass and gas, generating 25% green electricity and reducing the carbon footprint by 50%.

- Regeneration: **Successful renewal of the Lille water distribution contract in France**

In April 2023, Veolia successfully renewed the Lille water distribution contract for a period of ten years and combined revenue of €700 million (see Section 1.2 for more information).

- Regeneration of water resources: **Design of the MIRFA 2 desalination plant in Abu Dhabi**

On June 14, 2023, Veolia announced that the Group will design one of the world's largest energy-efficient desalination plants in Abu Dhabi. With a capacity of 550,000 m3/day, this desalination plant will supply drinking water to around 210,000 households. The project will generate revenue of approximately €300 million for Veolia. Construction commenced in 2023 with commissioning scheduled for 2025.

- Regeneration of water resources: **Operation of the La Me drinking water treatment plant in the Ivory Coast**

On June 21, 2023, Veolia announced that the Group and its Ivorian partner, PFO Africa, will operate one of the largest drinking water treatment plants in West Africa for a period of 15 years. The plant addresses the water access issue by treating surface water rather than drawing from groundwater. At full capacity, the plant will cover the daily needs of 2.4 million Abidjan inhabitants. The contract represents revenue of €390 million over fifteen years.

- Regeneration of water resources: **Major contract wins with two new innovative offerings to preserve water resources in France**

In July 2023, in Perpignan, Veolia was awarded the public service delegation contract for water services by Perpignan Métropole Méditerranée, representing revenue of €650 million over twelve years. This contract provides for investment to preserve water resources with a target reduction in leaks from 20% to 12%. In Strasbourg, the Group also won the contract to operate a wastewater treatment plant, representing €150 million over 8 years.

- Regeneration of water resources: **50 "Reut boxes" sold in less than a year in France to reuse wastewater**

As a pioneer in wastewater reuse in France, Veolia contributes to industrializing water reuse in France, in a context of increasing drought and scarcity of resources.

Around fifty Reut projects are currently in progress, with around half installed and equipped with Reut boxes. The mid-term potential for wastewater reuse as drinking water thanks to Reut projects is around 1 million m3/year, with greater potential in coastal regions. The coastal regions have been prioritized in a bid to reuse treated wastewater that is discharged into the sea and help reduce pressure on resources. Project progress is subject to the pace of delivery of various administrative authorizations, which notably take account of economic, local environment and use factors. Regulations are changing regularly to broaden the use of Reut-water and simplify its access.

- Water technologies: **Engineering & Equipment for a water recovery facility for a Samsung semiconductor plant in the United States**

In the second quarter of 2023, Samsung awarded the Group a contract to design, equip, supply and supervise the commissioning of a water recovery facility in the new semiconductor plant in Texas. This contract includes biotreatment, ultrafiltration, nitrogen treatment, and zero liquid discharges. The project is worth US$177 million over twenty-four months.

- Water technologies: **Engineering & Equipment for the supply of ultrafiltration and nanofiltration technologies to Keppel in Brazil**

In the second quarter of 2023, the Singapore group Keppel awarded Veolia a contract to supply engineering services and equipment for ultrafiltration and nanofiltration technologies to eliminate sulfates and other pollutants from water reinjected into drilling wells at two floating production storage and offloading units (FPSO) in Brazil. This contract is worth US$59 million over twenty-four months.

- Water technologies: **Flagship HPD® technology for lithium recycling in North America and South Korea**

In the second quarter of 2023, Veolia agreed to supply its HPD® flagship technology to two facilities producing lithium hydroxide for use in the manufacture of batteries, in Canada and South Korea. The HPD® process will also be applied in the United States at a facility producing high-purity salt as part of a major expansion of the chlor-alkali industry, essential components for the manufacture of paper pulp, paper and aluminum, as well as for battery recycling. These contracts represent cumulated revenue of €181 million.

- Decarbonization and resource regeneration: **Signature of a €2 billion waste management contract in Hong Kong**

In October 2023, the Hong Kong Environmental Protection Department (EPD) awarded the contract to design, build and operate the extension of the West New Territories (WENT) resource recovery site to a joint venture set up between Veolia and the Chinese state. This 20-year contract worth over €2 billion for Veolia, a long-standing partner of Hong Kong, will help process 90 million metric tons of non-recyclable waste and avoid the emission of 10 million metric tons of CO_2.

- **Decarbonization and resource regeneration: Commissioning of a new biomass-RDF plant in the Czech Republic**

As part of its plan to phase out the use of coal in Europe, the Group commissioned a cogeneration plant in Prerov, Czech Republic, in October 2023 representing an investment of €65 million. This plant replaces coal with biomass and RDF (Refuse Derived Fuel) to produce heat for the city of Prerov's district heating distribution network, as well as cogeneration electricity. It will also reduce CO_2 emissions by around 111,000 metric tons per year.

- **Resource regeneration: Sludge incineration in St. Louis, USA**

Through its subsidiary, Veolia Water Technologies and Solutions, Veolia signed a US$154 million contract with Kokosing/Plocher to supply its state-of-the-art sludge incineration and air pollution control technology to the Metropolitan St. Louis Sewer District.

- **Decarbonization: New energy efficiency contracts in Italy**

In the third quarter of 2023, Veolia signed two major energy efficiency contracts: a twelve-year contract covering health care buildings in Cosenza worth €153 million, and a fifteen-year contract with the Municipality of Trieste worth €130 million. In the fourth quarter of 2023, Veolia signed contracts with the Turin municipality totaling €33 million, for the University of Turin and the Turin Court. Through these contracts, Veolia will help its customers reduce their carbon footprint by implementing alternative energy sources.

- **Decarbonization: Installation of solar power plants**

To achieve the energy independence of its services in France, Veolia relies in particular on the installation of solar panels at post-operation landfill sites and plans to equip more than 40 facilities with a total capacity of more than 300 MW of 100% local and renewable energy, equivalent to the consumption of 130,000 inhabitants.

5.1.3.2 Changes in Group structure

The main changes in scope in 2023 were as follows:

- **Consolidation of Lydec (Morocco)**

On January 1, 2023, the local authorizations needed for the transfer of the Lydec securities to New Suez could not be obtained, rendering the sale provided for in the Share and Asset Purchase Agreement (SAPA) null and void. The Lydec securities are therefore no longer classified under IFRS 5 from January 1, 2023.

At the same time there were a number of changes to Lydec's governance, with the resignation of the Suez (Consortium) representatives, effective January 25, 2023. Pursuant to IFRS, this event and the rights and obligations under the hold separate status led to the consolidation of Lydec's contribution from this date.

On June 15, 2023, the Moroccan Competition Authorities notified the Company of its grievances regarding, in particular, the aborted sale of its stake to New Suez initially provided for in the Share and Asset Purchase Agreement (SAPA). The Group addressed its written observations in response to the Moroccan Competition Authorities on July 18, 2023.

On November 13, 2023, the Moroccan Competition Authorities accepted Veolia's request for a settlement procedure. This involves in particular proposing a solution to the Authorities satisfying its competition concerns before January 15, 2024.

In this context, the Group is actively continuing its discussions with the Moroccan Competition Authorities and the Delegating Authority to examine various possible arrangements, including total or partial divestment. The January 15 deadline was extended to allow the parties to find a satisfactory solution.

The analysis conducted by the Group and its advisors of the various decisions issued does not call into question the analysis of control pursuant to IFRS of Lydec by Veolia as of December 31, 2023.

Accordingly, pursuant to IFRS 3, the purchase price allocation process was finalized during the period resulting primarily in the recognition of an intangible asset in respect of the concession arrangement operated by Lydec in Casablanca.

- **Acquisition of the subsidiaries Reciclados La Red and Banales III (Spain)**

On January 10, 2023, the Group acquired the subsidiaries Reciclados La Red S.LL and Banales III located in Madrid and Seville, respectively, for a total of €54 million. These subsidiaries are active in plastic recovery and recycling in Spain.

- **Divestiture of Advanced Solutions (USA)**

Advanced Solutions provides water infrastructure and asset management services to municipal and commercial customers across the United States. On February 23, 2023, operating subsidiaries were sold for a total of €84 million.

This activity was recorded in assets and liabilities classified as held for sale as of December 31, 2022.

- **Completion of the divestiture of Suez hazardous waste activities (France)**

Following the signature of a partnership agreement on January 27, 2023, the sale of the final activities by SARPI to Suez was completed for a consideration of €49 million.

This activity was recorded in assets and liabilities classified as held for sale as of December 31, 2022.

This transaction completes the divestitures required under the antitrust remedies agreed with the European Commission in the context of the Veolia-Suez combination.

- **Divestiture of WTS's O&M activities (United Kingdom)**

The divestiture of Suez's industrial water operations and maintenance business in the United Kingdom to SAUR was completed on February 15, 2023 for €15 million.

- **Acquisition of Suez - Final payments under the Share and Asset Purchase Agreement (SAPA)**

The final amounts in respect of the completion accounts and the outstanding earn-outs for the 2022 transaction in accordance with the SAPA, were finalized in the agreement between Suez and Veolia Environnement dated March 3, 2023:

- The net amount in respect of the completion accounts and closing statements received on March 24, 2023 of €106 million.
- The final amount of the earn-out received on June 30, 2023 of €284 million.

- **Divestiture of Italian water concessions**

On October 16, 2023, the Group completed the divestiture of Italian water concessions in the Latium and Sicily regions for €74 million.

- **Acquisition of U.S. Industrial Technologies (USA)**

On October 31, 2023, the Group finalized, via its subsidiary VES Technical Solutions LLC in the United States, the acquisition of U.S. Industrial Technologies, whose activity is the treatment of hazardous waste, for €58 million.

5.1.4 GROUP FINANCING

5.1.4.1 Changes in Group debt

Net financial debt is €17,903 million as of December 31, 2023, while cash and cash equivalents total €10,588 million.

The foreign exchange impact including the change in fair value on net financial debt is -€58 million as of December 31, 2023.

The Group has liquidity lines totaling €5,991 million[1], providing it with a strong net liquidity position, which amounts to €8,538 million on December 31, 2023 (net liquidity is broken down in Section 3.4 below).

Given its robust cash position, the Group decided to refinance its two syndicated credit facilities (€3 billion historic syndicated facility and €2.5 billion former-Suez syndicated facility) at the beginning of March 2023, securing a new €4.5 billion single syndicated credit facility.

On November 13, 2023, Veolia issued 6% deeply subordinated perpetual securities in the amount of €600 million. The issue was accompanied by a bond redemption transaction to which investors contributed bonds totaling €397 million. Following this transaction, Veolia had hybrid debt of €3,803 million.

5.1.4.2 Bonds issue

Veolia Environnement did not need to issue new bonds as of December 31, 2023, as its liquidity position was sufficient to cover its maturities.

5.1.4.3 Confirmation of the credit outlook

On April 20, 2023, Standard and Poor's confirmed Veolia Environnement's credit rating at A-2/BBB with a stable outlook. On April 28, 2023, Moody's confirmed the Group's rating at P-2/Baa1 with a stable outlook.

5.1.4.4 Dividend payment

The Combined General Meeting of April 27, 2023 approved payment of a dividend of €1.12 per share for 2022, payable in cash. The 2022 dividend was paid from May 11, 2023 for a total amount of €787 million.

5.1.5 FREE SHARE AND PERFORMANCE SHARE PLANS AND GROUP SAVINGS

In accordance with the Group's compensation policy and the authorization granted by the Veolia Environnement Combined General Meeting, the Board of Directors decided on May 3, 2023, at the recommendation of the Compensation Committee, to grant 1,030,848 performance shares (representing approximately 0.2% of the share capital out of a General Shareholders' Meeting authorization of 0.35%) to approximately 550 beneficiaries, made up of senior executives, high potential employees and key contributors of the Group, including the Chief Executive Officer. The vesting of these shares is subject to presence and performance conditions. The detailed features of these Plans can be found in Chapter 3, Section 3.4.3 of the 2023 Universal Registration Document.

In addition, during the Veolia Environnement Combined General Meeting of April 27, 2023, the Company reaffirmed its wish to associate ever closer employees, both in France and internationally, with the Group's development and performance by launching a new employee share ownership program. On September 8, 2023, the Group therefore announced the launch of an employee share ownership plan open to around 190,000 Group employees. The subscription rate was close to 42%, with nearly 79,000 employees choosing to subscribe. This new plan enabled Group employees to strengthen their position as Veolia's largest shareholder, holding approximately 7.5% of the Company's share capital. This plan led to a share capital increase of nearly €222 million (including issue premiums). Settlement-delivery of the new shares issued was performed on December 13, 2023.

As for the other plans performed annually since 2018, the Sequoia 2023 plan is fully consistent with Veolia's "multifaceted performance" approach, which seeks to associate employees as closely as possible with the Group's performance.

[1] *The Group has a €4,500 million syndicated credit facility, plus bilateral credit facilities totaling €1,491 million.*

5.1.6 CHANGES IN GOVERNANCE

As part of the annual renewal of the Board, the Board of Directors' meeting of March 14, 2023 noted the expiry of the terms of office of three directors at the end of the General Shareholders' Meeting of April 27, 2023 (Mrs. Maryse Aulagnon, Mrs. Clara Gaymard and Mr. Louis Schweitzer) and that Mrs. Clara Gaymard and Mr. Louis Schweitzer did not seek the renewal of their terms of office at the end of that General Shareholders' Meeting. At the recommendation of the Nominations Committee, the same Board of Directors' meeting decided to ask the General Shareholders' Meeting to renew the term of office of Mrs. Maryse Aulagnon as director and appoint Mr. Olivier Andriès, Mrs. Veronique Bédague and Mr. Francisco Reynés as directors.

The Veolia Environnement Combined General Meeting of April 27, 2023:

- renewed the term of office of Mrs. Maryse Aulagnon as director; and
- appointed Mrs. Veronique Bédague, Mr. Olivier Andriès and Mr. Francisco Reynés as directors;

for a four-year period expiring at the end of the Ordinary General Meeting called to approve the financial statements for the year ending December 31, 2026.

At the date of this Universal Registration Document, the Veolia Environnement Board of Directors had fourteen directors, 82% of whom were independent directors (excluding the two directors representing employees and the director representing employee shareholders), and 54.5%[(1)] of whom were women, and one non-voting member (*censeur*):

- Mr. Antoine Frérot, Chairman of the Board of Directors;
- Mrs. Estelle Brachlianoff, Chief Executive Officer;
- Mrs. Maryse Aulagnon*, Vice-Chairwoman and Senior Independent Director;
- Mr. Olivier Andriès*;
- Mrs. Véronique Bédague*;
- Mr. Pierre-André de Chalendar*;
- Mrs. Isabelle Courville*;
- Mrs. Marion Guillou*;
- Mr. Franck Le Roux, Director representing employees;
- Mrs. Agata Mazurek- Bąk, Director representing employee shareholders;
- Mr. Pavel Páša, Director representing employees;
- Mrs. Nathalie Rachou*;
- Mr. Francisco Reynés*;
- Mr. Guillaume Texier*;
- Mr. Enric Amiguet i Rovira, non-voting member (*censeur*).

* *Independent member.*

The composition of the Board Committees is:

- **Accounts and Audit Committee:** Mrs. Nathalie Rachou (chairwoman), Mr. Olivier Andriès, Mrs. Véronique Bédague, Mr. Franck Le Roux, Mrs. Agata Mazurek-Bąk and Mr. Guillaume Texier.
- **Nominations Committee:** Mr. Pierre-André de Chalendar (chairman), Mrs. Maryse Aulagnon, Mrs. Isabelle Courville and Mr. Antoine Frérot.
- **Compensation Committee:** Mrs. Maryse Aulagnon (chairwoman), Mr. Olivier Andriès, Mr. Pierre-André de Chalendar, Mrs. Marion Guillou and Mr. Franck Le Roux.
- **Research, Innovation and Sustainable Development Committee:** Mrs. Isabelle Courville (chairwoman), Mrs. Marion Guillou, Mr. Pavel Páša, Mr. Francisco Reynés and Mr. Guillaume Texier. Mr. Enric Amiguet i Rovira is a permanent guest of this committee.
- **Purpose Committee:** Mr. Antoine Frérot (chairman), Mrs. Maryse Aulagnon, Mr. Pierre-André de Chalendar, Mrs. Isabelle Courville, Mr. Franck Le Roux and Mrs. Nathalie Rachou.

The Chief Executive Officer is assisted in the performance of her duties by an Executive Committee, a discussion, consultation and general policy decision-making body which seeks to implement the Group's strategic direction. The Committee is also consulted on major issues concerning the Group's corporate life.

The Executive Committee meets monthly.

As of the date of this Universal Registration Document, the Company's Executive Committee had 14 members:

- Mrs. Estelle Brachlianoff, Chief Executive Officer;
- Mrs. Isabelle Calvez, Senior Executive Vice President, Human Resources
- Mr. Sébastien Daziano, Senior Executive Vice President, Strategy and Innovation;
- Mr. Gavin Graveson, Senior Executive Vice President, Northern Europe;
- Mr. Philippe Guitard, Senior Executive Vice President, Central and Eastern Europe;
- Mr. Éric Haza, Chief Legal Officer;
- Mr. Claude Laruelle, Deputy Chief Executive Officer Finance, Digital and Purchasing;
- Mrs. Anne Le Guennec, Senior Executive Vice President, Worldwide Water Technologies;
- Mr. Christophe Maquet, Senior Executive Vice President, Asia and Pacific;
- Mr. Gustavo Migues, Senior Executive Vice President, Iberia and Latin America;
- Mr. Jean-François Nogrette, Senior Executive Vice President, France and Special Waste Europe;
- Mr. Laurent Obadia, Senior Executive Vice President, Stakeholders and Communications; Advisor to the Chairman
- Mr. Helman le Pas de Sécheval, General Counsel;
- Mr. Frédéric Van Heems, Senior Executive Vice President, North America.

In addition, Management Committee meetings bring together, each quarter, all the Group's functions and geographies to share and commit to the Group's challenges and outlook. At the date of this Universal registration Document, this Committee had 38 members, including the 14 members of the Executive Committee; its composition can be viewed on Veolia's website (www.veolia.com).

(1) *Excluding the two Directors representing employees and the Director representing employee shareholders in accordance with Articles L. 225-27-1 and L. 22-10-7 of the French Commercial Code (Code de commerce).*

5.2 Accounting and financial information

5.2.1 KEY FIGURES

Group key figures are presented in accordance with the new definitions for Current EBIT, Current Net Income and Net Financial Debt adopted since the publication of the financial statements for the year ended December 31, 2022 (see Chapter 5.2 - Definitions).

			2023 / 2022 Change		
(€ million)	2022	2023	Δ	Δ at constant exchange rates	Δ at constant scope & exchange rates
Revenue	**42,885**	**45,351**	**5.8%**	**8.5%**	**9.0%**
EBITDA (1)	**6,196**	**6,543**	**5.6%**	**7.8%**	**7.8%**
Current EBIT (2) (3)	**3,062**	**3,346**	**9.3%**	**11.6%**	**13.7%**
Current Net income - Group share	1,162	1,335	14.9%	21.6%	
Current net income - Group share, excluding capital gains ans losses on financial divestitures net of tax	1,116	1,316	18.0%	24.9%	
Net Income - Group share	716	937			
Current net income - Group share, per share (undiluted)	1.69	1.89			
Current net income - Group share, per share (diluted)	1.63	1.82			
Dividend per share paid during the fiscal year	1,12	1,25 (4)			
Net industrial investments	-3,089	-3,730			
Net free cash-flow	1,032	1,143			
Net financial debt - Closing (5)	**-18,138**	**-17,903**			

(1) The indicators are defined in Section 5.2 below
(2) Including the share of current net income of joint ventures and associates.
(3) Re-presented for depreciation of remeasured assets, identified during the Suez purchase price allocation, of €226 million as of December 31, 2022 and €217 million as of December 31, 2023, as defined in Section 5.2 below.
(4) Subject to approval of the General Shareholders' Meeting of April 25, 2024.
(5) Net financial debt excludes the remeasurement of financial liabilities in the context of the Suez purchase price allocation as defined in Section 5.2. below.

The main foreign exchange impacts between December 31, 2023 and December 31, 2022 are as follows:

FX impacts for the year ended December 31, 2023 (vs December 31, 2022)	%	*(€ million)*
Revenue	-2.8%	-1,187
EBITDA	-2.2%	-133
Current EBIT	-2.3%	-72
Net financial debt (1)	0.3%	-58

(1) including fair value adjustment.

5.2.2 GROUP REVENUE

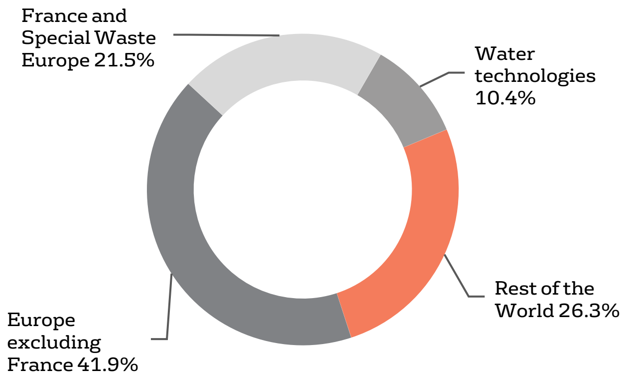
5.2.2.1 Revenues by operating segment

Consolidated revenue totaled €45,351 million for the year ended December 31, 2023, compared with €42,885 million for the year ended December 31, 2022. All operating segments reported growth in 2023.

			2023/2022 change		
(€ million)	2022	2023	Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
France and Special Waste Europe	9,666	9,726	0.6 %	0.6 %	1.4 %
Europe excluding France	17,850	19,000	6.4 %	5.9 %	11.6 %
Rest of the World	11,196	11,907	6.3 %	14.6 %	10.0 %
Water technologies	4,561	4,707	3.2 %	11.1 %	12.1 %
Other (1)	-388	12	-	-	-
GROUP	**42,885**	**45,351**	**5.8 %**	**8.5 %**	**9.0 %**

(1) In the 2022 column, revenue was restated for the period January 1 to January 17 corresponding to the period prior to the acquisition of Suez by Veolia, in the amount of -€400 million.

2023 revenue breaks down by operating segment as follows:



Compared with December 31, 2022, 2023 revenue rose 9.0% at constant scope and exchange rates, increasing significantly across all segments outside France. France and Special Waste Europe activities posted moderate growth:

- Water technologies +12.1%;
- Europe excluding France +11.6%;
- Rest of the world +10.0%; and
- France and Special Waste Europe +1.4%.

Revenue for the **France and Special Waste Europe** segment totaled €9,726 million, with organic growth of +1.4% compared with December 31, 2022:

- **Water France** revenue increased +1.0% to €3,006 million, mainly fueled by the +6.2% positive effect of tariff reviews, which offset the return to public management of the Greater Lyon water contract and a -2.8% contraction in volumes due to an unfavorable weather effect.
- **Waste France** revenue increased +0.7% to €2,909 million: the decline in recyclate prices (-49% decrease in COPACEL compared to 2022) and the pressure on volumes were offset by tariff reviews and higher electricity sales. Excluding recyclates prices, revenue increased 5.4%.
- **Special Waste Europe** revenue declined slightly by -0.8% to €2,125 million, mainly due to lower oil prices, offset by higher contractual prices in hazardous waste processing and sanitation maintenance activities.
- **SADE** reported growth of +5.2%, thanks to strong commercial momentum in France.

Revenue for the **Europe excluding France** segment totaled €19,000 million for the year ended December 31, 2023, with organic growth of +11.6%.

- In **Central and Eastern Europe**, revenue rose +19.1% to €11,360 million. Momentum was strong during the period, driven by higher electricity prices and heating tariff reviews (Poland, Hungary, Czech Republic, Slovakia, and Germany), despite an unfavorable weather effect (-€159 million).
- In **Northern Europe**, revenue rose +5.2% to €4,043 million. This growth was mainly attributable to the **United Kingdom**, up +5.5% at constant scope and exchange rates, due to tariff indexation and the favorable impact of electricity prices on incineration and good commercial development for waste collection.
- In **Iberia**, revenue increased +6.6% to €2,603 million, driven primarily by water activities in Spain, which benefited from strong construction momentum and increased tariffs partially offset by a slight fall in volumes (-0.8% compared to 2022), impacted by unfavorable weather conditions.
- **Italy** generated revenue of €994 million, down -12.5% mainly following a drop in energy selling prices. Profitability was not, however, affected due to a parallel decrease in energy purchase costs.

In the **Rest of the world**, revenue totaled €11,907 million, representing organic growth of +10.0%, increasing across all geographies:

- Revenue increased +30.3% to €1,832 million in **Latin America**, driven by the impacts of hyperinflation in Argentina (offset by the devaluation of the Argentinian peso), and Water activities in Chile which benefited from tariff reviews.
- In **Africa Middle-East**, revenue rose +10.0% to €2,213 million, mainly driven by new contracts in waste activities (Istanbul in Turkey), the start-up of new water facilities (Jeddah in Saudi Arabia), the growth of energy services in the Middle East and the increase in water contracts in Morocco due to slightly higher volumes.
- In **North America**, revenue rose +5.8% to €3,347 million. The Hazardous waste business had a very good year, growing +6.4%, with higher volumes and increased tariffs. The Water activity enjoyed higher tariffs, which more than offset the -1.7% fall in “regulated water” volumes, impacted by unfavorable weather conditions (without impacting the margin).
- Revenue in **Asia** increased +4.6% to €2,540 million, mainly driven by Hong Kong (+16.1%), Taiwan (+11.9%) and Japan (+4.8%). China revenue stabilized.
- In the **Pacific**, revenue increased +6.4% to €1,975 million, mainly driven by tariff reviews and commercial wins in Waste (in particular the Gold Coast contract), as well as a good commercial performance in industrial maintenance.

The **Water technologies** activity reported an increase of +12.1% to €4,707 million, driven by growth in WTS’s Engineering Systems and Chemical Solutions activities and VWT’s Services and Technology activities. Bookings by the Water technologies business totaled €3,490 million as of December 31, 2023[1], up significantly by 31.1% on December 31, 2022 (€2,662 million).

5.2.2.2 Revenues by business line

Compared with the year ended December 31, 2022, revenue by business rose +9.0% at constant scope and exchange rates, driven mainly by:

- strong growth in **Energy** of +19.9%, underpinned by higher electricity prices and tariff reviews for heating sales, reflecting the rise in the cost of purchased energies;
- growth in **Water** activities of +7.5%, due to contract tariff indexation across all geographies, as well as growth in Technology and Construction activities (+10.8%);
- growth in **Waste** activities of +3.4% due to favorable tariff reviews, offsetting lower recyclate prices.

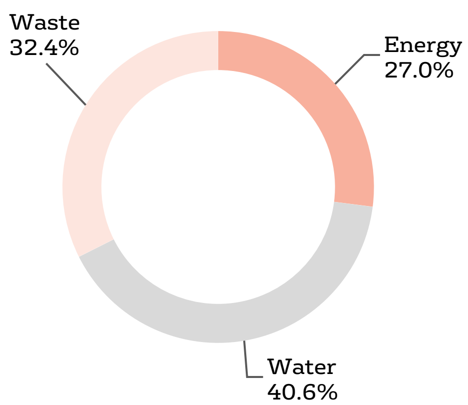
(1) *For the Projects and Products businesses*

			2023/2022		
(in € million)	2022	2023	Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
Water	17,238	18,409	6.8 %	9.7 %	7.5 %
of which Water Operations (1)	11,649	12,627	8.4 %	9.7 %	5.9 %
of which Technology and Construction	5,589	5,782	3.5 %	9.9 %	10.8 %
Waste (1)	15,795	14,683	(7.0)%	(2.8)%	3.4 %
Energy (1)	10,253	12,260	19.6 %	19.7 %	19.9 %
Other (2)	-400	-	-	-	-
GROUP	42,885	45,351	5.8 %	8.5 %	9.0 %

(1) In 2022, €1,022 million was reclassified from Water operations to Energy and €7 million was reclassified from Waste to Energy, mainly corresponding to Braunschweiger Versorgungs-AG (BVAG) revenue in Germany.
(2) 2022 revenue was restated for the period January 1 to January 17 corresponding to the period prior to the acquisition of Suez by Veolia, in the amount of -€400 million.

Revenue for the year ended December 30, 2023 breaks down by business as follows:

2023 Revenue: €45,351 million



The main changes in revenue by business at constant scope and exchange rates compared with figures for the year ended December 31, 2023 break down as follows.

Water revenue

Water revenue rose +7.5%. **Water Operations** revenue rose by +5.9%, with tariff rises across all geographies, good commercial development in Africa/Middle East and strong construction activity levels, despite volumes impacted by unfavorable weather conditions in France, Spain and the United States.

Technology and Construction revenue rose +10.8%, driven by Water technologies activities.

Waste revenue

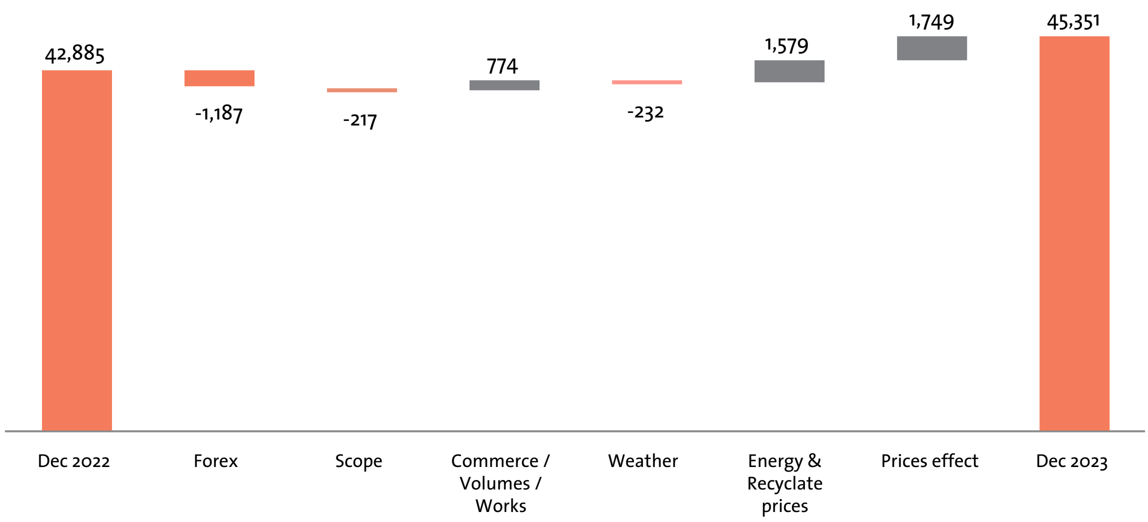
Waste revenue increased +3.4% and +5.9% excluding changes in recyclate prices, benefiting from favorable tariff reviews (+5.3%) which offset lower recyclate prices (-2.5% in revenue) observed in France, Germany and Northern Europe. The commercial/volumes/works effect is slightly positive (+0.1%) marked by resilient volumes. The decline in Europe (notably in France and Germany) is offset by the Rest of the world and good commercial activity in Australia and the United Kingdom.

Energy revenue

Energy revenue rose +19.9%. The strong activity growth is founded on positive price effects (+18.5%), mainly in Central and Eastern Europe, as well as the start-up of new projects (biomass fueled cogeneration facility in Germany, takeover of the Tashkent heating network in Uzbekistan) and robust growth in electricity flexibility services (network support). Unfavorable weather had a negative effect of -1.5% of revenue in 2023.

5.2.2.3 Analysis of changes in Group revenues

Revenue growth is +9.0% at constant scope and exchange rates, and +4.4% excluding energy prices and breaks down as follows:



The **foreign exchange impact** of -€1,187 million (-2.8%) mainly reflects fluctuations in the Argentinian, American, Australian, Chinese and British currencies, partially offset by an improvement in the Polish and Czech currencies[1].

The **consolidation scope impact** of -€217 million mainly comprises the impact of the remedies imposed by the European Commission and the UK Competition and Markets Authority, completed in 2022 in the context of the Suez acquisition, as well as the impact of the divestiture of Advanced Solutions (USA) on February 23, 2023. These negative effects are mainly offset by the revenue adjustment for the first 17 days of 2022 for the Suez scope, prior to acquisition of control (+€400 million), as well as the entry into the consolidation scope of Lydec (Morocco).

The **Commerce / Volumes / Works impact** is +€774 million (+1.8%), driven by good commercial momentum, progress with construction work, the start-up of new projects (biomass fueled cogeneration facility in Germany, takeover of the Tashkent heating network in Uzbekistan), as well as growth in Water technologies activities.

The **weather impact** of -€232 million (-0.5%) mainly concerns Central and Eastern Europe, where energy activities were impacted by a milder winter than in 2022, as well as unfavorable weather conditions in France, Spain and the United States, which impacted water consumption in the summer.

Energy and recyclate prices had an impact of +€1,579 million (+3.7%), driven by higher heating and electricity tariffs (+€1,978 million), mainly in Central and Eastern Europe. This increase was partially offset by lower recyclate prices across all materials, mainly impacting Northern Europe, France and Germany.

Favorable **price effects** (+€1,749 million) are mainly tied to tariff reviews estimated at +5.2% in waste and +4.4% in water.

5.2.3 GROUP EBITDA

Group consolidated EBITDA for the year ended December 31, 2023 was €6,543 million, compared with €6,196 million for the year ended December 31, 2022. EBITDA is up +7.8% at constant scope and exchange rate year-on-year. EBITDA growth outpaced revenue growth restated for the increase in energy prices, reflecting excellent operating leverage. In 2023, operating efficiency programs generated €389 million and the Suez integration synergies plan €168 million, ahead of objectives.

(1) *Main foreign exchange impacts by currency: Argentinian peso (-€647 million), Australian dollar (-€145 million), US dollar (-€133 million), Chinese yuan (-€87 million) and Pound Sterling (-€59 million), partially offset by the Polish zloty (+€94 million) and Czech koruna (+€51 million).*

5.2.3.1 EBITDA by operating segment

(€ million)	2022	2023	2023 / 2022 Change Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
France and Special Waste Europe	1,418	1,338	-5.6%	-5.7%	-5.2%
Europe excluding France	2,373	2,599	9.5%	9.0%	13.7%
Rest of the world	1,831	1,925	5.1%	11.3%	7.1%
Water technologies	496	534	7.5%	14.5%	17.0%
Other (1)	78	148	-	-	-
GROUP	6,196	6,543	5.6%	7.8%	7.8%

(1) In 2022, EBITDA was restated for the period January 1 to January 17 corresponding to the period prior to the acquisition of Suez by Veolia, in the amount of -€49 million.

Compared to December 31, 2022, 2023 EBITDA by operating segment changed as follows :

- Water technologies +17.0%;
- Europe excluding France +13.7%;
- Rest of the world +7.1%; and
- France and Special Waste Europe -5.2%.

France and Special Waste Europe reported an EBITDA of €1,338 million. The -5.2% decline year-on-year at constant scope and exchange rates is mainly due to lower recyclate prices and an unfavorable weather effect on water volumes, partially offset by operational efficiency action plans.

Europe excluding France EBITDA is €2,599 million. The +13.7% organic growth compared to 2022 was driven by high energy prices and gains in energy flexibility and support services in Central and Eastern Europe, as well as tariff increases in water.

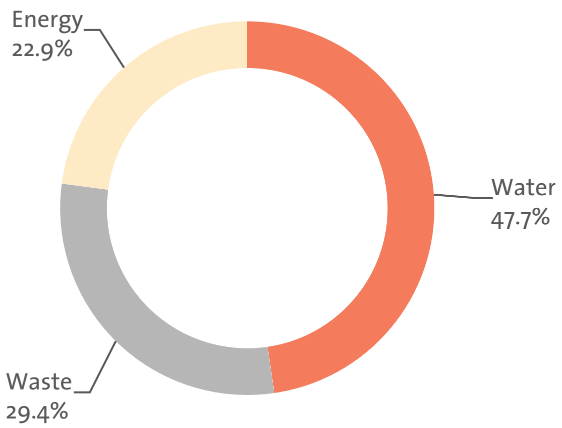
The **Rest of the world** posted EBITDA of €1,925 million and organic growth of +7.1% compared to December 31, 2022, attributable to the North America, Africa-Middle East and Pacific regions.

Water technologies activities generated EBITDA of €534 million and reported organic growth of +17.0% compared to 2022, driven by all Engineering Systems, Chemical Solutions and Services and Technologies activities.

5.2.3.2 EBITDA by business line

EBITDA for the year ended December 30, 2023 breaks down by business as follows:

2023 EBITDA: €6,543 million



The main changes in EBITDA by business at constant scope and exchange rates compared with figures for the year ended December 31, 2022 break down as follows:

Water EBITDA

Water EBITDA is €3,122 million, up +5.4% at constant scope and exchange rates year-on-year, driven mainly by **Water technologies** activities. In **Water Operations**, EBITDA benefited from efficiency gains and synergies generated in 2023, allowing weather impacts on volumes to be offset.

Waste EBITDA

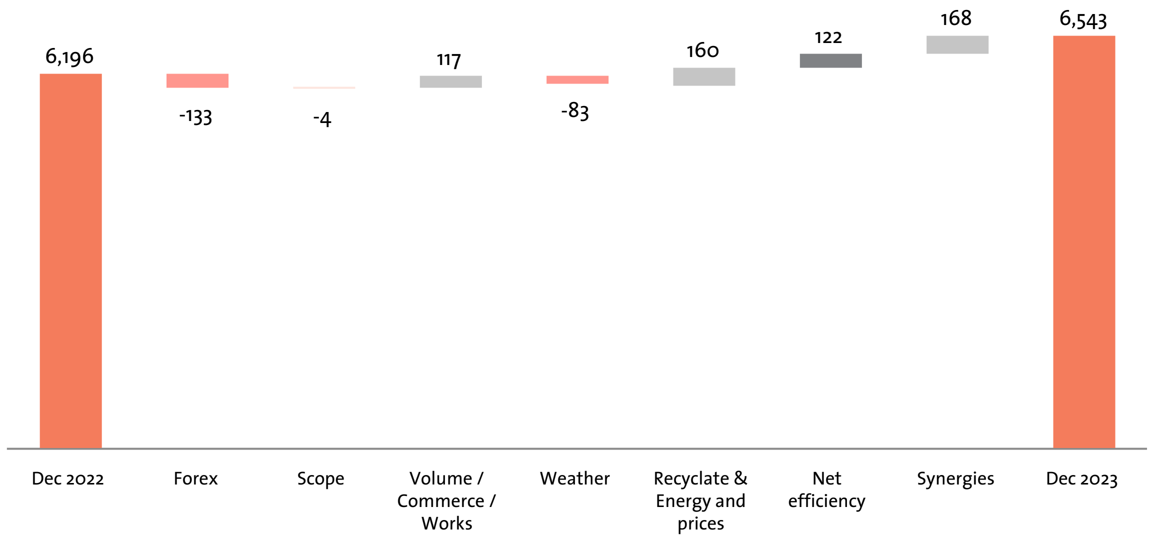
Waste EBITDA is €1,924 million, up +1.0% at constant scope and exchange rates year-on-year, excluding changes in recyclate prices, benefiting from efficiency gains and synergies achieved in 2023 and robust hazardous waste activities, particularly in the United States.

Energy EBITDA

Energy EBITDA is €1,497 million, a strong +35.3% rise at constant scope and exchange rates year-on-year, benefiting from higher energy prices and the improved energy performance of cogeneration facilities, as well as the start-up of new projects (biomass fueled cogeneration facility in Germany, takeover of the Tashkent heating network in Uzbekistan) and robust growth in electricity flexibility services (network support).

5.2.3.3 Analysis of changes in Group EBITDA

The increase in EBITDA between 2022 and 2023 breaks down by impact as follows :



The **foreign exchange impact** in EBITDA of -€133 million (-2.2%) mainly reflects the depreciation of the Argentinian, American, Australian, Chinese and British currencies, partially offset by an appreciation of the Czech and Polish currencies[(1)].

The **consolidation scope impact** of -€4 million mainly comprises the impact of the remedies imposed by the European Commission and the UK Competition and Markets Authority, completed in 2022 in the context of the Suez acquisition, as well as the impact of the divestiture of Advanced Solutions (USA) on February 23, 2023. These negative effects are offset by the EBITDA adjustment for the first 17 days of 2022 for the Suez scope, prior to acquisition of control (+€49 million), as well as the entry into the consolidation scope of Lydec (Morocco).

Favorable **Commerce / Volumes / Works impacts** of +€117 million resulted from the positive impact on revenue.

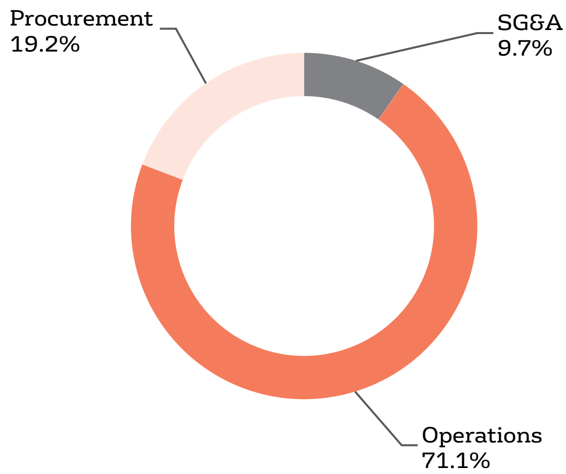
The **weather impact** of -€83 million mainly concerns Central and Eastern Europe, affected by a milder winter than in 2022, as well as unfavorable weather conditions in France, Spain and the United States, which impacted water consumption in the summer.

Recyclate and energy prices had a net favorable impact on EBITDA of +€160 million, mainly tied to increased energy selling prices net of higher purchase costs, which offset the unfavorable impact of recyclate prices (-€88 million) in France, Northern Europe and Germany.

The **efficiencies** generated by the Group, net of gains shared with clients, contract renegotiations and the effect of timing differences on the retrocession of costs generated additional EBITDA of €122 million in 2023.

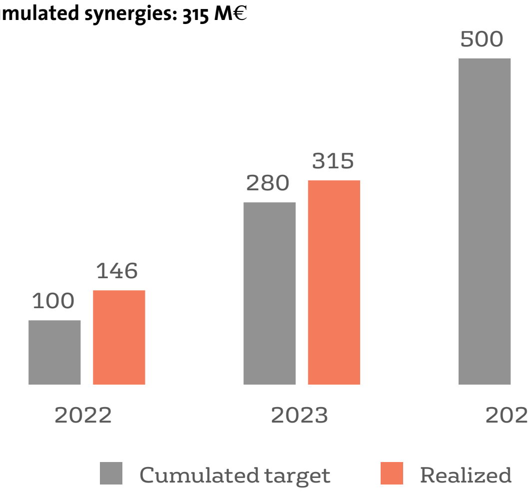
The **efficiency plan** generated €389 million in 2023, above the annual objective of €350 million. Gains mainly concerned operating efficiency (71%) and purchasing (19%) and were achieved across all geographic zones: France and Special Waste Europe (26%), Europe excluding France (39%), Rest of the world (28%) and Water Technologies (6%).

Efficiency plan €389 million



Synergies achieved following the integration of Suez totaled €168 million in 2023. Together with those already achieved in 2022, synergies total €315 million, above the aggregate target of €280 million at the end of 2023, mainly thanks to economies of scale achieved on purchases.

Cumulated synergies: 315 M€



(1) *Main foreign exchange impacts by currency: Argentinian peso (-€59 million), US dollar (-€23 million), Australian dollar (-€18 million), Chinese yuan (-€16 million) and Pound Sterling (-€9 million), partially offset by the Czech koruna (+€12 million) and the Polish zloty (+€8 million).*

5.2.4 OTHER INCOME STATEMENT ITEMS

5.2.4.1 Current EBIT

Group **Current EBIT** for the year ended December 31, 2023 was €3,346 million, up +13.7% at constant scope and exchange rates on the year ended December 31, 2022. EBITDA reconciles with Current EBIT as follows:

(€ million)	2022	2023
EBITDA	6,196	6,543
Renewal expenses	-303	-303
Amortizations (1)	-3,025	-3,060
Provisions, capital gain or loss on disposals and others	68	43
Share of current net income of joint ventures and associates	127	123
Current EBIT	3,062	3,346

(1) Including principal payments on operating financial assets, excluding the Suez purchase price allocation.

The +€420 million increase (+13.7%) in Current EBIT at constant scope and exchange rates year-on-year is mainly due to:

- robust growth in EBITDA (+€485 million at constant scope and exchange rates);
- an increase in depreciation and amortization[1], including principal payments on operating financial assets (-€60 million at constant scope and change rate). Excluding principal payments on operating financial assets, depreciation and amortization is €2,827 million, stable at constant scope and exchange rates;
- a decrease in provisions net of capital gains on disposals (-€37 million at constant scope and exchange rates), mainly due to the decrease in capital gains on disposals (-€71 million), partially offset by the reversal of pension provisions, primarily due to pension reforms in France;
- an increase in the Group's share of net income of joint ventures of + €21 million at constant scope and exchange rates. This increase is offset by a consolidation scope effect of -€20 million, mainly tied to the divestiture of Suez activities in the United Kingdom.

The foreign exchange impact on Current EBIT of -€72 million mainly reflects fluctuations in the Argentinian (-€34 million), American (-€15 million), Australian (-€10 million), Chinese (-€7 million) and British (-€6 million) currencies, partially offset by an appreciation of the Hungarian (+€6 million) and Czech (+€5 million) currencies.

The change in 2023 Current EBIT by operating segment compared to the year ended December 31, 2022 is as follows :

			2023 / 2022 Change		
(€ million)	2022	2023	Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
France and Special Waste Europe	495	428	-13.4%	-13.6%	-15.1%
Europe excluding France	1,233	1,440	16.8%	15.8%	22.4%
Rest of the World	1,004	982	-2.2%	3.3%	1.1%
Water Technologies	364	420	15.4%	23.6%	30.0%
Other(1)	-34	75	-	-	-
GROUP	3,062	3,346	9.3%	11.6%	13.7%

(1) In 2022, Current EBIT was restated for the period January 1 to January 17 corresponding to the period prior to the acquisition of Suez by Veolia, in the amount of -€11 million.

5.2.4.2 Net financial expense

(€ million)	Year ended December 31, 2022	Year ended December 31, 2023
Current cost of net financial debt (1)	**-707**	**-626**
Dividends received	10	3
Foreign exchange gains and losses and fair value adjustments	-168	-79
Other	-228	-274
Other financial income and expense (2)	**-386**	**-350**
Gains (losses) on disposals of financial assets (3)	**70**	**11**
Current net financial expenses (1)+(2)+(3)	-1,023	-966
Other non-current financial income and expenses and impact of the remeasurement of financial liabilities	186	-12
Net financial expense	-837	-978

[1] *Excluding the Suez purchase price allocation*

The **net financial expense** for the year ended December 31, 2023 is -€978 million, compared with -€837 million for the year ended December 31, 2022. This -€141 million increase is mainly due to the fall in non-current financial income and expenses.

- The **current net financial expense** is -€966 million for the year ended December 31, 2023, compared with -€1,023 million for the year ended December 31, 2022. The current cost of net financial debt is down €81 million at -€626 million for the year ended December 31, 2023, compared with -€707 million one year previously. This decrease in the Group cost of net financial debt is mainly due to an increase in income from cash and cash equivalents and liquid assets following the rise in interests rates. The Group's financing rate (excluding IFRS 16 impacts) was therefore 3.68% at December 31, 2023, compared with 3.87% at December 31, 2022 (3.59% vs. 3.70% including IFRS 16 impacts).

  Other current financial income and expenses total -€350 million for the year ended December 31, 2023, compared with -€386 million for the year ended December 31, 2022. The change in foreign exchange gains and losses and fair value adjustments is mainly due to the decrease in the inflation impact of the debt of the subsidiary in Chile.

  The "Other current financial income and expenses" item comprises the unwinding of discounts on provisions, interest on concession liabilities and interest on IFRS16 lease debt.

- **Non-current net financial income and expenses** total -€12 million and mainly comprise impairment of shareholder loans in Northern Europe of -€44 million and costs relating to the legal restructuring in Canada of -€32 million, as well as interest paid in respect of a dispute in Lithuania of -€17 million, offset by the impact of the remeasurement of financial liabilities for €78 million.

  Non-current net financial income and expenses for the year ended December 31, 2022 mainly consisted of the capital gain realized on the sale of certain Hazardous waste activities in France as part of the Suez acquisition remedies required by the European Commission.

5.2.4.3 Current income tax expense

The current income tax expense for the year ended December 31, 2023 is -€599 million, compared with -€514 million for the year ended December 31, 2022.
The current income tax rate for the year ended December 31, 2023 is 26.5%, versus 26.9% for the year ended December 31, 2022.

(€ million)	December 31, 2022	December 31, 2023
Current income before tax (a)	2,039	2,380
Of which share of net income of joint ventures & associates (b)	127	123
Re-presented current income before tax : (c)=(a)-(b)	1,912	2,257
Restated tax expense (d) (1)	-514	-599
RE-PRESENTED TAX RATE ON CURRENT INCOME (d)/(c)	26.9%	26.5%

(1) Tax expense restated for depreciation of revalued assets and the remeasurement of financial liabilities as part of the Suez purchase price allocation, as defined in section 5.2 below.

5.2.4.4 Current net income / Net income attributable to the owners of the Company

Net income attributable to owners of the Company was €937 million for the year ended December 31, 2023, compared with €716 million for the year ended December 31, 2022.

- Current net income attributable to owners of the Company was €1,335 million for the year ended December 31, 2023, compared with €1,162 million for the year ended December 31, 2022. Excluding capital gains and losses on financial divestitures net of tax and minority interests, current net income attributable to owners of the Company is €1,316 million, compared with €1,116 million for the year ended December 31, 2022.
- Net income attributable to non-controlling interests is €397 million for the year ended December 31, 2023, compared with €282 million for the year ended December 31, 2022, and is consistent with the growth in net income of the Group's activities, particularly in Central and Eastern Europe and Chile.

Net income (loss) attributable to owners of the Company for the year ended December 31, 2023 breaks down as follows:

	2022			2023		
(In € million)	Current	Non-current & PPA *	Total	Current	Non-current & PPA *	Total
EBIT	3,062	-729	2,333	3,346	-499	2,847
Cost of net financial debt	-707	75	-633	-626	87	-539
Other financial income and expenses	-316	111	-205	-340	-99	-439
Pre-tax net income (loss)	2,039	-543	1,496	2,380	-511	1,869
Income tax expense	-514	94	-420	-599	88	-511
Net income (loss) from discontinued operations	0	-79	-79	-	-24	-24
Attributable to non-controlling interests	-363	81	-282	-446	49	-397
NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY	1,162	-446	716	1,335	-398	937

* *Including non-current items, as well as depreciation of remeasured assets and the remeasurement of financial liabilities in the context of the Suez purchase price allocation as defined in Section 5.2 below.*

Current EBIT reconciles with operating income, as presented in the income statement, as follows:

(€ million)	2022	2023
Current EBIT	**3,062**	**3,346**
Impairment losses on goodwill and negative goodwill	-69	-2
Net charges to non-current provisions	-23	15
Restructuring costs	-116	-76
Non-current amortizations, provisions and impairment of property, plant and equipment, intangible assets, operating financial assets and other	-435	-425
Share acquisition costs, with or without acquisition of control	-87	-10
Total non-current items	**-729**	**-499**
OPERATING INCOME AFTER SHARE OF NET INCOME OF EQUITY-ACCOUNTED ENTITIES	2,333	2,847

- Net restructuring costs mainly concern the holding company, France and Iberia.
- Non-current depreciation, amortization, provisions and impairment of property, plant and equipment, intangible assets and operating financial assets and other non-current expenses include:
  - depreciation of assets remeasured as part of the Suez purchase price allocation of -€217 million in the year ended December 31, 2023, compared with -€226 million in the year ended December 31, 2022.
  - the cost of integrating the Suez scope (migrating IT systems to common platforms, rebranding and assistance with organizational changes) of -€100 million,
  - provisions for asset impairment, particularly in China (-€20 million),
  - costs following the resolution of a dispute in Lithuania (-€18 million) (excluding interests but compensated by a provision release of 19 millions d'euros), and
  - costs relating to the Flint dispute in the United States, following the signature of a settlement agreement between the parties at the beginning of February 2024 in respect of the class action (-€22 million).

5.3 Financing

5.3.1 CHANGE IN FREE CASH FLOW AND NET FINANCIAL DEBT

Net free cash flow before financial investments and dividends is +€1,143 million for the year ended December 31, 2023, a significant improvement of +€111 million on December 2022 (+€1,032 million).

The change in net free cash flow compared with December 31, 2022 reflects:

- Higher EBITDA, driven by organic activity growth fueled by favorable price effects and increased energy prices, gains generated by operating and commercial efficiency plans and synergies;
- Net industrial investments of €3,730 million compared to €3,089 million in the year ended December 31, 2022. This increase is due to higher gross investments (+€383 million), mainly due to decarbonization projects in Central and Eastern Europe and growth investments in hazardous waste. In addition, industrial divestitures fell -€258 million, following major disposals in 2022 as part of the Suez acquisition anti-trust remedies (divestiture of mobile water treatment solutions, industrial water treatment activities, Integrated Waste Services assets in Australia and Osis Greater Paris subsidiaries);
- A change in operating working capital requirements of +€195 million, an improvement on December 31, 2022 (+€48 million) thanks to ongoing debt recovery efforts;
- A reduction in Other non-current costs and restructuring costs of -€188 million on December 31, 2022.

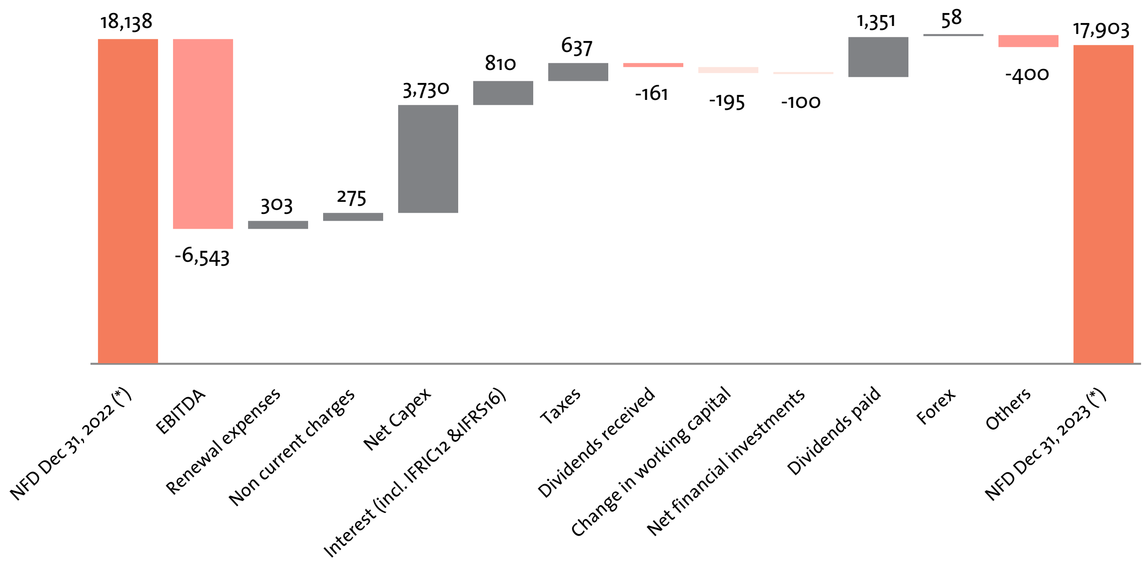
Net financial debt amount to €17,903 million as of December 31, 2023, compared with €18,138 million as of December 31, 2022.

Compared to December 31, 2022, net financial debt is down €235 million, mainly due to:

- net free cash flow generation of €1,143 million for the year
- net financial investments of €100 million following the receipt of the final earn-out due for the acquisition of Suez in 2022, the entry of Lydec into the consolidation scope, the acquisition of the Spanish subsidiaries La Red and Banales and of U.S. Industrial Technologies (USA), the buyback of the minority stake held by Lanzhou in Veolia Water Yellow River in China, as well as the divestitures of Water Italian concessions, Advanced Solutions (USA) and the Quality Circular Polymers subsidiary (Netherlands), as well as the final antitrust remedies pursuant to the acquisition of Suez (a hazardous waste subsidiary in France and WTS's O&M activities in the United Kingdom - see 1.3.2, Changes in Group structure);
- the payment of the dividends voted by the Veolia Environnement Combined Shareholders' Meeting of April 27, 2023 in the amount of -€787 million;
- the subordinated debt issue for €198 million (net of issue costs);
- the share capital increase performed under the Sequoia 2023 employee share ownership plan for €203 million net.

Net financial debt is also impacted by foreign exchange gains and losses and fair value adjustments of -€58 million as of December 31, 2023.

(€ million)	2022	2023
EBITDA	**6,196**	**6,543**
Net industrial investments	-3,089	-3,730
Change in operating WCR	48	195
Dividends received	129	161
Renewal expenses	-303	-303
Other non-current costs and restructuring costs	-463	-275
Interest on concession liabilities (I12)	-79	-84
Interest on right of use (IFRS 16)	-53	-58
Financial items (current cash financial expense, and operating cash flow from financing activities)	-796	-668
Taxes paid	-557	-637
Net free cash flow before dividend payment, financial investments and financial divestitures	**1,032**	**1,143**
Dividends paid	-1,079	-1,351
Net financial investments	-8,970	100
Change in receivables and other financial assets	488	126
Issue/repayment of deeply subordinated securities	-500	198
Proceeds on issue of shares	221	263
Free cash-flow	**-8,807**	**480**
Effect of foreign exchange rate	-232	-58
Other movements	83	-109
Change	**-8,956**	**313**
Opening net financial debt	-9,532	-18,138
Impact of the remeasurement of financial liabilities	351	-78
CLOSING NET FINANCIAL DEBT	**-18,138**	**-17,903**



(*) Net financial debt excluding the impact of the remeasurement of debt as part of the Suez purchase price allocation, see Section 5.2 below.

5.3.2 INDUSTRIAL AND FINANCIAL INVESTMENTS

5.3.2.1 Net Industrial investments

Group net industrial investments, including new operating financial assets, amounted to €3,730 million for the year ended December 31, 2023, compared with €3,089 million for the year ended December 31, 2022.

Gross industrial investments total €4,049 million for the year ended December 31, 2023, including maintenance investments of €1,968 million (including IFRS 16), contractual growth investments of €1,541 million and discretionary investments of €540 million, as well as new operating financial assets of €254 million.

Industrial divestitures total -€319 million for the year ended December 31, 2023 and are the result of the existing asset rotation program; they mainly concern France and Special Waste Europe (€69 million), Water technologies (€51 million), Australia (€47 million) and Germany (€42 million).

Industrial investments for the year ended December 31, 2023, excluding discontinued operations, break down by **segment** as follows:

Year ended December 31, 2023 (€ million)	Total gross industrial investments	Industrial divestitures	Total net industrial investments
France and Special Waste Europe	832	-69	763
Europe excluding France	1,559	-101	1,458
Rest of the world	1,367	-80	1,287
Water technologies	219	-51	167
Other	72	-17	55
GROUP	4,049	-319	3,730

Gross industrial investments totaled €3,666 million for the year ended December 31, 2022[1], including maintenance investments of €1,888 million (including IFRS 16) contractual growth investments of €1,347 million and discretionary investments of €431 million, as well as new operating financial assets of €184 million.

Industrial divestitures totaled -€577 million for the year ended December 31, 2022 and comprised remedy divestitures regarding mobile water treatment services in Europe for €191 million and industrial water treatment activities in France for €30 million, as well as the sale of Integrated Water Services assets in Australia for €102 million and the sale of Osis Greater Paris assets for €32 million.

Industrial investments for the half year ended December 31, 2022, excluding discontinued operations, broke down by **segment** as follows:

Year ended December 31, 2022 (€ million)	Total gross industrial investments	Industrial divestitures	Total net industrial investments
France and Special Waste Europe	798	-149	649
Europe excluding France	1,322	-57	1,265
Rest of the world	1,343	-179	1,164
Water technologies	216	-191	24
Other	-13	0	-13
GROUP	3,666	-577	3,089

5.3.2.2 Net financial investments

Net financial investments for the year ended December 31, 2023 total €100 million (including acquisition costs, net financial debt of acquired entities and disposal costs). These financial investments mainly comprise the receipt of the final earn-out paid by Suez to Veolia on December 31, 2023 of €284 million.

Financial acquisitions total -€552 million in 2023 and mainly concern:

- the acquisition of the subsidiaries Reciclados La Red S.LL and Banales III located in Madrid and Seville, respectively, for a total of €54 million on January 10, 2023;
- Lydec debt of €47 million assumed on its consolidation as of January 25, 2023;
- the buy-out of minority interests (49%) in Promecap in Mexico on July 21, 2023, through the exchange of Veolia shares for €55 million following the exercise of a purchase option;
- the buy-out of Lanzhou minority interests in Veolia Water Yellow River (49%) in China for €68 million on September 27, 2023;
- the acquisition of U.S. Industrial Technologies in the United States, a hazardous waste processing subsidiary, for €58 million on October 31, 2023.

[1] *Excluding restatement of the effect of the first 17 days of 2022 relating to the pre-acquisition period of Suez by Veolia, gross industrial investments amounted to €3,705 million.*

Financial divestitures for the year ended December 31, 2023, including disposal costs but excluding the final earn-out paid by Suez, total +€368 million and mainly comprise:

- the receipt of proceeds from the divestiture of Suez hazardous waste activities (France remedies) of €49 million;
- the divestiture of Advanced Solutions subsidiaries in the United States for €84 million;
- the divestiture of Quality Circular Polymers (QCP) shares, a plastic recycling subsidiary in the Netherlands, for €20 million (excluding loan repayment);
- the divestiture of Italian water concessions for €74 million.

Net financial investments for the year ended December 31, 2022 totaled -€8,970 million (including acquisition costs, net financial debt of acquired entities and disposal costs). The main change in scope in 2022 was the acquisition of the Suez Group, following the finalization of the Public Tender Offer in the first quarter for -€8,664 million, including debt assumed and net of the divestiture of components of the Suez Group to the consortium on January 31, 2022 and antitrust remedies.

Excluding the acquisition of Suez and the divestitures mentioned above, net financial investments totaled -€70 million and mainly included the acquisition of 48.7% of Lydec for -€101 million.

Excluding the disposal of new Suez, financial divestitures in 2022 (including disposal costs) mainly comprised the divestiture of Lanzhou in China for €141 million, the divestiture of Huancheng Puxi in China, a waste-to-energy subsidiary, for €27 million and a sales price adjustment in respect of a divestiture performed in 2021 in Germany of -€26 million.

5.3.3 OPERATING WORKING CAPITAL

The change in operating working capital requirements (excluding discontinued operations) is +€195 million for the year ended December 31, 2023, compared with +€48 million for the year ended December 31, 2022.

The improvement of change in operating working capital requirements in a context of increased vigilance of rising inflation, energy prices and interest rates, reflects regular monitoring and improvements in collection and invoicing processes.

See Note 5.3 to the consolidated financial statements for the year ended December 31, 2023.

5.3.4 EXTERNAL FINANCING

Structure of the net financial debt

As of December 31, 2023, net financial debt after hedging is 87% at fixed rates, compared with 83% as of December 31, 2022. The average maturity of net financial debt is 7.4 years as of December 31, 2023 compared with 7.9 years as of December 31, 2022.

(€ million)	Note to the Consolidated Financial Statements	As of December 31, 2022	As of December 31, 2023
Non-current financial liabilities	8.1.1	21,348	20,310
Current financial liabilities	8.1.1	7,018	7,662
Bank overdraft and other cash position items	8.1.3.1	214	379
Sub-total borrowings		**28,580**	**28,350**
Cash and cash equivalents	8.1.3.1	-9,012	-8,696
Liquid assets and financing-related assets	8.1.2.1	-1,677	-1,892
Fair value gains (losses) on hedge derivatives	8.3.1.1	599	414
Remeasurement of financial liabilities (1)		-351	-273
NET FINANCIAL DEBT		**18,138**	**17,903**

(1) Net financial debt excludes the remeasurement of financial liabilities in the context of the Suez purchase price allocation as defined in Section 5.2. below.

Group liquidity position

Liquid assets of the Group as of December 31, 2023 break down as follows:

(€ million)	As of December 31, 2022	As of December 31, 2023
Veolia Environnement :		
Undrawn syndicated loan facility	5,500	4,500
Undrawn MT bilateral credit lines	910	727
Undrawn ST bilateral credit lines	0	75
Cash and cash equivalents (1)	8,073	8,344
Subsidiaries :		
Undrawn bilateral credit lines	-	689
Cash and cash equivalents (1)	2,617	2,244
Total liquid assets	**17,100**	**16,579**
Current debt, bank overdrafts and other cash position items		
Current debt	7,018	7,662
Bank overdrafts and other cash position items	214	379
Total current debt, bank overdrafts and other cash position items	**7,232**	**8,041**
TOTAL LIQUID ASSETS NET OF CURRENT DEBT, BANK OVERDRAFTS AND OTHER CASH POSITION ITEMS	**9,868**	**8,538**

(1) Including liquid assets and financing financial assets included in Net financial debt.

The decrease in liquid assets is mainly due to the €1 billion reduction in the syndicated loan facility and the reclassification in current debt of the bond issue redeemed on January 14, 2024 for €750 million.

The Group decided to refinance its two syndicated loan facilities (€3 billion historic syndicated facility and €2.5 billion former-Suez syndicated facility) at the beginning of March 2023, securing a new €4.5 billion single syndicated loan facility.

Banks Covenants

See Note 8.3 to the consolidated financial statements for the year ended December 31, 2023.

5.4 Other items

5.4.1 RETURN ON CAPITAL EMPLOYED (ROCE)

(€ million)	As of December 31, 2022	As of December 31, 2023
Current EBIT	**3,062**	**3,346**
- Current income tax expense	-514	-599
Current EBIT after tax	**2,548**	**2,747**

(€ million)	As of December 31, 2022	As of December 31, 2023
Intangible assets and property, plant and equipment, net	24,941	25,538
Right of use	1,997	1,853
Goodwill, net of impairment	11,699	11,650
Investments in joint ventures and associates	1,985	1,714
Operating financial assets	1,377	1,393
Operating and non-operating working capital requirements, net	-5,579	-6,041
Net derivatives and other instruments	-626	-468
Provisions	-3,744	-3,647
Capital employed	**32,051**	**31,992**
Impact of discontinued operations and other restatements (1)	1,950	177
Represented capital employed	**34,001**	**32,169**

(1) 2022 restatements mainly concern the add-back of the capital employed of Suez activities sold in the United Kingdom and the investment sold in Lanzhou Water.

(€ million)	Curent EBIT after tax	Average capital employed	Post-tax ROCE
2022 (incl. IFRS 16) (1)	2,548	33,564	7.6 %
2023 (incl. IFRS 16)	**2,747**	**33,085**	**8.3 %**

(1) 2022 average capital employed (including IFRS 16) includes the capital employed of the Suez scope at the beginning of the period.

2023 average capital employed is €33,085 million, down -1.4% year-on-year.

Post-tax ROCE is 8.3% as of December 31, 2023; the +0.7 point increase compared to 2022 was mainly driven by growth in post-tax Current EBIT of +7.8%.

5.4.2 STATUTORY AUDITORS' FEES

	KPMG SA				Ernst & Young			
	Amount		Percentage		Amount		Percentage	
(€ million)	2023	2022	2023	2022	2023	2022	2023	2022
Certification of individual and consolidated accounts and limited annual review								
Veolia Environnement	2.1	2.1	13 %	13 %	2.4	2.4	10 %	10 %
Controlled entities	11.0	9.3	68 %	57 %	19.3	19.1	84 %	81 %
Sub-total (a)	13.1	11.4	81 %	70 %	21.7	21.5	94 %	91 %
Non-audit services required by legal and regulatory texts								
Veolia Environnement	0.5	0.3	3 %	2 %	0.4	0.2	2 %	1 %
Controlled entities	0.0	0.2	— %	1 %	0.2	0.4	1 %	2 %
Sub-total (b)	0.5	0.5	3 %	3 %	0.6	0.6	3 %	3 %
Non-audit services provided at the request of the entity								
Veolia Environnement	1.6	1.9	10 %	12 %	0.5	0.2	2 %	1 %
Controlled entities	1.0	2.5	6 %	15 %	0.2	1.3	1 %	6 %
Sub-total (c)	2.6	4.4	16 %	27 %	0.7	1.5	3 %	6 %
Non-audit services								
Sub-total (d) = (b) + (c)	3.1	4.9	19 %	30 %	1.3	2.1	6 %	9 %
TOTAL (E) = (A) + (D)	16.2	16.3	100 %	100 %	23.0	23.6	100 %	100 %

Statutory Auditors' fees incurred by the Group, including for equity accounted entities, total €39 million and €40 million for 2023 and 2022, respectively, including:

- €35million in 2022 and €33 million in 2022 in respect of the statutory audit of the company and consolidated accounts; and
- €4 million in 2023 and €7 million in 2022 for non-audit services.

5.4.3 RELATED-PARTY TRANSACTIONS

The Group identifies related parties in accordance with the provisions of paragraph 9 of IAS 24 revised, Related Party Disclosures (see Note 13 to the consolidated financial statements for the year ended December 31, 2023).

5.4.4 SUBSEQUENT EVENTS

No significant events occurred between the reporting date and the date on which the consolidated financial statements were approved by the Board of Directors.

5.4.5 RISK FACTORS

The main risk factors the Group could face are set out in Chapter 2 of the 2023 Universal Registration Document.

5.4.6 OUTLOOK

2024 Guidance

In view of the very strong 2023 results and the good start to the year, we can look forward to 2024 with confidence, and announce ambitious targets:

- Solid organic growth in revenue[(1)(2)] ;
- Efficiency gains above €350 million, complemented by additional synergies for a cumulated amount of more than €400 million end 2024, in line with the €500 million cumulated objective;
- Organic growth of EBITDA between +5% and +6% [(1)] ;
- Current net income, Group share above €1.5 billion[(3)];
- Leverage ratio expected below 3x[(3)];
- Dividend growth in line with current EPS growth.

(1) *At constant scope and exchange rates*
(2) *Excluding energy prices*
(3) *Excluding Suez PPA*

5.5 Appendices

5.5.1 RECONCILIATION OF GAAP INDICATORS AND THE INDICATORS USED BY THE GROUP

The reconciliation of Current EBIT with Operating income, as shown in the income statement, is presented in Section 2.4.4.

Likewise, the reconciliation of Current net income with Net income attributable to owners of the Company, as shown in the income statement, is presented in Section 2.4.4.

(€ million)	Year ended December 31, 2022	Year ended December 31, 2023
Operating cash flow before changes in working capital	**4,804**	**5,582**
o/w Operating cash flow from financing activities	-229	-134
o/w Adjusted operating cash-flow	5,034	5,715
Excluding:		
Renewal expenses	303	303
Cash restructuring costs	224	84
Share acquisition and disposal costs	201	30
Other non-current expenses	239	178
Including:		
Principal payments on operating financial assets	195	233
EBITDA	6,196	6,543

The reconciliation of Net cash from operating activities of continuing operations (included in the Consolidated Cash Flow Statement) with net free cash flow is as follows:

(€ million)	2022	2023
Net cash from operating activities of continuing operations	**4,104**	**5,027**
including :		
Industrial investments, net of grants	-2,784	-3,140
Proceeds on disposals of industrial assets	577	319
New operating financial assets	-184	-254
Principal payments on operating financial assets	195	233
New finance lease debt	-529	-542
Dividends received	129	161
Interest paid	-793	-681
Excluding :		
Share acquisition and disposal costs, and other items	317	19
Net free cash-flow	**1,032**	**1,143**

The reconciliation of Industrial investments, net of grants (included in the Consolidated Cash Flow Statement) with industrial investments is as follows:

(€ million)	2022	2023
Industrial investments, net of grants	**-2,784**	**-3,140**
New finance lease debt	-529	-542
Change in concession working capital requirements	-191	-112
New operating financial assets	-184	-254
Industrial Investments	**-3,666**	**-4,049**

5.5.2 DEFINITIONS

No changes have been made to non-GAAP financial indicators used by the Group in the preparation of the financial statements as of December 31, 2023.

5.5.2.1 Strictly accounting indicators (GAAP: IFRS)

Cost of net financial debt is equal to the cost of gross debt excluding IFRS 16 financial interest presented in other financial expenses and including related gains and losses on interest rate and currency hedges, less income on cash and cash equivalents.

Operating cash flow before changes in working capital, as presented in the Consolidated Cash Flow Statement, is comprised of three components: operating cash flow from operating activities (referred to as “adjusted operating cash flow” and known in French as “capacité d’autofinancement opérationnelle”) consisting of operating income and expenses received and paid (“cash”), operating cash flow from financing activities including cash financial items relating to other financial income and expenses and operating cash flow from discontinued operations composed of cash operating and financial income and expense items classified in net income from discontinued operations pursuant to IFRS 5. Adjusted operating cash flow does not include the share of net income attributable to equity-accounted entities.

Net income (loss) from discontinued operations is the total of income and expenses, net of tax, related to businesses divested or in the course of divestiture, in accordance with IFRS 5. .

5.5.2.2 Non-Strictly accounting indicators (non GAAP)

The expression “**change at constant exchange rates**” represents the change resulting from the application of exchange rates of the prior period to the current period, all other things being equal.

EBITDA comprises the sum of all operating income and expenses received and paid (excluding restructuring charges, non-current working capital impairments, renewal expenses and share acquisition and disposal costs) and principal payments on operating financial assets.

The **EBITDA margin** is defined as the ratio of EBITDA to revenue.

To calculate **Current EBIT** (which includes the share of current net income of joint ventures and associates), the following items are deducted from Operating income:

- impairment of goodwill of 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);
- depreciation of assets remeasured in the context of the Suez purchase price allocation;
- share acquisition costs.

The **current cost of net financial debt** is equal to the cost of net financial debt excluding amortization of the debt remeasured in the context of the Suez purchase price allocation.

To calculate **Current net income, Group share**, the following items are deducted from Net income, Group share:

- non-current items of net income;
- amortization of assets remeasured in the context of the Suez purchase price allocation, net of tax and non-controlling interests;
- amortization of the debt remeasured in the context of the Suez purchase price allocation, net of tax and non-controlling interests.

Current net income, Group share, per share is defined as the ratio of Current net income, Group share (not restated for the cost of the coupon attributable to hybrid debt holders) by the weighted average number of outstanding shares during the year.

Net industrial investments, as presented in the statement of changes in net financial debt, include industrial investments (purchases of intangible assets and property, plant and equipment, and operating financial assets), net of industrial asset divestitures.

The Group identifies three categories of investment:

- maintenance investments which reflect the replacement of equipment and installations used by the Group;
- growth investments which include investments in new equipment and installations embedded in existing contracts or in line with contractual requirements;
- discretionary growth investments which reflect investments in new equipment and installations linked to new projects, contract wins or significant new developments and extensions to existing projects or contracts.

The last two categories are defined as growth investments.

Net financial investments as presented in the statement of changes in net financial debt include financial investments, net of financial divestitures.

Financial investments include purchases of financial assets, including the net financial debt of companies entering the scope of consolidation, and partial purchases resulting from transactions with shareholders where there is no change in control.

Financial divestitures include disposals of financial assets including the net financial debt of companies leaving the scope of consolidation, and partial divestitures resulting from transactions with shareholders where there is no change in control, as well as issues of share capital by non-controlling interests.

Net free cash flow corresponds to free cash flow from continuing operations, and is equal to the sum of EBITDA, dividends received, changes in operating working capital and operating cash flow from financing activities, less net interest expenses, net industrial investments, taxes paid, renewal expenses, restructuring charges and other non-current expenses.

Net financial debt (NFD) represents gross financial debt (non-current borrowings, current borrowings, bank overdrafts and other cash position items) which includes IFRS 16 lease debt, net of cash and cash equivalents, liquid assets and financing-related assets, including fair value adjustments to derivatives hedging debt. Liquid assets are financial assets composed of funds or securities with an initial maturity of more than three months, easily convertible into cash, and managed with respect to a liquidity objective while maintaining a low capital risk. Net financial debt excludes the net impact of the remeasurement of debt in the context of the Suez purchase price allocation.

The **leverage ratio** is the ratio of closing net financial debt including IFRS 16 to EBITDA including IFRS 16.

The **financing rate** is defined as the ratio of the cost of net financial debt (excluding IFRS 16 lease debt and fair value adjustments to instruments not qualifying for hedge accounting) to average monthly net financial debt excluding IFRS 16 lease debt for the period, including the cost of net financial debt of discontinued operations.

The **post-tax return on capital employed (ROCE)** is defined as the ratio of:

- current EBIT as defined above, including the share of net income or loss of equity-accounted entities, after tax. It is calculated by subtracting the current tax expense from current EBIT, including the share of net income or loss of equity-accounted entities. The current tax expense is the tax expense in the income statement re-presented for tax effects on non-current items and tax effects of the depreciation of assets remeasured in the context of the Suez purchase price allocation; to
- average capital employed in the year, including operating financial assets and investments in joint ventures and associates. Capital employed used in the post-tax ROCE calculation is therefore equal to the sum of net intangible assets and property, plant and equipment, goodwill net of impairment, investments in joint ventures and associates, operating financial assets, net operating and non-operating working capital requirements and net derivative instruments less provisions. It also includes the capital employed of activities classified within assets and liabilities held for sale, excluding discontinued operations.

6

FINANCIAL STATEMENTS

Information from the Annual Financial Report is clearly identified in the table of contents by the pictogram AFR

6.1 Consolidated financial statements AFR

6.1.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position - Assets

(€ million)	Notes	As of December 31, 2022	As of December 31, 2023
Goodwill	Note 7.1	11,638	11,556
Concession intangible assets	Note 7.2.1	5,292	5,589
Other intangible assets	Note 7.2.2	3,142	2,911
Property, plant and equipment	Note 7.3	16,569	17,134
Rights of use (net)	Note 7.4	1,997	1,853
Investments in joint ventures	Note 5.2.4	1,198	1,110
Investments in associates	Note 5.2.4	787	603
Non-consolidated investments		113	92
Non-current operating financial assets	Note 5.4	1,194	1,187
Non-current derivative instruments - Assets	Note 8.3	128	50
Other non-current financial assets	Note 8.1.2	483	542
Deferred tax assets	Note 11.2	2,051	2,042
Non-current assets		**44,591**	**44,669**
Inventories and work-in-progress	Note 5.3	1,486	1,550
Operating receivables	Note 5.3	14,534	14,363
Current operating financial assets	Note 5.4	183	206
Other current financial assets	Note 8.1.2	2,214	2,223
Current derivative instruments - Assets	Note 8.3	634	209
Cash and cash equivalents	Note 8.1.3	9,012	8,696
Assets classified as held for sale	Note 3.3	651	650
Current assets		**28,714**	**27,897**
TOTAL ASSETS		**73,304**	**72,566**

The accompanying notes are an integral part of these consolidated financial statements.

Amounts are in millions of euros rounded to the nearest whole number, unless stated otherwise in the notes. Accordingly, the sum of rounded amounts may present non-material differences with total figures.

Consolidated Statement of Financial Position – Equity and Liabilities

(€ million)	Notes	As of December 31, 2022	As of December 31, 2023
Share capital	Note 9.2.1	3,573	3,627
Additional paid-in capital		9,470	9,631
Deeply-subordinated perpetual securities	Note 9.4	3,496	3,630
Reserves and retained earnings attributable to owners of the Company	Note 9.2	-4,285	-4,577
Total equity attributable to owners of the Company	Note 9.2	**12,255**	**12,311**
Total equity attributable to non-controlling interests	Note 9.3	2,612	2,391
Equity		**14,867**	**14,702**
Non-current provisions	Note 10	2,844	2,807
Non-current financial liabilities	Note 8.1.1	19,692	18,777
Non-current IFRS 16 lease debt	Note 8.1.1	1,656	1,533
Non-current derivative instruments - Liabilities	Note 8.3	720	493
Concession liabilities – non-current	Note 5.5	1,681	1,665
Deferred tax liabilities	Note 11.2	2,640	2,575
Non-current liabilities		**29,234**	**27,850**
Operating payables	Note 5.3	19,475	19,808
Concession liabilities - current	Note 5.5	243	347
Current provisions	Note 10	1,015	1,005
Current financial liabilities	Note 8.1.1	6,521	7,195
Current IFRS 16 lease debt	Note 8.1.1	497	467
Current derivative instruments - Liabilities	Note 8.3	883	253
Bank overdrafts and other cash position items	Note 8.1.3	214	379
Liabilities directly associated with assets classified as held for sale	Note 3.3	355	560
Current liabilities		**29,204**	**30,014**
TOTAL EQUITY AND LIABILITIES		**73,304**	**72,566**

The accompanying notes are an integral part of these consolidated financial statements.

Amounts are in millions of euros rounded to the nearest whole number, unless stated otherwise in the notes. Accordingly, the sum of rounded amounts may present non-material differences with total figures.

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6.1.2 CONSOLIDATED INCOME STATEMENT

(€ million)	Notes	Year ended December 31, 2022	Year ended December 31, 2023
Revenue	Note 5.1	**42,885**	**45,351**
Cost of sales	Note 5.2	-35,740	-37,852
Selling costs	Note 5.2	-954	-998
General and administrative expenses	Note 5.2	-3,216	-3,336
Other operating revenue and expenses	Note 5.2	-769	-441
Operating income before share of net income (loss) of equity-accounted entities	Note 5.2	**2,206**	**2,724**
Share of net income (loss) of equity-accounted entities		**127**	**123**
o/w share of net income (loss) of joint ventures	Note 5.2.4	56	60
o/w share of net income (loss) of associates	Note 5.2.4	71	63
Operating income after share of net income (loss) of equity-accounted entities		**2,333**	**2,847**
Cost of net financial debt	Note 8.4.1	-633	-539
Other financial income and expenses	Note 8.4.2	-204	-439
Pre-tax net income (loss)		**1,496**	**1,869**
Income tax expense	Note 11.1	-420	-511
Net income (loss) from continuing operations		**1,076**	**1,358**
Net income (loss) from discontinued operations	Note 3.3.1	-78	-24
Net income (loss) for the year		**998**	**1,334**
Attributable to owners of the Company		**716**	**937**
Attributable to non-controlling interests	Note 9.3	282	397
NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE *(in euros)*	Note 9.5		
Basic		1.04	1.33
Diluted		1.00	1.28
NET INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE *(in euros)*	Note 9.5		
Basic		1.15	1.36
Diluted		1.11	1.31
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE *(in euros)*	Note 9.5		
Basic		-0.11	-0.03
Diluted		-0.11	-0.03

The accompanying notes are an integral part of these consolidated financial statements.

Amounts are in millions of euros rounded to the nearest whole number, unless stated otherwise in the notes. Accordingly, the sum of rounded amounts may present non-material differences with total figures.

6.1.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ million)	Year ended December 31, 2022	Year ended December 31, 2023
Net income (loss) for the year	**998**	**1,334**
Actuarial gains or losses on pension obligations	125	-37
Income tax expense	-9	11
Amount net of tax	*116*	*-26*
Fair value adjustments on financial instruments at fair value through equity not subsequently released to net income	6	-
Income tax expense	-	-
Amount net of tax	*6*	-
Other items of comprehensive income not subsequently released to net income	**122**	**-26**
o/w attributable to joint ventures	-	-
o/w attributable to associates	-	-
Fair value adjustments on hedging costs	-41	-12
Income tax expense	-	-
Amount net of tax	-41	-12
Fair value adjustments on financial instruments at fair value through equity subsequently released to net income	-	-
Income tax expense	-	-
Amount net of tax	-	-
Fair value adjustments on cash flow hedge derivatives	-163	66
Income tax expense	57	-22
Amount net of tax	-107	44
Foreign exchange gains and losses:		
• on the translation of the financial statements of subsidiaries drawn up in a foreign currency	214	-529
Amount net of tax	214	-529
• on the net financing of foreign operations	24	-59
• income tax expense	-4	1
Amount net of tax	20	-58
Other items of comprehensive income subsequently released to net income	**86**	**-556**
o/w attributable to joint ventures	-70	-67
o/w attributable to associates	15	22
Total Other comprehensive income	**208**	**-582**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1,206**	**753**
Attributable to owners of the Company	972	399
Attributable to non-controlling interests	234	354

The accompanying notes are an integral part of these consolidated financial statements.

Amounts are in millions of euros rounded to the nearest whole number, unless stated otherwise in the notes. Accordingly, the sum of rounded amounts may present non-material differences with total figures.

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6.1.4 CONSOLIDATED CASH FLOW STATEMENT

(€ million)	Notes	As of December 31, 2022	As of December 31, 2023
Net income (loss) for the period		**998**	**1,334**
Net income (loss) from continuing operations		**1,076**	**1,358**
Net income (loss) from discontinued operations		**-78**	**-24**
Operating depreciation, amortization, provisions and impairment losses		3,179	3,044
Financial amortization and impairment losses		15	77
Gains (losses) on disposal of operating assets		-299	-83
Gains (losses) on disposal of financial assets		-370	-72
Share of net income (loss) of joint ventures	Note 5.2.4	-57	-60
Share of net income (loss) of associates	Note 5.2.4	-71	-63
Dividends received	Note 8.4.2	-4	-3
Cost of net financial debt	Note 8.4.1	633	539
Income tax expense	Note 11	420	511
Other items		282	334
Operating cash flow before changes in working capital		**4,804**	**5,582**
Change in operating working capital requirements		48	195
Change in working capital requirements of concessions		-191	-113
Income taxes paid		-557	-637
Net cash from operating activities of continuing operations		**4,104**	**5,027**
Net cash from operating activities of discontinued operations		**44**	**-22**
Net cash from operating activities		**4,148**	**5,005**
Industrial investments, net of grants		-2,784	-3,140
Proceeds on disposal of industrial assets		598	318
Purchases of investments	Note 3.2	-4,009	-223
Proceeds on disposal of financial assets	Note 3.2	9,995	658
Operating financial assets			
New operating financial assets	Note 5.4	-182	-254
Principal payments on operating financial assets	Note 5.4	195	233
Dividends received (including dividends received from joint ventures and associates)		129	161
New non-current loans granted		-105	-103
Principal payments on non-current loans		109	24
Net decrease/increase in current loans		484	206
Net cash used in investing activities of continuing operations		**4,430**	**-2,120**
Net cash used in investing activities of discontinued operations		**94**	**-4**
Net cash used in investing activities		**4,524**	**-2,124**

(€ million)	Notes	As of December 31, 2022	As of December 31, 2023
Net increase (decrease) in current financial liabilities	Note 8.1.1	-4,138	-948
Repayment of current IFRS 16 lease debt	Note 8.1.1	-553	-535
Other changes in non-current IFRS 16 lease debt	Note 8.1.1	-130	-96
New non-current borrowings and other debt	Note 8.1.1	879	970
Principal payments on non-current borrowings and other debt	Note 8.1.1	-1,650	-569
Change in liquid assets and financing financial assets	Note 8.1.2	-705	-235
Proceeds on issue of shares	Note 8.2.1	227	210
Share capital reduction		-	-
Transactions with non-controlling interests: partial purchases *		-1,770	-166
Transactions with non-controlling interests: partial sales		8	7
Issue / repayment of deeply subordinated securities	Note 9.4	-500	198
Coupons on deeply subordinated securities	Note 9.4	-88	-90
Purchases of/proceeds from treasury shares		-5	59
Dividends paid		-990	-1,261
Interest paid		-638	-538
Interest on IFRIC 12 operating assets		-79	-85
Interest on IFRS 16 lease debt **	Note 8.4.2	-53	-58
Net cash from (used in) financing activities of continuing operations		**-10,185**	**-3,137**
Net cash from (used in) financing activities of discontinued operations		**15**	**-2**
Net cash from (used in) financing activities		**-10,170**	**-3,139**
Effect of foreign exchange rate changes and other		46	-228
Increase (decrease) in external net cash of discontinued operations		**-26**	**4**
NET CASH AT THE BEGINNING OF THE YEAR		10,277	8,799
NET CASH AT THE END OF THE YEAR		8,799	8,317
Cash and cash equivalents	Note 8.1.3	9,012	8,696
Bank overdrafts and other cash position items	Note 8.1.3	214	379
NET CASH AT THE END OF THE YEAR		8,799	8,317

** Following the takeover of Suez on January 18, 2022, Veolia acquired the residual shares not contributed during the public tender offer for an amount of €1,752 million.*

*** Interest on IFRS 16 lease debt is not included in the Cost of net financial debt, but in Other financial income and expenses (see Note 8.4.2).*

The accompanying notes are an integral part of these consolidated financial statements.

Amounts are in millions of euros rounded to the nearest whole number, unless stated otherwise in the notes. Accordingly, the sum of rounded amounts may present non-material differences with total figures.

6.1.5 STATEMENT OF CHANGES IN EQUITY

(€ million)	Number of shares outstanding	Share capital	Additional paid-in capital	Deeply subordinated securities and OCEANE	Treasury shares	Consolidated reserves and retained earnings	Foreign exchange translation reserves	Fair value reserves	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Amount as of December 31, 2021	**699,725,266**	**3,499**	**9,310**	**2,461**	**-430**	**-3,414**	**-261**	**354**	**11,518**	**1,252**	**12,770**
Issues of share capital of the parent company	14,849,101	74	161	-	-	-8	-	-	227	-	227
Proceeds on issue of deeply subordinated securities	-	-	-	-	-	-	-	-	-	-	-
Contribution of hybrid debt Suez SA	-	-	-	1,624	-	-	-	-	1,624	-	1,624
Repayments of deeply subordinated securities	-	-	-	-500	-	-	-	-	-500	-	-500
Coupons on deeply subordinated securities	-	-	-	-88	-	-	-	-	-88	-	-88
Parent company dividend distribution	-	-	-	-	-	-688	-	-	-688	-	-688
Movements in treasury shares	-	-	-	-	-5	-	-	-	-5	-	-5
Share-based payments	-	-	-	-	-	55	-	-	55	-	55
Third-party share in share capital increases of subsidiaries	-	-	-	-	-	-	-	-	–	20	20
Third-party share in dividend distributions of subsidiaries	-	-	-	-	-	-	-	-	–	-303	-303
Transactions with non-controlling interests	-	-	-	-	-	-796	-	-	-796	-966	-1,762
Total transactions with non-controlling interests	**14,849,101**	**74**	**161**	**1,036**	**-5**	**-1,437**	**-**	**-**	**-172**	**-1,249**	**-1,421**
Other comprehensive income	-	-	-	-	-	116	208	-68	256	-48	208
Net income for the year	-	-	-	-	-	716	-	-	716	282	998
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**832**	**208**	**-68**	**972**	**234**	**1,206**
Other movements	-	-	-	-	-	-63	-	-	-63	2,375	2,311
Amount as of December 31, 2022	**714,574,367**	**3,573**	**9,470**	**3,496**	**-435**	**-4,083**	**-52**	**286**	**12,255**	**2,612**	**14,867**

Amounts are in millions of euros rounded to the nearest whole number, unless stated otherwise in the notes. Accordingly, the sum of rounded amounts may present non-material differences with total figures.

(€ million)	Number of shares outstanding	Share capital	Additional paid-in capital	Deeply subordinated securities and OCEANE	Treasury shares	Consolidated reserves and retained earnings	Foreign exchange translation reserves	Fair value reserves	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Amount as of December 31, 2022	**714,574,367**	**3,573**	**9,470**	**3,496**	**-435**	**-4083**	**-52**	**286**	**12,255**	**2,612**	**14,867**
Issues of share capital of the parent company	10,837,300	54	161	-	-	-12	-	-	203	-	203
Proceeds on issue of deeply subordinated securities	-	-	-	-	-	-	-	-	-	-	-
Contribution of hybrid debt Suez SA	-	-	-	-	-	-	-	-	-	-	-
Repayment of hybrid debt / deeply subordinated securities	-	-	-	182	-	16	-	-	198	-	198
Coupons on deeply subordinated securities	-	-	-	-48	-	-42	-	-	-90	-	-90
Parent company dividend distribution	-	-	-	-	-	-787	-	-	-787	-	-787
Movements in treasury shares	-	-	-	-	60	-1	-	-	59	-	59
Share-based payments	-	-	-	-	-	51	-	-	51	-	51
Third-party share in share capital increases of subsidiaries	-	-	-	-	-	-	-	-	-	6	6
Third-party share in dividend distributions of subsidiaries	-	-	-	-	-	-	-	-	-	-474	-474
Transactions with non-controlling interests	-	-	-	-	-	-37	-	-	-37	-127	-164
Total transactions with non-controlling interests	**10,837,300**	**54**	**161**	**134**	**60**	**-812**	**-**	**-**	**-403**	**-594**	**-997**
Other comprehensive income	-	-	-	-	-	-27	-531	20	-538	-43	-582
Net income for the year	-	-	-	-	-	937	-	-	937	397	1,334
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**910**	**-531**	**20**	**399**	**354**	**753**
Other movements	-	-	-	-	-	60	-	-	60	19	79
Amount as of December 31, 2023	**725,411,667**	**3,627**	**9,631**	**3,630**	**-375**	**-3,925**	**-583**	**306**	**12,311**	**2,391**	**14,702**

Amounts are in millions of euros rounded to the nearest whole number, unless stated otherwise in the notes. Accordingly, the sum of rounded amounts may present non-material differences with total figures.
A dividend per share of €1.12 was distributed in 2023, compared with €1.00 in 2022.

The total dividend paid recorded in the Consolidated Cash Flow Statement for the periods ended December 31, 2023, and 2022, respectively, breaks down as follows:

(€ million)	December 31, 2022	December 31, 2023
Parent company dividend distribution	-688	-787
Third party share in dividend distributions of subsidiaries	-303	-474
Scrip dividend	-	0
TOTAL DIVIDEND PAID	**-990**	**-1,261**

A dividend distribution of €1.25 per share will be proposed to the General Shareholders' Meeting of April 25, 2024.

6.1.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Note 1 ACCOUNTING POLICIES AND METHODS

1.1 General principles underlying the preparation of the financial statements

The accounting methods presented in these notes to the consolidated financial statements have been applied consistently for all periods presented in the consolidated financial statements.

The consolidated financial statements are presented on a historical cost basis, with the exception of assets and liabilities held for sale measured in accordance with IFRS 5 and assets and liabilities recognized at fair value: derivatives, financial instruments held for trading, financial instruments at fair value (in accordance with IFRS 9).

The Veolia Environnement consolidated financial statements for the year ended December 31, 2023 were adopted by the Board of Directors on February 28, 2024 and will be presented for approval at the General Shareholders' Meeting on April 25, 2024.

1.2 Accounting standards framework

Pursuant to Regulation no. 1606/2002 of July 19, 2002, as amended by European Regulation no. 297/2008 of March 11, 2008, the consolidated financial statements are presented in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union.

In the absence of IFRS standards or interpretations and in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, Veolia refers to other IFRS dealing with similar or related issues and the conceptual framework.

The consolidated financial statements are presented in millions of euros, unless stated otherwise. Amounts are in millions of euros rounded to the nearest whole number, unless stated otherwise in the notes. Accordingly, the sum of rounded amounts may present non-material differences with total figures.

The consolidated financial statements comprise the financial statements of Veolia Environnement, the entities it controls (its subsidiaries) and the entities equity accounted. The financial statements of subsidiaries are drawn up for the same reference period as those of the parent company, from January 1, to December 31, 2023, in accordance with uniform accounting policies and methods.

The accounting principles and valuation rules applied by the Group in preparing the consolidated financial statements for the year ended December 31, 2023 comprise those applied by the Group as of December 31, 2022 and the standards, standard amendments and interpretations adopted or in the course of adoption by the European Union as of December 31, 2023:

- applicable from fiscal year 2023; or
- that the Group has elected to apply early as permitted by these texts.

Texts applicable as of January 1, 2023:

- IFRS 17 and "Insurance contract" amendments
- Other amendments to the following standards:
  - IAS 1: disclosure of accounting policies;
  - IAS 8: definition of accounting estimates;
  - IAS 12: deferred tax related to assets and liabilities arising from a single transaction;
  - IAS 12: temporary exemption to the recognition of deferred tax resulting from the implementation of OECD Pillar Two rules and related disclosures.

The first-time application of these texts did not have a material impact for the Group.

Texts applicable after 2023:

- Other amendments to the following standards:
  - IAS 1: classification of liabilities as current or non-current;
  - IAS 7: information on supplier financing agreements;
  - IAS 21: lack of exchangeability;
  - IFRS 16: lease liability in a sale and leaseback.

The Group is currently assessing the potential impact of the first-time application of these texts.

1.3 Translation of foreign subsidiaries' financial statements

1.3.1 Exchange rates

Statements of financial position, income statements and cash flow statements of subsidiaries whose functional currency is different from the presentation currency of the Group are translated into the presentation currency at the applicable rate of exchange (i.e. the year-end rate for statement of financial position items and the average annual rate for income statement and cash flow items).

Foreign exchange translation gains and losses are recorded in other comprehensive income in equity. The exchange rates of the major currencies of non-euro countries used in the preparation of the consolidated financial statements were as follows:

Period-end exchange rate (one foreign currency unit = €xx)	December 31, 2022	December 31, 2023
US dollar	0.9376	0.9050
Pound sterling	1.1275	1.1506
Chinese renminbi	0.1359	0.1274
Australian dollar	0.6372	0.6149
Polish zloty	0.2136	0.2304
Hungarian forint	0.0025	0.0026
Argentinian peso	0.0053	0.0011
Mexican peso	0.0479	0.0534
Brazilian real	0.1773	0.1865
Czech koruna	0.0415	0.0404

Average exchange rate (one foreign currency unit = €xx)	2022	2023
US dollar	0.9487	0.9248
Pound sterling	1.1729	1.1495
Chinese renminbi	0.1413	0.1306
Australian dollar	0.6593	0.6141
Polish zloty	0.2135	0.2201
Hungarian forint	0.0026	0.0026
Argentinian peso	0.0053	0.0011
Mexican peso	0.0472	0.0521
Brazilian real	0.1838	0.1851
Czech koruna	0.0407	0.0417

1.3.2 Hyperinflation

The market consensus is that Argentina is a hyperinflationary economy for all the periods presented. The Group has therefore applied the provisions of IAS 29 since January 1, 2018 for its businesses in Argentina.

1.4 Foreign currency transactions

Foreign currency transactions are translated into euro at the exchange rate prevailing at the transaction date. At the year end, foreign currency-denominated monetary assets and liabilities are remeasured at year-end exchange rates. The resulting foreign exchange gains and losses are recorded in net income for the period.

Loans to a foreign subsidiary, the settlement of which is neither planned nor probable in the foreseeable future represent, in substance, a portion of the Group's net investment in this foreign operation. Foreign exchange gains and losses on monetary items forming part of a net investment are recognized directly in other comprehensive income in foreign exchange translation adjustments and are released to net income on the disposal of the net investment.

Exchange gains and losses on foreign currency-denominated borrowings or on currency derivatives that qualify as hedges of a net investment in a foreign operation, are recognized directly in other comprehensive income as foreign exchange translation adjustments. Amounts recognized in other comprehensive income are released to income on the date of disposal of the relevant investment.

Foreign currency-denominated non-monetary assets and liabilities recognized at historical cost are translated using the exchange rate prevailing as of the transaction date. Foreign currency-denominated non-monetary assets and liabilities recognized at fair value are translated using the exchange rate prevailing as of the date the fair value is determined.

Note 2 USE OF MANAGEMENT ESTIMATES IN THE APPLICATION OF GROUP ACCOUNTING STANDARDS

Veolia may be required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and the disclosures of contingent assets and liabilities. Future results may be different from these estimates.

Underlying estimates and assumptions are determined based on past experience and other factors considered as reasonable given the circumstances. They act as a basis for making judgments necessary to the determination of the carrying amount of assets and liabilities, which cannot be obtained directly from other sources. Future values could differ from these estimates.

All these estimates are based on organized procedures for the collection of forecast information on future flows, validated by operating management, and on expected market data based on external indicators and used in accordance with consistent and documented methodologies.

The underlying estimates and assumptions are reviewed on a ongoing basis by the Group. The impact of changes in accounting estimates is recognized in the period the change is made if it affects this period only and in the period the change is made and prior periods if they are also affected by the change.

This is notably the case for impairment testing of assets with an indefinite useful life (goodwill). Note 7 presents the methodology and main assumptions used in preparing the financial statements for the year ended December 31, 2023 and particularly future flow and discount rate assumptions underlying the recoverable amount of these assets. The Group considered in particular the macroeconomic environment, especially for raw materials. Sensitivity analyses were also performed on the goodwill CGUs and certain of them are presented in the aforementioned note.

The items that generally require Management to make estimates or exercise judgment are as follows:

- classification and measurement of assets and liabilities covered by IFRS 5: assessments leading to the application of the standard are reviewed at each reporting date with regard to changes in facts and circumstances (See Note 3);
- measurement of intangible assets and property, plant and equipment (see Notes 7.2 and 7.3);
- measurement of provisions (including for employee commitments), as well as contingent assets and liabilities (Notes 6, 10 and 12);
- fair value measurement of financial instruments (Note 8.3);
- the amount of deferred tax assets and liabilities and the tax expense recognized (Note 11);
- methods used for determining the value of identifiable assets acquired and liabilities assumed in business combinations.

The Group uses several discount rate calculation methodologies for the purposes of these estimates. They are detailed in Notes 6, 7 and 10.

In addition, given its activities in installations covered by the EU Emissions Trading Scheme (EU ETS), the Group paid close attention to its exposure to greenhouse gas emission allowances.

Management policy, accounting treatment and issues are presented in Note 8.3.1.3.

Finally, Veolia must make assumptions and judgments when assessing the level of control exercised over certain investments and particularly when defining relevant activities and identifying substantive rights. These judgments are reassessed when the facts and circumstances change.

Climate risk

In the context of its Purpose and the Green Up strategic program, Veolia has committed to fighting pollution and accelerating ecological transition (see Chapter 4, Section 4.2.4.2.2 below). This commitment can be broken down into several objectives, including combating climate change.

In addition, the Group's activities and those of its customers, due to their nature and geographic locations, may be exposed to risks related to climate change, which are likely to increase the frequency and magnitude of natural disasters.

The Group has integrated the identification of the main climate risks into its accounts closing process, to assess their potential impacts on the financial statements and, in particular, on:

- the useful life of certain assets;
- the value of certain non-current assets, particularly through cash flow estimates incorporating, where appropriate, decarbonizing plans validated by the governance bodies;
- risk estimates to determine the amount of contingency provisions.

These procedures are performed jointly with the Risk Department and the Sustainable Development Department to ensure the consistency of commitments given by the Group and their inclusion in the financial statements.

The main risks identified concern:

- risks related to the physical impacts of climate change (so-called "physical risks"):
  - increased frequency and severity of extreme events such as floods, droughts, etc. and
  - long-term shifts in mean (or "chronic") climate conditions, that may cause sea levels to rise, higher average temperatures, modified seasonal rain patterns, chronic water stress, etc.
- risks related to the transition to a lower-carbon economy (so-called "transition risks") of various types: regulatory, technological, market, reputation. These risks may also generate significant commercial opportunities for the Group.

Through the Group's climate policy, actions taken and the geographic spread of its operations, Veolia limits the impacts of the risk of natural disaster and the physical impacts of climate change on its results, primarily through (i) the choice of a site's location in order to limit exposure, (ii) the implementation of tailored prevention plans and (iii) the development of business continuity plans.

In addition, the residual risk of extreme weather events is usually transferred to insurance companies via the damage program.

With regard to transition risks, the Group is particularly exposed to the Emissions Trading Scheme (EU ETS) introduced by the European Union in 2005, due to the quantity of free allowances granted and the cost of carbon on this market.

To manage this exposure, Veolia was very quick to adopt an active strategy in order to manage its greenhouse gas (GHG) emissions and allowances, by implementing an appropriate structure and creating a special-purpose legal entity to purchase, sell and price different types of greenhouse gas allowances. In addition, the Group also undertook to (i) reduce its GHG emissions, and (ii) increase GHG emissions avoided thanks to its activities, particularly by allocating a significant share of its investment to reducing greenhouse gas emissions.

Finally, the Group investment validation process includes a review of the consistency of investments with the objectives set out in its Purpose. At the COP 28 in Dubai, Veolia reaffirmed its commitment to invest €1.6 billion by 2030 to phase out coal in Europe, by converting coal-based power generation assets to less carbon-intensive energies and local energies in particular. At the end of 2023, Veolia had already invested €529 million to this end. This commitment is also taken into account when drafting the long-term plans used in the impairment testing of assets with an indefinite useful life (goodwill).

Veolia considers the assessment of climate risks to be consistent with the commitments given by the Group. The inclusion of climate risks did not have a material impact on the financial statements of the Group in 2023.

Note 3 CONSOLIDATION SCOPE

3.1 Accounting principles relating to the consolidation scope

3.1.1 Consolidation principles

Consolidated entities

Veolia Environnement fully consolidates all entities over which it exercises control.

Definition of control

Control exists when the Group (i) holds power over an entity, (ii) is exposed or has rights to variable returns from its involvement with the entity and (iii) has the ability to use its power over the entity to effect the amount of its returns.

The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the elements of control.

Full consolidation

The Group consolidates a subsidiary in its consolidated financial statements from the date it obtains control of the entity to the date it ceases to control the entity.

Interests that are not directly or indirectly attributable to the Group are recorded in non-controlling interests.

Total comprehensive income of subsidiaries is attributed to owners of the Company and to non-controlling interests, even if this results in non-controlling interests having a deficit balance.

Change in ownership interests in consolidated subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in a change in control over the subsidiaries are accounted for as equity transactions, as they are transactions performed by shareholders acting in this capacity.

The effects of these transactions are recognized in equity at their net-of-tax amount and do not therefore impact the Consolidated Income Statement of the Group.

These transactions are presented in financing activities in the Consolidated Cash Flow Statement.

Investments in joint ventures and associates

Definition

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the entity have rights to its net assets.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Accounting for joint ventures and associates

The results and assets and liabilities of associates or joint ventures are incorporated in the Group consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with the provisions of IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

Under the equity method, the investment in the associate or joint venture is initially recognized at acquisition cost and subsequently adjusted, notably to recognize the Group's share of the net income and other comprehensive income of the associate or joint venture.

When a Group entity transacts with an associate or joint venture of the Group, profits and losses resulting from the transaction with the associate or joint venture are recognized in the Group consolidated financial statements only to the extent of interests in the associate or joint venture.

The share of net income (loss) of equity-accounted entities is included in the Group Consolidated Income Statement. Pursuant to recommendation no. 2013-01 issued by the French Accounting Standards Authority (Autorité des Normes Comptables, ANC) on April 4, 2013, the share of net income (loss) of equity-accounted entities must be included in "Operating income after share of net income (loss) of equity-accounted entities" or presented in a separate line "Share of net income (loss) of other equity-accounted entities" depending on whether the activities of such entities represent an extension of the Group's businesses.

Impairment tests

When necessary, the carrying amount of the investment in associates or joint-ventures (including goodwill) is tested for impairment in accordance with IAS 36, Impairment of Assets.

Loss of significant influence or joint control

The equity method is discontinued from the date the investment ceases to be an associate or a joint venture. Where the Group retains a residual interest in the entity and that interest is a financial asset, the financial asset is measured at fair value at the date the investment ceases to be an associate or a joint venture.

Where an investment in an associate becomes an investment in a joint venture, or vice versa, the equity method continues to be applied and the change in ownership interest does not trigger remeasurement to fair value.

Investments in joint operations

Definition

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have direct rights to the assets, and obligations for the liabilities, relating to the arrangement.

Accounting for joint operations

As a joint operator in a joint operation, the Group recognizes in relation to its interest in the joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its expenses, including its share of any expenses incurred jointly.

3.1.2 Transactions impacting the consolidation scope

Business combinations and goodwill

Business combinations are recorded in accordance with the acquisition method as defined in IFRS 3, revised.

Under this method, identifiable assets acquired and liabilities assumed of the acquiree are recorded at fair value at the acquisition date.

The goodwill arising from the business combination is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest and, where applicable, the fair value of any previously held interest, over the acquisition-date net amounts of the identifiable assets acquired and liabilities and contingent liabilities assumed.

This goodwill is measured in the functional currency of the company acquired and recognized in assets in the Consolidated Statement of Financial Position.

The Group may elect, on an individual transaction basis, at the acquisition date, to measure non-controlling interests either at fair value (full goodwill) or at the share in the fair value of the identifiable net assets of the company acquired (partial goodwill).

Pursuant to IFRS, goodwill is not amortized but is subject to impairment tests performed at least annually or, where appropriate, more frequently where there is evidence calling into question the net carrying amount recorded in assets in the Statement of Financial Position.

Where the terms and conditions of a business combination are advantageous, negative goodwill arises. The corresponding profit is recognized in net income at the acquisition date.

Acquisition-related costs are expensed in the period in which the costs are incurred and the services received.

Pursuant to the provisions of IFRS 3 revised, the Group may finalize the recognition of the business combination during the measurement period. This period ends when all the necessary information has been obtained and no later than one year after the acquisition date.

Assets/liabilities classified as held for sale, discontinued operations

IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, sets out the accounting treatment applicable to assets held for sale and presentation and disclosure requirements for discontinued operations.

The standard notably requires the separate presentation of assets held for sale in the Consolidated Statement of Financial Position at the lower of net carrying amount and fair value less costs to sell, where the criteria set-out in the standard are satisfied.

When the Group is committed to a sales process leading to the loss of control of a subsidiary, all assets and liabilities of that subsidiary are reclassified as held for sale where the standard classification criteria are met, irrespective of whether the Group retains a residual interest in the entity after sale.

In addition, the standard requires the separate presentation in the Consolidated Income Statement of the results of discontinued operations for all comparative periods on a retrospective basis.

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and :

- represents a separate major line of business or geographic area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or major geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

3.2 Main changes in Group structure

Entry into consolidation scope

Consolidation of Lydec (Morocco)

On January 1, 2023, the local authorizations needed for the transfer of the Lydec securities to New Suez could not be obtained, rendering the sale provided for in the Share and Asset Purchase Agreement (SAPA) null and void. The Lydec securities are therefore no longer classified under IFRS 5 from January 1, 2023.

At the same time there were a number of changes to Lydec's governance, with the resignation of the Suez (Consortium) representatives, effective January 25, 2023. Pursuant to IFRS, this event and the rights and obligations under the Moroccan hold separate status led to the consolidation of Lydec's contribution from this date.

On June 15, 2023, the Moroccan Competition Authorities notified the Company of its grievances regarding, in particular, the aborted sale of its stake to New Suez initially provided for in the Share and Asset Purchase Agreement (SAPA). The Group addressed its written observations in response to the Moroccan Competition Authorities on July 18, 2023.

On November 13, 2023, the Moroccan Competition Authorities accepted Veolia's request for a settlement procedure. This involves in particular proposing a solution to the Authorities satisfying its competition concerns before January 15, 2024.

In this context, the Group is actively continuing its discussions with the Competition Authorities and the Delegating Authority to examine various possible arrangements. The January 15 deadline was extended to allow the parties to find a satisfactory solution.

The analyses conducted by the Group and its advisors of the various decisions issued do not call into question the analysis of control pursuant to IFRS of Lydec by Veolia as of December 31, 2023.

Accordingly, pursuant to IFRS 3, the purchase price allocation process was finalized during the period resulting primarily in the recognition of an intangible asset in respect of the concession arrangement operated by Lydec in Casablanca.

Acquisitions

Acquisition of the subsidiaries Reciclados La Red and Banales III (Spain)

On January 10, 2023, the Group acquired the subsidiaries Reciclados La Red S.LL and Banales III located in Madrid and Seville, respectively, for a total of €54 million. These subsidiaries are active in plastic recovery and recycling in Spain.

Acquisition of U.S. Industrial Technologies (USA)

On October 31, 2023, the Group finalized, through its subsidiary VES Technical Solutions LLC in the United States, the acquisition of U.S. Industrial Technologies, a hazardous waste processing company, for €58 million. This acquisition allows the Group to expand into hazardous waste activities in the United States and contributes to the Group's ecological transformation objectives.

Divestitures

Divestiture of Advanced Solutions (USA)

Advanced Solutions provides water infrastructure and asset management services to municipal and commercial customers across the United States. On February 23, 2023, operating subsidiaries were sold for a total of €84 million.

This activity was recorded in assets and liabilities classified as held for sale as of December 31, 2022.

Completion of the divestiture of Suez hazardous waste activities (France)

Following the signature of a partnership agreement on January 27, 2023, the sale of the final activities by SARPI to Suez was completed for a consideration of €49 million.

This activity was recorded in assets and liabilities classified as held for sale as of December 31, 2022.
This transaction completes the divestitures required under the antitrust remedies agreed with the European Commission in the context of the Veolia-Suez combination.

Divestiture of WTS's O&M activities (United Kingdom)

The divestiture of Suez's industrial water operations and maintenance business in the United Kingdom to SAUR was completed on February 15, 2023 for €15 million.

Divestiture of Italian water concessions (Italy)

On October 16, 2023, the Group completed the divestiture of Italian water concessions in the Latium and Sicily regions for €74 million.

Completion of the Suez business combination

Acquisition of Suez - Final payments under the Share and Asset Purchase Agreement (SAPA)

The final amounts in respect of the completion accounts and the outstanding earn-outs for the 2022 transaction in accordance with the SAPA, were finalized in the agreement between Suez and Veolia Environnement dated March 3, 2023:

- The net amount in respect of the completion accounts and closing statements was paid to Veolia on March 24, 2023 in the amount of €106 million.
- The final amount of the earn-out was paid by Suez to Veolia on June 30, 2023 for €284 million.

3.3 Assets classified as held for sale, discontinued operations and divestitures

3.3.1 Discontinued operations

In the Consolidated Income Statement presented for comparative purposes, the net income (loss) of operations divested or in the course of divestiture was reclassified to "Net income (loss) from discontinued operations".

In **2023**, they mainly concern the EPC (Engineering, Procurement, Construction) business, discontinued in all geographies.

3.3.2 Assets and liabilities classified as held for sale

Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale are presented separately in the Group Consolidated Statement of Financial Position as follows:

(€ million)	As of December 31, 2022	As of December 31, 2023
Assets classified as held for sale	651	650
Liabilities directly associated with assets classified as held for sale	355	560

As of December 31, 2023, assets classified as held for sale and Liabilities directly associated with assets classified as held for sale break down by operating segment as follows:

(€ million)	France & special waste Europe	Europe excluding France	Rest of the World	Water technologies	Other	Total
Assets						
Non-current assets	177	3	-	-	-	180
Current assets	319	-	-	-	-	319
Cash and cash equivalents	151	-	-	-	-	151
ASSETS CLASSIFIED AS HELD FOR SALE	**647**	**3**	**-**	**-**	**-**	**650**
Liabilities						
Non-current liabilities	51	-	-	-	-	51
Current liabilities	509	-	-	-	-	509
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**560**	**-**	**-**	**-**	**-**	**560**

As of December 31, 2023, these assets and liabilities mainly concern the current divestiture of SADE CGTH group entities, a wholly-owned subsidiary specialized in water network and infrastructure construction and rehabilitation. A unilateral purchase commitment was signed on November 27, 2023 with the NGE group, an independent public works group.

As of December 31, 2022 represented, Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale, break down by operating segment as follows:

(€ million)	France & special waste Europe	Europe excluding France	Rest of the World	Water technologies	Other	Total
Assets						
Non-current assets	58	-	248	-	198	504
Current assets	18	-	125	-	-	143
Cash and cash equivalents	2	-	2	-	-	4
ASSETS CLASSIFIED AS HELD FOR SALE	**78**	**-**	**375**	**-**	**198**	**651**
Liabilities						
Non-current liabilities	2	-	8	-	-	10
Current liabilities	21	-	325	-	-	346
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**23**	**-**	**332**	**-**	**-**	**355**

As of December 31, 2022, these assets and liabilities mainly comprise:

- In the France and Special Waste Europe segment, part of Suez's hazardous waste landfill activities;
- in the Rest of the world segment, Advanced Solutions LLC, a water infrastructure maintenance and refurbishment service provider in the United States;
- in the Other segment, Lydec non-consolidated securities, a Moroccan subsidiary of Suez Group which manages water and electricity distribution, wastewater and rainwater collection and public lighting in the city of Casablanca, acquired for a total value of €101 million.
  The investment is recorded in non-consolidated securities held for sale due to the acquisition agreement between the Consortium of investors comprising Meridiam, GIP, CDC and CNP Assurances, and Veolia which stipulates that the investment in Lydec must be resold to the Consortium by December 31, 2022.

As of January 1, 2023, the local authorizations necessary for the transfer of the Lydec securities could not be obtained, rendering the sale provided for in the Share and Asset Purchase Agreement (SAPA) null and void.

3.4 Off-balance sheet commitments relating to the consolidation scope

3.4.1 Commitments given

Off-balance sheet commitments given break down as follows:

			Maturing in		
(€ million)	As of December 31, 2022	As of December 31, 2023	Less than 1 year	1 to 5 years	More than 5 years
Vendor warranties	233	285	58	144	83
Securities purchase commitments	5	310	308	-	2
Sale commitments	-	-	-	-	-
Other commitments relating to the consolidated scope	1	1	1	-	-
TOTAL COMMITMENTS GIVEN RELATING TO THE CONSOLIDATED SCOPE	**239**	**596**	**366**	**144**	**85**

Securities purchase commitments concern current acquisition processes, including one acquisition in Europe (€307 million).

3.4.2 Commitments received

Commitments received relating to the consolidated scope total €202 million as of December 31, 2023, compared with €466 million as of December 31, 2022. This decrease is mainly due to the expiry of the €244 million guarantee received by Veolia Ceska Republika on the acquisition of Prague Rive Droite in 2018.

Note 4 REPORTING BY OPERATING SEGMENT

The operating segments are components of the Group that engage in activities and whose operating results are reviewed by the Chief Executive Officer (Chief Operating Decision Maker) to make decisions about resources to be allocated to the segment and assess its performance. Information presented to the Chief Operating Decision Maker is taken from the Group internal reporting system.

Financial information by operating segment is prepared in accordance with the same rules used to prepare the Consolidated Financial Statements.

In 2022, the Group reviewed its governance and management structure due to the integration of the Suez scope and the separation of the duties of Chairman of the Board of Directors and Chief Executive Officer. This led to a managerial system based on eight resized geographic zones.

In accordance with the provisions of IFRS 8 on the identification of operating segments and after taking account of regrouping criteria, the operating segments presented are the following:

- France and Special Waste Europe;
- Europe excluding France;
- Rest of the world;
- Water technologies, which groups together global water treatment activities: Veolia Water Technologies and Water Technologies & Solutions (WTS);
- Other, including Holding companies.

The EBITDA indicator comprises the sum of all operating income and expenses received and paid (excluding restructuring costs, non-current impairment losses, renewal expenses and share acquisition and disposal costs) and principal payments on operating financial assets.

The main financial indicators by operating segment are as follows:

2023

(€ million)	France & special waste Europe	Europe excluding France	Rest of the World	Water technologies	Other	Total consolidated financial statements
Revenue	9,726	19,000	11,907	4,707	12	**45,351**
EBITDA	1,338	2,599	1,925	534	148	**6,543**
Operating income after share of net income (loss) of equity-accounted entities	359	1,389	811	306	-18	**2,847**
Industrial investments net of subsidies	-553	-1,201	-1,171	-162	-53	**-3,140**

2022

(€ million)	France & special waste Europe	Europe excluding France	Rest of the World	Water technologies	Other (*)	Total consolidated financial statements
Revenue	9,666	17,850	11,196	4,561	-388	**42,885**
EBITDA	1,418	2,373	1,831	496	78	**6,196**
Operating income after share of net income (loss) of equity-accounted entities	445	1,075	770	323	-280	**2,333**
Industrial investments net of subsidies	-507	-966	-1,164	-179	33	**-2,784**

(*) Includes the restatement of the first 17 days in January of the contribution of Suez activities (pre-acquisition) in the amount of - €400 million in revenue, -€49 million in EBITDA and -€11 million in operating income. The restatement was allocated in full to the Other segment.

Assets and liabilities break down by operating segment as follows:

As of December 31, 2023

Assets by operating segment (€ million)	France & special waste Europe	Europe excluding France	Rest of the World	Water technologies	Other	Total consolidated financial statements
Goodwill, net	2,178	3,580	3,959	1,836	3	11,556
Intangible assets and Property, Plant and equipment, net	3,374	10,225	11,636	2,119	133	27,487
Operating financial assets	157	794	441	1	-	1,393
Working capital assets, including DTA	4,552	5,647	5,095	2,663	-2	17,955
Investments in joint ventures	20	25	1,065	-	-	1,110
Investments in associates	30	385	150	36	2	603
TOTAL SEGMENT ASSETS	10,311	20,656	22,346	6,655	136	60,104
Oher unallocated assets	-	-	-	-	12,462	12,462
TOTAL ASSETS						72,566

As of December 31, 2022

Assets by operating segment (€ million)	France & special waste Europe	Europe excluding France	Rest of the World	Water technologies	Other	Total consolidated financial statements
Goodwill, net	2,262	3,527	3,943	1,903	3	11,638
Intangible assets and Property, Plant and equipment, net	3,446	9,690	11,487	2,232	146	27,000
Operating financial assets	102	829	444	1	0	1,377
Working capital assets, including DTA	4,823	5,471	4,885	2,630	261	18,070
Investments in joint ventures	19	70	1,109	-	-	1,198
Investments in associates	27	543	159	37	21	787
TOTAL SEGMENT ASSETS	10,678	20,130	22,027	6,803	430	60,069
Oher unallocated assets	-	-	-	-	13,235	13,235
TOTAL ASSETS						73,304

As of December 31, 2023

Liabilities by operating segment (€ million)	France & special waste Europe	Europe excluding France	Rest of the World	Water technologies	Other	Total consolidated financial statements
Concession liabilities	174	1,689	148	-	1	2,012
Provisions for contingencies and losses	921	690	1,084	401	716	3,812
IFRS 16 lease debt	551	626	564	157	102	2,000
Working capital liabilities, including DTL	5,714	6,899	6,202	3,098	470	22,383
TOTAL SEGMENT LIABILITIES	7,360	9,904	7,998	3,656	1,289	30,207
Other unallocated liabilities	-	-	-	-	42,359	42,359
TOTAL LIABILITIES						72,566

As of December 31, 2022

Liabilities by operating segment (€ million)	France & special waste Europe	Europe excluding France	Rest of the World	Water technologies	Other	Total consolidated financial statements
Concession liabilities	191	1,602	131	-	-	1,924
Provisions for contingencies and losses	980	736	1,079	436	628	3,860
IFRS 16 lease debt	661	610	624	172	86	2,153
Working capital liabilities, including DTL	6,382	6,474	5,788	2,993	478	22,115
TOTAL SEGMENT LIABILITIES	8,215	9,422	7,622	3,601	1,192	30,051
Other unallocated liabilities	-	-	-	-	43,253	43,253
TOTAL LIABILITIES						73,304

In application of IFRS 8.33, revenue by geography is as follows:

(€ millions)	2022	% of 2022 revenue	2023	% of 2023 revenue
Revenue	**42,885**	**100.0%**	**45,351**	**100.0%**
France	8,880	20.7%	9,232	20.4%
United States	4,567	10.6%	4,749	10.5%
Poland	2,141	5.0%	3,145	6.9%
Germany	2,841	6.6%	2,911	6.4%
United Kingdom	3,762	8.8%	2,823	6.2%
Spain	2,451	5.7%	2,626	5.8%
Czech Republic	1,862	4.3%	2,286	5.0%
Australia	2,034	4.7%	1,974	4.4%
Morocco	792	1.8%	1,397	3.1%
Hungary	1,186	2.8%	1,379	3.0%
Italy	1,320	3.1%	1,169	2.6%
Belgium	1,035	2.4%	1,145	2.5%
China	1,156	2.7%	1,107	2.4%
Chile	762	1.8%	862	1.9%
Slovakia	395	0.9%	702	1.5%
Japan	571	1.3%	562	1.2%
Hong Kong	501	1.2%	557	1.2%
Other amounts < €500 million in 2023	6,629	15.5%	6,726	14.8%

The EBITDA indicator reconciles with operating cash flow for fiscal years 2023 and 2022, as follows:

(€ million)		December 31, 2022	December 31, 2023
Operating cash flow before changes in working capital	**(A)**	**4,804**	**5,582**
o/w Operating cash flow from financing activities	(B)	-229	-134
o/w Adjusted operating cash flow	**(C)= (A)-(B)**	**5,034**	**5,715**
Less :	(D)		
Renewal expenses		303	303
Restructuring costs		224	84
Share acquisition and disposal costs		201	30
Other items		239	178
Plus :	(E)		
Principal payments on operating financial assets		195	233
EBITDA	(C)+(D)+(E)	6,196	6,543

Note 5 OPERATING ACTIVITIES

The main environmental services carried out by Veolia in its business lines are:

- water: drinking water treatment and distribution, wastewater treatment and the sale of water treatment equipment, technologies and facilities;
- waste: waste collection, product recovery and waste-to-energy processing (including the sale of recycled products), dismantling and hazardous waste processing;
- energy: heating and cooling networks, thermal and multi-technical services, industrial utilities, installation and maintenance of production equipment, and integrated services for the comprehensive management of buildings.

Environmental services also include the design, construction and, where applicable, funding of necessary facilities to supply such services which are provided to industrial and service sector companies, public authorities and private individuals.

The range of business models used by the Group results in a variety of contractual forms specific to each business and adapted to local jurisdiction constraints and the nature and needs of customers (public or private).

The Group primarily conducts its activities under concession, construction (non-concession), lease and operation and maintenance contracts.

Concession arrangements (IFRIC 12)

In the conduct of its activities, Veolia provides collective general interest services (distribution of drinking water and heating, household waste collection and/or processing, etc.). These services are generally managed by Veolia under contracts entered into at the request of public sector bodies, which retain control over these collective services.

Concession arrangements involve the transfer of operating rights for a limited period, under the control of the local authority, using dedicated facilities built by Veolia, or made available to it for or without consideration:

- these contracts define “public service obligations” in return for remuneration. The remuneration is based on operating conditions, continuity of service, price rules and obligations with respect to the maintenance/replacement of installations. The contract determines the conditions for the transfer of installations to the local authority or a successor at its term;
- Veolia can, in certain cases, be responsible for a given service as it holds the service support network (water/heat distribution network, wastewater treatment network). Such situations are the result of full or partial privatizations. Provisions impose public service obligations and the means by which the local authority may recover control of the concession holder.

These contracts generally include price review clauses. These clauses are mainly based on cost trends, inflation, changes in tax and/or other legislation and occasionally on changes in volumes and/or the occurrence of specific events changing the profitability of the contract.

In addition, the Group generally assumes a contractual obligation to maintain and repair facilities managed under public service contracts.

The nature and extent of the Group’s rights and obligations under these different contracts differ according to the public services rendered by the different Group businesses: Water, Waste, Energy.

Water

In France, these services are primarily rendered under public service delegation “affermage” contracts with a term of 8 to 20 years. They can use specific assets, such as distribution or wastewater treatment networks and drinking water or wastewater treatment plants, which are generally provided by the concession grantor and returned to it at the end of the contract.

Abroad, Veolia renders its services under contracts which reflect local legislation, the economic situation of the country and the investment needs of each partner. These contracts generally have a term of between 7 and 40 years. Contracts can also be entered into with public entities in which Veolia purchased an interest on their partial privatization. The profitability of these contracts is not fundamentally different from other contracts, but operations are based on a partnership agreement with the local authority.

Waste

Both in France and abroad, the main concession arrangements entered into by Veolia concern the processing and recovery of waste in sorting units, landfills and incineration plants. These contracts have an average term of 10 to 30 years.

Energy

The main contracts concern the management of heating and air-conditioning networks under urban concessions or on behalf of local authorities.

In Eastern Europe, Veolia provides services under mixed partial privatizations or through public-private partnerships with public authorities responsible for the production and distribution of thermal energy.

The characteristics of these contracts vary significantly depending on the country and activities concerned.

Financial asset model

The Group applies the financial asset model for the accounting recognition of these concession arrangements, independently of service or infrastructure use by customers, when the concession grantor contractually guarantees the payment of amounts specified or determined in the contract or the shortfall, if any, between amounts received from users of the public service and amounts specified or determined in the contract.

Financial assets resulting from the application of IFRIC 12 are recorded in the Consolidated Statement of Financial Position under the heading “Operating financial assets” and recognized at amortized cost.

Unless otherwise indicated in the contract, the effective interest rate (EIR) is equal to the weighted average cost of capital of the entities carrying the assets concerned.

Cash flows relating to these operating financial assets are included in Net cash from (used in) investing activities in the Consolidated Cash Flow Statement.

Pursuant to IFRS 9, an impairment loss is recognized if the carrying amount of these assets exceeds the present value of future cash flows discounted at the initial EIR.

Revenue associated with this financial model includes:

- revenue recorded on a completion basis, in the case of construction operating financial assets (in accordance with IFRS 15);
- the remuneration of the operating financial asset recorded in revenue from operating financial assets (excluding principal payments);
- service remuneration.

Intangible asset model

The intangible asset model applies when the Group is paid by users or when the concession grantor has not provided a contractual guarantee in respect of the recoverable amount, regardless of service or infrastructure use by customers. The intangible asset corresponds to the right granted by the concession grantor to the operator to charge users of the public service in remuneration of concession services provided by the operator under the concession arrangement.

Intangible assets resulting from the application of IFRIC 12 are recorded in the Consolidated Statement of Financial Position under the heading "Concession intangible assets", as described in Note 7.2.1, and generally amortized on a straight-line basis over the term of the agreement.

Cash outflows, that is disbursements, relating to the construction of infrastructures under concession arrangements accounted using the "intangible asset model" are presented in Net cash from (used in) investing activities in the Consolidated Cash Flow Statement, while cash inflows are presented in Net cash from operating activities.

Under the intangible asset model, revenue includes:

- revenue recorded on a completion basis for assets and infrastructure under construction (in accordance with IFRS 15);
- service remuneration.

Mixed or bifurcation model

The choice of the financial asset or intangible asset model depends on the existence, or not, of payment guarantees granted by the concession grantor, independently of service or infrastructure use by customers.

However, certain contracts may include a payment commitment on the part of the concession grantor covering only part of the investment, with the remaining balance covered by the remuneration from services charged to users.

Where this is the case, the investment amount guaranteed by the concession grantor is recognized under the financial asset model and the residual balance is recognized under the intangible asset model.

Recognition of concession arrangements where existing infrastructures are made available to the Group by the concession authority in return for payment of fees

On the signature of certain concession arrangements, the infrastructures necessary to the operation of the concession already exist and are owned by the delegating authority. In such cases, the infrastructures are generally made available to the concession holder for the term of the concession arrangement in return for payments to the delegating authority for the right to use these infrastructures under the concession.

In July 2016, the IFRS Interpretations Committee clarified the appropriate accounting treatment when the concession holder is required to make fixed payments to the delegating authority for the provision of pre-existing infrastructure.

These fixed payments give rise to:

- the recognition of a liability equal to the present value of payments over the term of the concession arrangement;
- offset by the recognition of an intangible asset, where the concession arrangement is recognized using the intangible asset model, representing the right to charge users of the public service.

Payments satisfying this definition within the Group mainly concern concession arrangements recognized using the intangible asset model in Central Europe.

Public sector activities performed using Veolia-owned infrastructure

Veolia provides drinking water and/or wastewater systems and heating network (production and/or distribution) public services in certain jurisdictions where it owns production and/or distribution assets.

The tariffs charged to users by the Group are governed by the competent authorities in accordance with methods specific to each geography.

This is particularly the case:

- in the United States and Chile, in the water and wastewater management sector where activities are highly capital intensive, a factor incorporated into the remuneration mechanism granted to the operator;
- in countries in Central and Eastern Europe, where Veolia is responsible for the production and/or distribution of thermal energy (heating networks) following full or partial privatizations, but remains subject to local authority control when determining heating tariffs.

Revenue from these activities is recognized progressively, as the services are performed.

Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets (complex sections of installations, equipment) that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose.

This type of contract is often used for design and build contracts for infrastructure necessary for water treatment/distribution and wastewater treatment activities. These contracts are entered into with local authorities or private partners for the construction of infrastructures. They are generally fixed-price contracts.

The Group's construction revenues are mainly recognized on a completion basis.

The percentage of completion is determined by comparing costs incurred at the period end with total estimated costs under the contract. Costs incurred comprise costs directly attributable to the contract and borrowing costs incurred up to completion of the work. However, prospection costs, costs incurred prior to contract signature, and administrative and selling costs are expensed in the period incurred and do not therefore contribute to contract completion.

Where total contract costs exceed total contract revenue, the Group recognizes a loss to completion as an expense of the period, irrespective of the stage of completion and based on a best estimate of forecast results including, where appropriate, rights to additional income or compensation, where they are highly probable and can be determined reliably. Provisions for losses to completion are recorded as liabilities in the Consolidated Statement of Financial Position.

The amount of revenue recognized on a completion basis less intermediary billings is determined on an individual contract basis. Where positive, this amount is recognized in assets in “Amounts due from customers for construction contract work” (in “Other operating receivables” as a contract asset). Where negative, it is recognized in liabilities in “Amounts due to customers for construction contract work” (in “Other operating payables” as a contract liability). Any loss to completion is recognized immediately through a provision.

Partial payments received under construction contracts before the corresponding work has been performed, are recognized as liabilities in the Consolidated Statement of Financial Position under “Other operating payables”.

Service contracts including a lease

These contracts generally concern outsourcing services performed for industrial/private customers either under BOT (Build, Operate and Transfer) contracts, or incineration or cogeneration contracts under which, notably, demand or volume risk is, in substance, transferred to the prime contractor.

Services include the design, construction and financing of the construction of a specific asset/installation on behalf of the customer and the operation of the asset concerned.

These contracts are recognized in accordance with the principles set out in IFRS 16 (see Note 5.4).

Accordingly, construction revenue is recognized in accordance with the percentage of completion method and, more generally, the principles set out in IFRS 15.

The service invoiced to the customer includes a component representing the operation of the specific asset/installation concerned and a second component representing the financing of the construction.

- revenue relating to the operation of the asset is recognized on delivery of the goods or performance of the service, in accordance with IFRS 15;
- the financing of construction work involves finance costs that are invoiced to the customer and recognized in revenue. This interest is recognized in revenue from the start of construction work and represents remuneration received by the builder/lender.

Operation and maintenance contracts

The services rendered by Veolia do not systematically require the construction or acquisition of new infrastructure and can be provided through a variety of contractual forms tailored to the objectives and choices of customers. These services may particularly take the form of contracts for the operation and/or maintenance of installations already owned by the customer or service contracts aimed at improving the performance of these installations.

Accordingly, Veolia operates waste-to-energy plants, water production and/or distribution installations and heating networks under this type of contract recognized in accordance with IFRS 15.

5.1 Revenue

Group revenue is recognized for the amount the Group expects to receive in consideration for the transfer of control of goods and services.

The following table presents the revenue recognition method, rate and unit for the main environmental services provided by the Group:

	Contract					Revenue		
Environmental service	Concession	Public sector activities performed using Veolia-owned infrastructure	Construction	Services including an asset lease	Operation & maintenance	Revenue recognition method	Revenue recognition rate	Revenue measurement unit
Waste processing, water distribution, network operation, thermal services	●	●		●	●	Progressively	When the customer receives the benefit of the service	m3 of water, metric ton of waste processed, Gwh, etc.
Sale of equipment, sale of recycled products	●	●		●	●	At a point in time	On physical delivery of the goods	Quantity sold
Design and build of infrastructures	●		●	●		Progressively	As the customer obtains control of the asset being built	Completion basis

Infrastructure maintenance and renewal services

Installation maintenance and renewal services rarely represent a separate performance obligation. Nonetheless, a separate performance obligation may be identified in respect of maintenance services in concession arrangements recognized using the financial asset model or operating contract, depending on the obligations contained in the contracts and the related remuneration terms.

Services on behalf of third parties

Few of the Group's activities are concerned by this provision and primarily combined energy purchase and distribution services.

For this type of contract, the Group identifies whether it is acting on its own behalf (principal: recognition of gross revenue) or on behalf of a third party (agent: recognition of the margin), by analyzing in particular whether the Group has primary responsibility for performance of the service and whether it can freely set the price paid by the end customer.

Variable compensation

Variable consideration provided in contracts with customers can take several forms: rebates, discounts, penalties, incentives, performance bonuses. They are assessed on contract inception to determine the revenue amount to be recognized, applying either the expected value method or the most probable amount method.

Revenue by business

As for other Income Statement headings, revenue does not include amounts relating to discontinued operations in accordance with IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations. The results of these activities are presented in a separate line, "Net income (loss) from discontinued operations", for fiscal year 2023 and fiscal year 2022 presented for comparison purposes (see Note 3.3).

Revenue breaks down by business as follows:

(€ million)	2022	2023
Water [(1)]	17,238	18,409
Waste [(1)]	15,795	14,683
Energy [(1)]	10,253	12,260
Others*	-400	-
GROUP	**42,885**	**45,351**

(*) In 2022, the Other line solely includes the restatement of the first 17 days in January of the contribution of Suez activities (pre-acquisition) in the amount of - €400 million and cannot be compared to the "Other" operating segment in Note 4.
(1) In 2022, €1,022 million was reclassified from Water operations to Energy and €7 million was reclassified from Waste to Energy, mainly corresponding to Braunschweiger Versorgungs-AG (BVAG) revenue.

A breakdown of revenue by operating segment and region is presented in Note 4.

Backlog

The backlog, as required by IFRS 15, is equal to firm revenue as contracted with customers, where the services have not yet been performed, or are only partially performed, at the reporting date.

After taking account of the exceptions provided in the standard (contracts with a term of less than one year, concession arrangements and service agreements), the backlog therefore primarily consists of revenue from VWT Engineering & Procurement projects, with an average contractual period of 2 to 3 years and WTS construction contracts, equipment sales and engineering work.

As of December 31, 2023, expected revenue is as follows:

(€ million)	Total	2024	2025 and beyond
Backlog	2998	1624	1374

5.2 Operating income

Operating income breaks down as follows:

(€ million)	Year ended December 31, 2022	Year ended December 31, 2023
Revenue	**42,885**	**45,351**
Cost of sales	**-35,740**	**-37,852**
o/w :		
• Renewal expenses	-303	-303
Selling costs	**-954**	**-998**
General and administrative expenses	**-3,216**	**-3,336**
Other operating revenue and expenses	**-769**	**-441**
o/w :		
• Restructuring costs (*)	-116	-76
• (Impairment)/Reversal of impairment of goodwill	-69	-2
• Employee costs - share-based payments, excluding social security contributions	-54	-56
• Other non-current charges, impairment losses and net provisions (**)	-444	-297
• Share acquisition costs	-87	-10
Operating income before share of net income (loss) of equity-accounted entities	**2,206**	**2,724**
Share of net income (loss) of equity-accounted entities	**127**	**123**
Operating income after share of net income (loss) of equity-accounted entities	**2,333**	**2,847**

(*) A breakdown of restructuring costs is presented in Note 5.2.2 below.
(**) See Note 5.2.1 below.

As of December 31, 2023, other expenses mainly concern:

- integration costs incurred in connection with the Suez combination of -€100 million;
- provision of asset impairment, particularly in China (-€20 million);
- costs of -€18 million (excluding interest but compensated by a provision release of 19 millions d'euros) following the final arbitration decision issued by the Stockholm Chamber of Commerce ("SCC") in respect of the Lithuania dispute;
- costs relating to the Flint dispute in the United States, of -€22 million, following a settlement agreement reached between the parties at the beginning of February 2024 (see Note 12).

5.2.1 Breakdown of provisions and impairment losses on non-current assets

The carrying amount of non-financial assets, other than inventory and deferred tax assets is reviewed at each period end in order to assess the existence of any indication of loss in value (non-performance of a significant long-term contract under the terms laid down in the contract, technical operating issues, and counterparty default for operating financial assets, etc.). Where such indication exists, the recoverable amount of the asset or group of assets is estimated.

The need to recognize impairment is assessed by comparing the net carrying amount of these assets with their recoverable amount. Unless there are future prospects for the sale of these assets, the recoverable amount corresponds to their value in use, generally equal to the present value of the future cash flows expected to be derived from the asset or group of assets, taking account of any residual value. The value in use of these assets is determined based on assumptions consistent with those adopted for impairment testing of goodwill and other intangible assets with an indefinite useful life (see Note 7.1.2).

Goodwill and other assets with an indefinite useful life are subject to systematic annual impairment tests following the update of the long-term plan and more frequent tests where there is an indication of loss in value.

Where the resulting recoverable amount is less than the net carrying amount of the asset or group of assets, an impairment is recorded.

Impairment losses on non-current assets can be reversed, with the exception of those relating to goodwill.

Other expenses, impairment losses and charges to non-current provisions in **2023** break down as follows:

- impairment losses on intangible assets, property, plant and equipment and operating financial assets of -€135 million, recognized particularly in the Europe excluding France segment for -€63 million and the Rest of the world segment for -€62 million;
- other expenses and charges to non-current provisions of -€162 million, recognized particularly in the Rest of the World segment for -€57 million and the Other segment for -€77 million.

Other expenses, impairment losses and charges to non-current provisions in **2022** primarily comprise:

- impairment losses on intangible assets, property, plant and equipment and operating financial assets of -€171 million, recognized particularly in the Rest of the world segment for -€138 million;
- other expenses and non-current provisions of -€273 million, recognized particularly in the Other segment for -€127 million.

More generally, operating depreciation, amortization, provisions and impairment losses included in operating income in 2023 break down as follows:

	2022	2023		
(€ million)	Net	Charge	Reversal	Net
OPERATING DEPRECIATION, AMORTIZATION AND PROVISIONS, NET				
Depreciation and amortization	**-3,057**	**-3,046**	**-3**	**-3,049**
Property, Plant and equipment [(1)]	-1,439	-1,425	-3	-1,428
Intangible assets	-1,049	-1,069	-	-1,069
Rights of use	-570	-552	-	-552
Impairment losses	**-171**	**-187**	**52**	**-135**
Property, Plant and equipment	-149	-129	43	-86
Intangible assets and Operating financial assets	-18	-56	8	-48
Rights of use	-3	-2	1	-1
Impairment losses and impact of disposals on goodwill and negative goodwill recognized in the Consolidated Income Statement	**-69**	**-2**	**-**	**-2**
Non-current and current operating provisions	**118**	**-729**	**871**	**142**
Non-current operating provisions	-171	-428	282	-145
Current operating provisions	289	-301	589	288
OPERATING DEPRECIATION, AMORTIZATION, PROVISIONS AND IMPAIRMENT LOSSES	-3,179	-3,964	920	-3,044

(1) Including investment grants.

5.2.2 Restructuring costs

A restructuring is a program planned and controlled by Group management that significantly changes the scope of activity of the Group or the way in which this activity is managed. Accordingly, the following events can meet the definition of a restructuring: the sale or discontinuation of an activity branch, the closure of activity sites in a country or a region or the relocation of activities from one country to another or from one region to another; changes to the management structure such as the suppression of a management level; and fundamental reorganizations with a significant impact on the nature and focus of an activity.

(€ million)	2022	2023
Restructuring costs	-224	-84
Net charges to restructuring provisions	108	8
NET RESTRUCTURING COSTS	-116	-76

Restructuring costs recognized in operating income in 2023, mainly concern France and Special Waste Europe for -€37 million and Europe excluding France for -€16 million.
Restructuring costs recognized in operating income in 2022 mainly concern Holding companies, Iberia and Water technologies.

5.2.3 Research and development costs

Research and development costs total €125 million in 2023, compared with €131 million in 2022.

5.2.4 Joint-ventures and associates

All equity-accounted companies, whether joint ventures or associates, represent an extension of the Group's businesses and are therefore allocated to one of the four operating segments.

(€ million)	2022	2023
Share of net income (loss) of joint ventures	56	60
Share of net income (loss) of associates	71	63
Share of net income (loss) of equity-accounted entities	**127**	**123**

5.2.4.1 Joint ventures

Movements in investments in joint ventures in **2023** break down as follows:

(€ million)	December 31, 2022	Net income	Dividend distribution	Changes in consolidation scope	Foreign exchange translation	Other movements	December 31, 2023
Investments in joint ventures	1,198	60	-43	-45	-67	8	1,110

Changes in consolidation scope mainly reflect the divestiture of a plastic recycling subsidiary of Suez Polymers BV in the Netherlands for -€22 million and the exit from the scope of consolidation of the Italian concession Acqualatina for -€23 million.

	Share of equity		Share of net income (loss)	
(€ million)	2022	2023	2022	2023
Chinese concessions	965	930	52	44
Other joint ventures	233	181	5	16
TOTAL	1,198	1,111	57	60
Impact in the Consolidated Income Statement on Net income from continuing operations (a)+(b)			-	60
Share of net income (loss) of joint ventures (a)			**56**	**60**
Reversals/(Impairment losses) recognized in other operating revenue and expenses (b)			1	-

Chinese Concessions

As of December 31, 2023, the Chinese concessions comprise a combination of approximately twelve separate legal entities in which the Group holds interests of between 21% and 50%; the most significant concessions in terms of revenue are Tianjin Jibin (49% interest) and Shanghai Pudong (50% interest).

Summarized financial information (at 100%) in respect of the Chinese concessions is set out below. This information reflects amounts presented in the joint ventures' financial statements prepared in accordance with IFRS, adjusted to reflect fair value adjustments performed on acquisition and adjustments recorded to comply with Group accounting principles when applying the equity method.

Summarized financial information (at 100%) - Chinese Concession joint ventures	Year ended December 31, 2022	Year ended December 31, 2023
Income statement		
Revenue	974	867
Operating income	116	105
Net income (loss) from continuing operations	114	96

Reconciliation of the above summarized financial information on the Chinese concessions to the carrying amount of the interest in these joint ventures recognized in the consolidated financial statements:

(€ million)	As of December 31, 2022	As of December 31, 2023
Net assets of the Chinese concession joint ventures	1,689	1,633
Group's ownership interest in the Chinese concession joint ventures - weighted average rate	46.37%	46.49%
Goodwill	177	166
Other adjustments	4	4
Carrying amount of the Group's interest in the Chinese concession joint ventures	**965**	**930**

As the Chinese concessions represent approximately twelve individual concessions, the percentage interest indicated in the above reconciliation is a weighted-average rate of the contribution of each concession within the combination.

The average rate used for the reconciliation of the different elements takes into account the Group's holdings in these different concessions, weighted by the relative importance of each of the entities to the whole. This rate is therefore adjusted each year and is sensitive to variations in the weight of the contributions to the results of each of the joint ventures within the presented set.

The increase in the weighted average rate between 2022 and 2023 is due to a change in the weightings of the contributions.

Accordingly, the "Other adjustments" line in the reconciliation of the summarized financial information on the Chinese concessions as a whole, to their carrying amount in the Consolidated Statement of Financial Position, represents the adjustment between the share in net assets obtained by applying the weighted average percentage interest for all Chinese concessions and the share in net assets recognized in the financial statements, calculated using the effective interest held in each of the Chinese concessions individually.

(€ million)	2022	2023
Net income (loss) for the year of the Chinese concession joint ventures	114	96
Group's ownership interest in the Chinese concession joint ventures - weighted average rate	46.37%	46.49%
Other	-1	-
Group share of net income (loss) of the Chinese concession joint ventures	**52**	**44**

The recoverable amount of each Chinese concession joint venture is tested for impairment in accordance with the provisions set out in the standard. The long-term plans of the Chinese Water concessions were extended to 2029, in order to identify standard flows for the calculation of the terminal value, as Water activities in China follow a specific business model, with extremely long contract terms (between thirty and fifty years) and high investment flows during the initial contract years.

Given the models used and the time frame adopted, the recoverable amounts are closely monitored. They are based on a certain number of structuring operating assumptions such as price increases, volume trends, construction activity levels and margins and efficiency and productivity measures integrated in future cash flows, as well as on the macro-economic assumptions (discount and inflation rates) underlying the business plans.

Other joint ventures

The Group also holds interests in other joint ventures that are not individually material, with a total net carrying amount of €181 million as of December 31, 2023, including primarily €71 million in the Middle East.

Unrecognized share of losses of joint ventures

As all the Group joint ventures are partnerships in which the Group exercises joint control, the share of any losses is recognized in full at the year end.

Transactions with joint ventures (related parties)

The Group grants loans to joint ventures. These loans are recorded in assets in the Group Consolidated Statement of Financial Position (see Note 8.1.2. "Other non-current and current financial assets").

As of December 31, 2023, non-current and current loans granted to all these entities totaled €36 million, including €22 million recorded in non-current loans (see Note 8.1.2.2) and €14 million recorded in current loans. The change compared with December 31, 2022 is mainly due to the impairment of shareholder loans of €44 million in Northern Europe.

As of December 31, 2022, non-current and current loans granted to all these entities totaled €132 million, including €85 million recorded in non-current loans and €47 million recorded in current loans.

In addition, given the Group's activities, operating flows between companies are generally limited to companies operating in the same country. As such, the level of operating transactions between the Group and equity-accounted companies is not material.

However, certain contractual agreements in the Group's businesses, impose the existence of a holding company (generally equity-accounted) and companies carrying the operating agreement (generally fully consolidated).

5.2.4.2 Investments in associates

Movements in investments in associates in **2023** break down as follows:

(€ million)	December 31, 2022	Net income	Dividend distribution	Changes in consolidation scope	Foreign exchange translation	Other movements	As of December 31, 2023
Investments in associates	787	67	-115	-125	5	-15	603

Changes in consolidation scope mainly reflect the divestiture of Fovarosi Csatornazasil Muvek Reszvenytar in Hungary (-€64 million) and the exit from the consolidation scope of Siciliacque (for a total of -€60 million) following the divestiture of Italian water concessions.

Investments in associates break down as follows:

	Share of equity		Share of net income (loss)	
(€ million)	As of December 31, 2022	As of December 31, 2023	2022	2023
Agbar and its subsidiaries	236	230	12	10
Fovarosi Csatomazasi Muvek	63	-	-	-2
Siciliacque	60	-	-6	-
Wasserversorg , in Mitteldeutschland GmbH	39	46	-	7
Ajman Sewerage Co. Ltd	36	35	10	10
Other non-material associates (1)	353	292	54	42
TOTAL	**787**	**603**	**70**	**67**
Impacts on the Consolidated Income Statement				
Share of net income (loss) of equity-accounted entities in continuing operations			71	63
Impairment losses and badwill recognized in other operating revenue and expenses (2)			-1	4
Share of net income (loss) of other equity-accounted entities			-	-

(1) Associates with a unit value below €30 million as of December 31, 2023
(2) Impairment and negative goodwill recognized in net income in respect of other associates.

5.3 Operating working capital

5.3.1 Operating working capital

Net working capital includes "operating" working capital (inventories, trade receivables, trade payables and other operating receivables and payables, tax receivables and payables other than current tax), "tax" working capital (current tax receivables and payables) and "investment" working capital (receivables and payables related to industrial investments/disposals).

In accordance with IAS 2 "Inventories", inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Commercial receivables and payables are recognized at nominal value, unless discounting at the market rate has a material impact. The Group applies the simplified approach to the impairment of commercial receivables, in accordance with the option available in IFRS 9. The Group uses a provision matrix that takes account of the business, geographic region and customer category in question.

When preparing this matrix, the Group considered late payment and default rates observed in the past, as well as the macroeconomic environment. The matrix is also updated to reflect changes in economic factors.

Trade payables are recognized as liabilities at amortized cost in accordance with IFRS 9 for accounting purposes. Short-term commercial payables without a declared interest rate are recognized at nominal value, unless discounting at the market rate has a material impact.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the contractual rights to the cash flows from the financial asset in a transaction under which substantially all the risks and rewards inherent to ownership of the financial asset are transferred. Any interest created or retained by the Group in a financial asset is recognized separately as an asset or liability.

Movements in net working capital during 2023 are as follows:

(€ million)	As of December 31, 2022	Changes in business	Impairment losses	Changes in scope of consolidation	Foreign exchange translation	Transfers to Assets/ Liabilities classified as held for sale	Other movements	As of December 31, 2023
Inventories and work-in-progress, net	1,486	129	-18	7	-6	-26	-22	1,550
Operating receivables, net	14,534	47	-51	379	-171	-291	-84	14,363
Operating payables	-19,475	-435	3	-549	195	411	42	-19,808
NET WORKING CAPITAL	-3,456	-259	-66	-163	18	95	-64	-3,895

Movements in each of these working capital categories in **2023** are as follows:

(€ million)	As of December 31, 2022	Changes in business	Impairment losses	Changes in consolidation scope	Foreign exchange translation	Transfers to Assets/ Liabilities classified as held for sale	Other movements	As of December 31, 2023
Inventories and work-in-progress, net	1,486	129	-18	7	-6	-26	-22	1,550
Operating receivables (including tax receivables other than current tax) (1)	13,826	251	-47	364	-167	-289	-81	13,857
Operating liabilities (including operating liabilities other than current tax) (1)	-17,787	-510	-	-525	160	407	67	-18,189
OPERATING WORKING CAPITAL (2)	-2,475	-130	-65	-154	-13	92	-36	-2,781
Tax receivables (current tax)	320	69	-	14	-3	-2	12	410
Tax payables (current tax)	-575	-9	-	-23	11	3	-8	-601
TAX WORKING CAPITAL	-255	60	-	-9	8	1	4	-191
Receivables on non-current assets disposals	387	-273	-4	1	-1	-	-14	96
Industrial investment payables	-1,113	84	3	-1	24	2	-18	-1,019
INVESTMENT WORKING CAPITAL	-726	-189	-1	-	23	2	-32	-923
NET WORKING CAPITAL	-3,456	-259	-66	-163	18	95	-64	-3,895

(1) Including contract assets and liabilities presented in Note 5.6.
(2) The change in working capital presented in the Consolidated Cash Flow Statement is equal to the sum of operating working capital changes in business activity and net impairment losses on operating working capital presented above.

Movements in inventories during **2023** are as follows:

Inventories (€ million)	As of December 31, 2022	Changes in business	Impairment losses	Reversal of impairment losses	Changes in consolidation scope	Foreign exchange translation	Transfers to Assets classified as held for sale	Other movements	As of December 31, 2023
Raw materials and supplies	1,276	73	-	-	8	-3	-26	-16	1,312
Work-in-progress	142	12	-	-	-	-1	-	-1	153
Other inventories (1)	135	43	-	-	2	8	-	-	189
INVENTORIES AND WORK-IN-PROGRESS, GROSS	**1,553**	**129**	**-**	**-**	**10**	**4**	**-26**	**-16**	**1,655**
IMPAIRMENT LOSSES ON INVENTORIES AND WORK-IN-PROGRESS	**-67**	**-**	**-39**	**21**	**-3**	**-10**	**-**	**-6**	**-105**
INVENTORIES AND WORK-IN-PROGRESS, NET	**1,486**	**129**	**-39**	**21**	**7**	**-6**	**-26**	**-22**	**1,550**

(1) Including CO_2 inventories.

Inventories mainly concern the Europe excluding France operating segment in the amount of €672 million, the Water technologies operating segment in the amount of €383 million and the Rest of the world operating segment in the amount of €290 million.

Movements in operating receivables during **2023** are as follows:

Operating receivables (€ million)	As of December 31, 2022	Changes in business	Impairment losses*	Reversal of impairment losses	Changes in consolidation scope	Foreign exchange translation	Transfers to Assets classified as held for sale	Other movements	As of December 31, 2023
Trade receivables	11,414	111	-	-	422	-99	-243	-5	11,600
Impairment losses on trade receivables	-1,086	-	-415	351	-83	-	6	-18	-1,245
TRADE RECEIVABLE, NET	**10,328**	**111**	**-415**	**351**	**339**	**-99**	**-237**	**-23**	**10,355**
Contracts assets	835	-7	-	-	-3	-22	-	-4	799
Impairment losses on contracts assets	-2	-	-1	-	-	-	-	-	-2
NET CONTRACTS ASSETS (1)	**832**	**-7**	**-1**	**-**	**-3**	**-22**	**-**	**-4**	**796**
Other current operating receivables	1,176	-149	-	-	62	-19	-16	-	1,055
Impairment losses on other current operating receivables	-57	-	-11	25	-55	-	2	6	-90
OTHER OPERATING RECEIVABLES, NET	**1,119**	**-149**	**-11**	**25**	**7**	**-19**	**-13**	**6**	**965**
Other receivables	694	8	-	-	2	-14	-2	-62	625
Tax receivables	1,560	84	-	-	35	-17	-38	-2	1,623
OPERATING RECEIVABLES, NET	**14,534**	**47**	**-427**	**376**	**379**	**-171**	**-291**	**-84**	**14,363**

(*) Impairment losses are recorded in operating income and included in the line "Changes in working capital" in the Consolidated Cash Flow Statement.
(1) Contract assets and liabilities are described in Note 5.6.

Changes in consolidation scope mainly concern the entry into the consolidation scope of Lydec.

Assets classified as held for sale include SADE operating receivables only.

Movements in operating payables during **2023** are as follows:

Operating payables (€ million)	As of December 31, 2022	Changes in business	Changes in consolidation scope	Foreign exchange translation	Transfers to Liabilities classified as held for sale	Other movements	As of December 31, 2023
Trade payables	8,081	-45	235	-33	-203	-75	7,960
Other current operating liabilities	7,024	141	70	-78	-102	36	7,091
Contracts liabilities (1)	1,545	227	151	-40	-1	-1	1,881
Other liabilities	785	55	2	-18	-32	-1	792
Tax and employee-related liabilities	2,041	53	92	-27	-75	-1	2,084
OPERATING PAYABLES	**19,475**	**432**	**549**	**-195**	**-411**	**-42**	**19,808**

(1) Contract assets and liabilities are described in Note 5.6.

Changes in consolidation scope mainly concern the entry into the consolidation scope of Lydec.

Liabilities classified as held for sale include SADE liabilities.

5.3.2 Working capital management transactions

Veolia had several programs for the assignment of receivables through factoring, discounting and assignment by way of security still in progress in 2023.

Factoring

Under these programs, certain subsidiaries have agreed to assign, on a renewable basis, trade receivables by contractual subrogation or assignment of receivables (such as Dailly programs in France) without recourse against the risk of default by the debtor. The analysis of the risks and rewards as defined by IFRS 9 led the Group to derecognize almost all the receivables assigned under these factoring programs. In addition, the transferor subsidiaries remain, in certain cases, responsible for invoicing and debt recovery, for which they receive remuneration but do not retain control.

Accordingly, receivables totaling €5,716 million were assigned under these programs in 2023, compared with €5,760 million in 2022. Receivables derecognized as of December 31, 2023 total €1,094 million, compared with €1,142 million as of December 31, 2022.

Reverse factoring

Some group entities implemented reverse factoring programs, allowing Group suppliers, by assigning their trade receivables, to benefit from advance payments. After analysis, as their characteristics had not been substantially modified, these liabilities have been maintained as payables.

The receivables assigned by suppliers under these reverse factoring programs and presented as payables, total €260 million as of December 2023.

Discounting and assignment by way of security

Under Public-Private partnerships, Veolia subsidiaries can assign the fraction of future payments guaranteed by public authorities/private customers (recognized in financial receivables pursuant to IFRIC 12 or IFRS 16) to the bodies funding the project, through discounting or assignment by way of security programs (such as Dailly programs in France). For the majority of partnerships concerned by these financial receivable assignments, the assignment agreements negotiated and the contractual clauses agreed between the stakeholders are sufficient to satisfy the derecognition criteria set out in IFRS 9. The residual risk retained by the companies (considered immaterial) is generally tied solely to late customer payment due to late/deferred invoicing of services by Group subsidiaries. Group subsidiaries are mandated by the financial institutions to manage the invoicing and recovery of the receivables covered by these programs. Veolia analyzed the management and recovery procedures falling to Group subsidiaries and concluded that these services did not constitute continuing involvement.

5.4 Non-current and current operating financial assets

Operating financial assets comprise financial assets resulting from the application of IFRIC 12 on accounting for concession arrangements and from the application of IFRS 16 on accounting for leases.

Concession arrangements

Pursuant to IFRIC 12, when the operator has an unconditional right to receive cash or another financial asset from the grantor in remuneration for concession services, the financial asset model applies. In this context, the infrastructures managed under these contracts cannot be recorded in assets of the operator as property, plant and equipment, but are recorded as financial assets.

Investment grants received in respect of concession arrangements are generally definitively earned and, therefore, are not repayable. In accordance with the option offered by IAS 20, these grants are presented as a deduction from intangible assets or financial assets depending on the applicable model following an analysis of each concession arrangement (IFRIC 12). Under the financial asset model, investment grants are equated to a means of repaying the operating financial asset.

During the construction phase, a financial receivable is recognized in the Consolidated Statement of Financial Position and revenue is recognized in the Consolidated Income Statement, in accordance with the percentage of completion method laid down in IFRS 15 on construction contracts.

Financial receivables are initially measured at the lower of fair value and the sum of discounted future cash flows and subsequently recognized at amortized cost using the effective interest method, as, in accordance with IFRS 9, they represent the right to receive contractual cash flows and have the characteristics of a loan.

After a review of the contract and its financing, the implied interest rate on the financial receivable is notably based on either the Group financing rate and/or the borrowing rate associated with the contract.

Leases

IFRS 16 requires the identification of contractual terms and conditions of agreements which, without taking the legal form of a lease, convey a right to use a group of assets in return for payments included in the overall contract (right of use analyzed as a transfer of control of a group of assets during the contract term). A lease component is thereby identified in these agreements, which is then analyzed and recognized in accordance with the criteria laid out in this standard.

The contract operator (Veolia) therefore becomes the lessor with respect to its customers. On contract signature, Veolia now determines whether the terms of the contract constitute a finance lease or an operating lease.

To this end, Veolia performs a comprehensive analysis to determine whether the lease transfers substantially all the risks and rewards inherent to ownership of the underlying asset to the customer (the lessee).

The following indicators in particular are considered when performing this analysis: (i) the lease transfers ownership of the asset to the customer by the end of the lease term, (ii) the lease term is for the major part of the economic life of the underlying asset, (iii) the present value of the lease payments amounts to at least substantially all of the fair value of the asset, or (iv) the asset is of such a specialized nature that only the customer can use it without major modifications.

If this analysis leads to the conclusion that the lease is a finance lease, Veolia does not recognize a tangible asset but an operating financial asset to reflect the corresponding financing.

Breakdown of operating financial assets by operating segment:

	As of December 31					
	Non-current		Current		Total	
(€ million)	2022	2023	2022	2023	2022	2023
France & special waste Europe	87	134	15	23	102	157
Europe excluding France	715	665	114	129	829	794
Rest of the World	391	387	53	54	444	441
Water technologies	1	1	1	-	1	1
Other	-	-	-	-	-	-
OPERATING FINANCIAL ASSETS	**1,194**	**1,187**	**183**	**206**	**1,377**	**1,393**
OF WHICH IFRIC 12 OPERATING FINANCIAL ASSETS	**739**	**727**	**154**	**171**	**893**	**898**
OF WHICH IFRS 16 OPERATING FINANCIAL ASSETS	**455**	**460**	**29**	**35**	**484**	**495**

Movements in the net carrying amount of non-current and current operating financial assets during **2023** are as follows:

(€ million)	December 31, 2022	New operating financial assets*	Repayments / Disposals	Impairment losses**	Changes in consolidation scope	Foreign exchange translation	Non-current/ current reclassification	Other movements	December 31, 2023
Non-current and current IFRIC 12 operating financial assets	893	153	-149	-	13	-	-	-12	898
Non-current and current IFRS 16 operating financial assets	484	98	-85	2	-	-12	-	7	495
NON-CURRENT AND CURRENT OPERATING FINANCIAL ASSETS	**1,377**	**251**	**-234**	**2**	**13**	**-12**	**-**	**-5**	**1,393**

(*) New operating financial assets presented in the Consolidated Cash Flow Statement correspond to new operating financial assets in the above table (€254 million) net of the related acquisition debt (€3 million) as of December 31, 2023.
(**) Impairment losses are recorded in operating income.

The **principal new operating financial** assets in 2023 mainly concern the increase in financial receivables for pre-existing contracts, in particular in the following operating segments:

- France and special waste Europe, in the amount of €102 million;
- Europe excluding France, in the amount of €92 million;
- Rest of the world, in the amount of €57 million.

The **principal repayments** and disposals of operating financial assets in 2023 concern the following operating segments:

- France and special waste Europe, in the amount of -€47 million;
- Europe excluding France, in the amount of -€127 million;
- Rest of the world, in the amount of -€59 million.

(€ million)	As of December 31, 2022	New operating financial assets	Repayments / Disposals	Impairment losses	Changes in consolidation scope	Foreign exchange translation	Non-current/ current reclassification	Other movements	As of December 31, 2023
Gross value	755	144	-44	-	13	1	-118	-7	743
Impairment losses	-16	-	-	-	-	-	-	-1	-17
NON-CURRENT IFRIC 12 OPERATING FINANCIAL ASSETS	**739**	**144**	**-44**	**-**	**13**	**1**	**-118**	**-8**	**727**
Gross value	154	9	-104	-	-	-2	118	-4	171
Impairment losses	-	-	-	-	-	-	-	-	-
CURRENT IFRIC 12 OPERATING FINANCIAL ASSETS	**154**	**9**	**-104**	**-**	**-**	**-2**	**118**	**-4**	**171**
NON-CURRENT AND CURRENT IFRIC 12 OPERATING FINANCIAL ASSETS	**893**	**153**	**-149**	**-**	**13**	**-**	**-**	**-12**	**898**

(€ million)	As of December 31, 2022	New operating financial assets	Repayments / Disposals	Impairment losses	Changes in consolidation scope	Foreign exchange translation	Non-current/ current reclassification	Other movements	As of December 31, 2023
Gross value	455	98	-3	-	-	-11	-86	7	460
Impairment losses	-	-	-	-	-	-	-	-	-
NON-CURRENT IFRS 16 OPERATING FINANCIAL ASSETS	**455**	**98**	**-3**	**-**	**-**	**-11**	**-86**	**7**	**460**
Gross value	32	-	-82	-	-	-1	86	-	36
Impairment losses	-3	-	-	2	-	-	-	-	-
CURRENT IFRS 16 OPERATING FINANCIAL ASSETS	**29**	**-**	**-82**	**2**	**-**	**-1**	**86**	**-**	**35**
NON-CURRENT AND CURRENT IFRS 16 OPERATING FINANCIAL ASSETS	**484**	**98**	**-85**	**2**	**-**	**-12**	**-**	**7**	**495**

IFRIC 12 operating financial assets maturity schedule:

(€ million)	1 year	2 years	3 years	4 years	5 years	More than 5 years	Total
France & special waste Europe	22	120	3	-	2	5	**151**
Europe excluding France	108	30	33	47	37	324	**580**
Rest of the World	42	35	13	12	19	45	**167**
Water technologies	-	-	-	-	-	-	**-**
Other	-	-	-	-	-	-	**-**
TOTAL	**171**	**186**	**49**	**60**	**58**	**374**	**898**

IFRS 16 operating financial assets maturity schedule:

(€ million)	1 year	2 years	3 years	4 years	5 years	More than 5 years	Total
France & special waste Europe	1	3	1	1	-	-	**6**
Europe excluding France	21	9	7	5	34	138	**214**
Rest of the World	13	11	10	11	10	220	**275**
Water technologies	-	-	-	-	-	-	**-**
Other	-	-	-	-	-	-	**-**
TOTAL	**35**	**23**	**18**	**17**	**44**	**358**	**495**

Operating financial assets held by the Group in countries considered high-risk are not material in amount.

5.5 Non-current and current concession liabilities

Concession liabilities result from the application of IFRIC 12 on the accounting treatment of concessions (see Note 5).

Non-current and current concession liabilities in **2023** break down by operating segment as follows:

	Non-current		Current		Total	
(€ million)	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023
France & special waste Europe	163	149	28	25	191	174
Europe excluding France	1,396	1,379	206	310	1,602	1,689
Rest of the World	122	137	9	12	131	148
Water technologies	-	-	-	-	-	-
Other	-	-	-	-	-	-
CONCESSION LIABILITIES	1,681	1,665	243	347	1,924	2,011

5.6 Contracts assets and liabilities

Non-current and current contract assets represent services rendered by the Group but not yet billed, where the right to remuneration is conditional. These assets are mainly receivables recognized on a percentage completion basis in respect of Water technologies activities.

Non-current and current contract liabilities mainly reflect amounts already settled by customers for which the Group has not yet performed the service (deferred income, down payments received from customers). These liabilities are recognized in revenue when the Group performs the service.

Contract assets and liabilities break down as follows:

	Contract assets		Contract liabilities	
(€ million)	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023
France & special waste Europe	87	59	198	180
Europe excluding France	88	128	564	707
Rest of the World	198	142	340	433
Water technologies	457	467	441	561
Other	2	-	2	-
TOTAL	832	796	1,545	1,881

Contract assets and liabilities are mainly included in operating receivables, non-current operating financial assets and operating payables in the Consolidated Statement of Financial Position.

5.7 Management of supply risks

As part of supply management and cost optimization measures or to hedge future production, certain Group subsidiaries may be required, depending on their activities, to contract forward purchases or sales of commodities and set-up derivatives to fix the cost of commodities supply or the selling price of commodities produced (electricity).

Commodity risks are described in Note 8.3.1.3.

5.8 Commitments relating to operating activities

5.8.1 Commitments given relating to operating activities

Commitments given relating to operating activities comprise operating guarantees and purchase commitments.

Operational or operating guarantees encompass all commitments not relating to the financing of operations, required in respect of contracts or markets and generally given in respect of the operations and activities of Group companies. Such guarantees include bid bonds accompanying tender offers, advance payment bonds and completion or performance bonds given on the signature of contracts or concession arrangements.

The main categories of commitments include:

- Commitments related to site rehabilitation.

  Pursuant to environmental texts and legislation concerning the operation of landfill sites, the Group is obliged to provide financial guarantees to local authorities/government agencies. These guarantees notably encompass the rehabilitation and supervision of the site during 30 years or more, depending on national legislation (currently 60 years in the United Kingdom), following its operation.

  In this context, performance bonds and letters of credit are issued to local authorities and other public bodies.

  Depending on the contract, these guarantees cover the costs necessary for the supervision and rehabilitation of all or part of the site.

  These guarantees are quantified in accordance with legal or contractually-defined procedures. These guarantees, which are given in their total amount from the start of operations, expire at the end of the commitment (termination of rehabilitation work and site supervision).

  Therefore, the amount of our commitment for the rehabilitation and supervision of landfill sites is in general different from the amount of the provision recorded in the Group accounts (see Note 10). Provisions calculated by the Group are based on different valuations (based on internal policies regarding site security and designed for optimal environmental protection), which take into account the progressive nature of the obligation: operation of the landfill sites results in progressive damage to the site and, as such, a related liability is recognized as the facility is operated (see Note 10).

  If the amount of the commitment is less than the provision at the balance sheet date, an off-balance sheet commitment is not disclosed. Conversely, if the amount of the commitment is greater than the provision, an off-balance sheet commitment is disclosed in the amount not provided.

- Commitments related to engineering and construction activities.

  In the context of its business activities the Group gives (and receives) commitments which can take several forms (deposits on construction work and performance guarantees, etc.). Issued in favor of customers or banking institutions, they are subject to individual follow-up by site and their maturity depends on their contractual characteristics.

- Commitments relating to concession arrangements.

  Pursuant to public service contracts with a public entity, the Group may be called on/obliged to invest in infrastructures that will then be operated and remunerated in accordance with contractual terms and conditions.

  The contractual commitment may concern both the financing of installations and infrastructures to be used in operations and also the maintenance and replacement of infrastructures necessary to operations.

  Expenditure relating to the replacement or rehabilitation of installations is monitored and recognized through any timing differences between the total contractual commitment over the contract term and its realization, in accordance with IAS 37 on Provisions.

  Expenditure relating to the construction, maintenance and restoration of concession assets is reviewed with respect to IFRIC 12 and detailed in Note 5.4.

- Firm commodity purchase and sale commitments.

  As part of supply management and cost optimization, certain Group subsidiaries may be required, depending on their activities, to set-up derivatives to fix the cost of commodity supplies where the contracts do not offer appropriate protection or contract forward purchases or sales of commodities.

  Commodity risks are described in Note 8.3.1.3.

Firm commodity purchase commitments, excluding derivatives, mainly concern:

- gas in Energy activities (mainly in Central Europe) and Water activities. Most commitments mature in less than 5 years;
- electricity in Energy activities (purchase commitments mature in less than 3 years due to poor liquidity in the electricity market for longer maturities);
- biomass and coal in Energy activities.

In parallel, firm electricity sales contracts, excluding derivatives, are entered into to secure selling prices over a period of less than 3 years. These commitments concern production activities exposed to the electricity wholesale market and primarily Waste activities in the UK (electricity produced by waste incineration) and Energy activities in Central Europe.

Off-balance sheet commitments given break down as follows:

(€ million)	As of December 31, 2022	As of December 31, 2023	Maturing in: Less than 1 year	1 to 5 years	More than 5 years
Operational guarantees including performance bonds	12,016	11,329	4,320	3,625	3,384
Purchase commitments	700	344	181	135	28
TOTAL COMMITMENTS RELATING TO OPERATING ACTIVITIES	**12,716**	**11,673**	**4,501**	**3,760**	**3,412**

Commitments given break down by operating segment as follows:

(€ million)	As of December 31, 2022	As of December 31, 2023
France & special waste Europe	931	820
Europe excluding France	3,334	2,974
Rest of the World	3,028	2,634
Water technologies	1,988	2,046
Other	3,435	3,199
TOTAL COMMITMENTS RELATING TO OPERATING ACTIVITIES	**12,716**	**11,673**

The decrease in commitments given between December 31, 2022 and December 31, 2023 (-€1,043 million) is mainly due to the lifting of performance guarantees given of €258 million by VE CGE to Delfuent BV on behalf of OTV and of €174 million by VWT as part of the Umm Al Quwain desalination project. Furthermore, a new guarantee has been issued by VE SA to EDF Energy UK on behalf of Veolia UK LTD in the context of the electricity sales contract of €345 million

Total commitments given in respect of Veolia Water Technologies' activities amount to €1,302 million as of December 31, 2023, compared with €1,378 million as of December 31, 2022.

In addition to the commitments given quantified above, Veolia has also granted commitments of an unlimited amount in respect of completion or performance bonds and a waste construction and processing contract in Hong Kong, in the Waste and Water businesses. This commitment, of an unlimited amount, is tied to the contract duration (37 months of construction and 15 years of operation) and has a residual duration of 5 years as of December 31, 2023.

These commitments are limited to the duration of the related contracts and were approved in advance by the Board of Directors of Veolia Environnement.

Commitments given in respect of joint ventures total €274 million (at 100%) as of December 31, 2023 compared with €272 million as of December 31, 2022. They mainly consist of performance bonds given to Kilpilahti Power Plant Ltd for the renovation of the combined heat and power plant in Porvoo, Finland in the amount of €100 million and to Glen Water Holding in the amount of €77 million for a water treatment facility.

5.8.2 Commitments received relating to operating activities

These commitments mainly consist of commitments received from our partners in respect of construction contracts.

They total €860 million as of December 31, 2023, compared with €962 million as of December 31, 2022.

The decrease in commitments received is mainly due to the expiry of electricity payment guarantees received by Bert in Hungary for €78 million.

Total commitments received in respect of Veolia Water Technologies activities amount to €122 million as of December 31, 2023, compared with €72 million as of December 31, 2022.

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Note 6 PERSONNEL COSTS AND EMPLOYEE BENEFITS

6.1 Personnel costs and employee numbers

Personnel costs break down as follows:

(€ million)	2022	2023
Employee costs	-10,474	-10,712
Profit-sharing and incentive schemes	-214	-209
Share-based compensation, including social security contributions [1]	-59	-60
PERSONNEL COSTS	**-10,747**	**-10,981**

(1) As disclosed in Note 6.2.2, share-based compensation mainly concerns Share Grant Plans and the Employee Savings Plan.

Average consolidated employees break down as follows:

By operating segment	2022	2023
France & special waste Europe	50,927	50,354
Europe excluding France	77,011	74,887
Rest of the World	70,976	75,347
Water technologies	17,245	17,239
Other	1,707	1,681
CONSOLIDATED EMPLOYEES [(1)]	217,866	219,508

(1) Consolidated employees excluding employees of equity-accounted subsidiaries.

By company	2022	2023
Fully-consolidated companies	217,793	219,437
Joint operations	73	71
CONSOLIDATED EMPLOYEES [(1)]	217,866	219,508

(1) Consolidated employees excluding employees of equity-accounted subsidiaries.

6.2 Share-based compensation

6.2.1 Accounting policies

Pursuant to IFRS 2, Share-based Payment, an expense is recorded in respect of share purchase or subscription plans and other share-based compensation granted by the Group to its employees. When the plans are equity-settled, the fair value of instruments is determined at the grant date and the fair value of the plan is expensed in the Consolidated Income Statement and recognized directly in equity over the period in which the benefit vests and the service is rendered.

For share grant plans, the fair value of instruments is calculated based on the share price at the grant date and the expected dividend yield.

For Group Savings Plans (GSP), the compensation expense corresponds to the discount and the Company's contribution to subscribers.

6.2.2 Share-based compensation expense

The share-based compensation expense breaks down as follows:

(€ million)	As of December 31, 2022	As of December 31, 2023
Employee savings plan	40	27
2019 Performance share grant plan	2	-
2020 Performance share grant plan	6	2
2021 Performance share grant plan	7	14
2022 Performance share grant plan	3	10
2023 Performance share grant plan	-	5
2022 Free share grant plan	1	2
TOTAL INCLUDING SOCIAL SECURITY COSTS	59	60

6.2.2.1 2023 Employee Savings Plans

Veolia Environnement regularly sets up, through Group Savings Plans (GSP), in France and internationally, standard and leveraged savings plans which enable a large number of employees of Veolia Environnement and its subsidiaries to subscribe for Veolia Environnement shares. Shares subscribed by employees under these plans are subject to certain restrictions regarding their sale or transfer.

In 2023, Veolia proposed a new Group employee share ownership transaction, rolled-out across 49 countries.

Under this transaction, shares were subscribed with a 15% discount on the average closing price of the share during the 20 trading days preceding the date the subscription price was set by the Chief Executive Officer. The subscription price was set at €22.13.

Under the so-called secure format, employees benefit from:

- a gross contribution from the Group equal to 100% of the employee's investment up to a maximum of €300;
- a leveraged system supplementing their personal investment in the event of an increase in the share price.

This personal investment and the net contribution from the Group are guaranteed in the event of a fall in the share price and receive a guaranteed minimum return. In certain countries, in order to adapt to local legislation, a Share Appreciation Rights plan is offered.

A financial institution is appointed by Veolia to hedge the transaction.

In the United Kingdom, a Share Incentive Plan (SIP) was offered as an alternative to the standard plan, enabling employees to subscribe at the lower of the share price on November 1, 2023 and the share price on March 31, 2024, while benefiting from a contribution from the Group capped at GBP 250. This plan is still ongoing as of December 31, 2023.
On December 13, 2023, Veolia Environnement issued 10,027,792 new shares under the Group Savings Plan, representing a share capital increase of €222 million.
In 2023, an expense of €27 million is recorded in operating income.

6.2.2.2 2023 Performance Share Grant Plans

In 2023, the Group granted 1,006,109 performance shares (PS) to executives and employees of the Group, subject to the beneficiary's presence in the Group on May 3, 2026 and performance conditions based on the following criteria:

- financial criteria (average increase in Current net income attributable to owners of the Company and relative performance of the total shareholder return (TSR) of the Veolia Environnement share compared with the Stoxx 600 Utilities (Price) SX6P index);
- quantitative non-financial criteria relating to the Company's Purpose.

Taking account of these characteristics and market conditions at the plan implementation date, the fair value of the instruments was estimated at €21.52.
The performance and presence conditions are taken into account in estimating the compensation expense.
An expense of €5 million is recorded in operating income in 2023.

6.2.2.3 Plans implemented before 2023

Veolia implemented the following plans in previous years:

- 2022 Employee Savings Plan: in 2022, Veolia proposed a Group employee share ownership transaction, rolled-out across 45 countries. This plan had expired as of December 31, 2022, with the exception of the SIP in the United Kingdom for which an additional expense of €0.2 million was recognized in operating income in 2023;
- 2020, 2021 and 2022 performance share grant plans: the Group set-up performance share grant plans (PSP) in 2020, 2021 and 2022 subject to the beneficiary's presence in the Group at the vesting date on May 5, 2023, May 4, 2024 and August 2, 2025, respectively, and performance conditions. An expense of €26 million is recorded in operating income in 2023 in respect of these three plans;
- 2022 Free Share Grant Plan: the Group granted 145,200 free shares subject to the beneficiary's presence in the Group on June 15, 2025. An expense of €2 million is recorded in operating income in 2023 in respect of this plan.

6.3 Pension plans and other post-employment benefits

The following disclosures relate to the pension plans offered by fully consolidated entities.

6.3.1 Accounting policies

Veolia Environnement and its subsidiaries have several pension plans:

Defined contribution plans: plans under which the Group (or a Group entity) pays an agreed contribution to a separate entity, relieving it of any liability for future payments.

These obligations are expensed in the Consolidated Income Statement when due.

Defined benefit plans: all plans which do not meet the definition of a defined contribution plan. The net obligations of each Group entity are calculated for each plan based on an estimate of the amount employees will receive in exchange for services rendered during the current and past periods. The amount of the obligation is discounted to present value and the fair value of plan assets is deducted.

Where the calculation shows a plan surplus, the asset recognized is capped at the total of the discounted present value of profits, in the form of future repayments or reductions in plan contributions. The plan surplus is recognized in non-current financial assets.

Certain obligations of the Group or Group entities may enjoy a right to reimbursement, corresponding to a commitment by a third party to repay in full or in part the expenses relating to these obligations. This right to reimbursement is recognized in non-current financial assets.

The financing of defined benefit pension plans may lead the Group to make voluntary contributions to pension funds. Where applicable, these voluntary contributions are presented in Net cash from operating activities in the Consolidated Cash Flow Statement, in the same way as other employer contributions.

Employee obligations of the Group are calculated using the projected unit credit method. This method is based on the probability of personnel remaining with companies in the Group until retirement, the foreseeable changes in future compensation, and the appropriate discount rate. Specific discount rates are adopted for each monetary area. They are determined based on the yield offered by bonds issued by leading companies (rated AA) or treasury bonds where the market is not liquid, with maturities equivalent to the average term of the plans valued in the relevant region. This results in the recognition of pension-related assets or provisions in the Consolidated Statement of Financial Position and the recognition of the related net expenses.

Pursuant to IAS 19, Employee Benefits, actuarial gains and losses are recognized in other comprehensive income.

6.3.2 Description of plans

In accordance with the regulatory environment and collective agreements, the Group has established defined benefit and defined contribution pension plans (company or multi-employer) in favour of employees and other post-employment benefits.

Defined contribution plans

Supplemental pension defined contribution plans have been set up in certain subsidiaries. Expenses incurred by the Group under these plans totaled €183 million in 2023 and €186 million in 2022.

Defined benefit plans

The tables in Note 6.3.3 present the obligations in respect of defined benefit pension plans and other post-employment benefits.

The measurement of these obligations is reflected by the DBO (Defined Benefit Obligation). These future outflow commitments may be partially or fully funded ("plan assets").

The most significant obligations are located in the United Kingdom, the United States and France.

United Kingdom

The defined benefit obligation in the United Kingdom is €773 million as of December 31, 2023 (compared with €746 million as of December 31, 2022) and is funded by plan assets of €814 million at this date (compared with €804 million as of December 31, 2021). The increase in the defined benefit obligation is presented in the table below in Note 6.3.3.

The average duration of these plans is approximately 12 years.

In the United Kingdom, defined benefit pension plans are mainly final salary plans. Most of these plans are closed to new employees and the majority are also closed to the accrual of new rights. These plans are financed by employer contributions, or even employee contributions, paid to an independent pension fund (managed by a Trustee). Local regulations ensure the independence of the pension funds, which have nine members (including five employer representatives, three representatives of active and retired employees and one independent member).

Plan rules authorize the employer to recover excess funds paid at the end of the plans.

These plans allow retirees to take part of the benefit as a lump-sum and the balance as a pension. In the case of a pension, the related risk is tied to the longevity of beneficiaries.

France

In France, the defined benefit obligation for all plans totaled €388 million as of December 31, 2023 (€395 million as of December 31, 2022) and is funded by plan assets of €78 million at this date (€77 million as of December 31, 2022). The decrease in the defined benefit obligation is presented in the table below in Note 6.3.3.

Nearly 87% of the obligation relates to retirement indemnities (legally required payments) paid in a lump sum. These indemnities represent a number of months' salary based on seniority and are legally required by the applicable collective-bargaining agreement to be paid on an employee's retirement. A portion of these obligations is covered by insurance contracts, but this funding is at the discretion of the employer. The average duration of these plans is approximately 10 years.

The risk associated with this type of plan is linked to the renegotiation of collective bargaining agreements which could generate adjustments to the indemnities granted.

United States

The defined benefit obligation in the United States is €541 million as of December 31, 2023 (compared with €550 million as of December 31, 2022) and is funded by plan assets of €483 million at this date (compared with €463 million as of December 31, 2022). The decrease in the defined benefit obligation is presented in the table below in Note 6.3.3.

The average duration of these plans is approximately 10 years.

In the United States, defined benefit plans are mainly average salary pension plans. The main defined benefit plans are the Suez Water Resources Retirement Plan, the Suez Water Environmental Services Pension Plan and the Ionics Incorporated Retirement Plan. The Suez Water Resources plan is closed to new entrants and the Suez Water Environmental Services plan and the Ionics Incorporated Retirement Plan are closed to the accrual of new rights. Suez Water Inc. undertakes to cover a portion of employee healthcare costs; this plan is closed to new entrants. Financing is assured by the payment of employer contributions to these funds.

Multi-employer plans

Under collective agreements, some Group companies participate in multi-employer defined benefit pension plans. However, these plans are unable to provide a consistent and reliable basis for the allocation of the obligation, assets and costs between the different participating entities. They are therefore recorded as defined contribution plans in accordance with IAS 19. The multi-employer plans concern approximately 4,000 employees in 2023 and are mainly located in Germany, where such plans are generally funded by redistribution and in the United States.

The corresponding expense recorded in the Consolidated Income Statement is equal to annual contributions and totals €9 million in 2023 compared with €10 million in 2022. The Group plans to pay contributions of €9 million in 2024 under its multi-employer plans.

6.3.3 Obligations in respect of defined benefit pension plans and other post-employment benefits

6.3.3.1 Actuarial assumptions

Actuarial assumptions used for calculation purposes vary depending on the country in which the plan is implemented.

The benefit obligation in respect of pension plans and post-employment benefits is based on the following average assumptions:

	As of December 31, 2022	As of December 31, 2023
Discount rate	**4.51%**	**4.33%**
o/w United Kingdom	*5.00%*	*4.80%*
o/w United States	*5.00%*	*4.90%*
o/w Euro zone	*3.75%*	*3.40%*
Inflation rate	**2.49%**	**2.48%**
o/w United Kingdom (RPI / CPI)	*3,1%/2,45%*	*3,05%/2,45%*
o/w United States	*2.50%*	*2.50%*
o/w Euro zone	*2.00%*	*2.00%*

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6.3.3.2 Change in the defined benefit obligation (DBO)

Change in the DBO	As of December 31									
	United Kingdom		France		United States		Other countries		TOTAL	
(€ million)	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Defined benefit obligation at beginning of year	**1,286**	**746**	**468**	**395**	**31**	**550**	**315**	**377**	**2,100**	**2,067**
Current service cost	3	1	27	19	10	7	26	29	67	56
Plan amendments or new plans (contract wins)	-	-	4	-21	-	-	-1	-	3	-21
Curtailments and settlements	-24	-	-13	-12	-	-	-108	-3	-145	-15
Interest cost	25	38	4	12	21	26	8	13	58	89
Actuarial (gains) losses	-502	12	-95	20	-141	9	-79	2	-817	43
o/w actuarial (gains) losses arising from experience adjustments	*26*	*5*	*1*	*9*	*2*	*1*	*16*	*-*	*45*	*15*
o/w actuarial (gains) losses arising from changes in demographic assumptions	*-1*	*-12*	*1*	*-*	*-*	*-*	*-2*	*-*	*-2*	*-12*
o/w actuarial (gains) losses arising from changes in financial assumptions	*-528*	*19*	*-96*	*11*	*-142*	*8*	*-93*	*2*	*-860*	*40*
Plan participants' contributions	-	-	-	-	-	-	1	1	1	1
Benefits paid	-46	-39	-24	-23	-33	-32	-28	-33	-130	-126
Benefits obligation assumed on acquisition of subsidiaries	150	-	31	-	619	-	237	15	1,038	16
Benefits obligation transferred on divestiture of subsidiaries	-94	-	-8	-1	-	-	-2	-	-103	-1
Foreign exchange translation	-52	16	-	-	42	-19	8	-5	-2	-9
Other	-1	-	-	-1	-	-	-	4	-1	3
(a) Defined Benefit Obligation at end of year	**746**	**773**	**395**	**388**	**550**	**541**	**377**	**400**	**2,067**	**2,103**

6.3.3.3 Sensitivity of the defined benefit obligation and the current service cost

The Group defined benefit obligation is especially sensitive to discount and inflation rates.

A 1% increase in the discount rate would decrease the defined benefit obligation by approximately €205 million and the current service cost of the next year by €4 million. A 1% decrease in the discount rate would increase the defined benefit obligation by €232 million and the current service cost of the next year by €4 million.

Conversely, a 1% increase in the inflation rate would increase the defined benefit obligation by approximately €139 million and the current service cost by €4 million. A 1% decrease in the inflation rate would decrease the defined benefit obligation by €126 million and the current service cost by €4 million.

6.3.4 Change in the funding status of post-employment benefit obligations and the provision

	United Kingdom		France		United States		Other countries		Total	
(€ million)	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
(a) Defined Benefit Obligation at end of year	746	773	395	388	550	541	377	400	2,067	2,103
(b) Fair value of plan assets at end of year	804	814	77	78	464	483	125	130	1,470	1,506
Funding status = (b) – (a)	**59**	**41**	**-318**	**-310**	**-86**	**-58**	**-252**	**-271**	**-597**	**-597**
Provisions	-7	-9	-319	-311	-107	-96	-254	-274	-688	-690
Prepaid benefits (regimes with a funding surplus)	65	50	1	2	21	39	3	3	90	93

Provisions for post-employment benefits total €690 million in 2023, of which €670 million was recorded in non-current provisions and €20 million in current provisions, corresponding to activities in the course of divestiture reclassified in Liabilities classified as held for sale. Provisions totaled €688 million in 2022.

6.3.5 Change in plan assets

The following table presents plan assets funding obligations in respect of defined benefit pension plans and other post-employment benefits.

	As of December 31									
Change in plan assets	United Kingdom		France		United States		Other countries		TOTAL	
(€ million)	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Fair value of plan assets at beginning of year	1,369	804	77	77	13	464	83	125	1,542	1,470
Actual return on plan assets	-489	20	2	5	-110	56	-16	4	-613	85
o/w interest income	*26*	*40*	*1*	*3*	*17*	*22*	*3*	*4*	*47*	*69*
o/w return on plan assets excluding amounts included in interest income	*-515*	*-21*	*1*	*2*	*-127*	*34*	*-19*	*-*	*-660*	*16*
Employer contributions	11	12	-	-	11	13	12	11	34	36
Plan participants' contributions	-	-	-	-	-	-	1	1	1	1
Plan assets assumed on acquisition of subsidiaries	142	-	2	-	546	-	168	-	858	-
Plan assets transferred on divestiture of subsidiaries	-102	-	-1	-	-	-	-	-	-103	-
Settlements	-24	-	-1	-	-	-	-120	-1	-145	-1
Benefits paid	-46	-39	-3	-3	-32	-31	-10	-12	-91	-85
Administrative expenses paid by the fund	-	-	-	-	-	-1	-	-	-1	-1
Foreign exchange translation	-58	16	-	-	36	-17	7	1	-15	1
Other	-	-	-	-1	-	-	-	-1	-	-1
(b) Fair value of plan assets at end of year	**804**	**814**	**77**	**78**	**464**	**483**	**125**	**130**	**1,470**	**1,506**

Investment policy

In the **United Kingdom,** the investment policy is defined by the pension fund. Funding levels and the contribution payment schedule are negotiated by the employer and the Trustee, based on triennial actuarial valuations. Contributions include both the funding of the shortfall in relation to past rights and service costs for future years.

United Kingdom pension funds aim to attain 100% technical coverage of liabilities within 10 years, while maintaining a risk level considered as acceptable by all parties (Trustees and employers). In order to achieve that goal, plan assets are allocated within two portfolios:

- a liability-driven investment portfolio comprising financial instruments (where flows best match liabilities and the value fluctuates in line with the liability value). This portfolio mainly includes inflation-linked bonds issued or guaranteed by the UK government and derivatives with leading banking counterparties, with which collateralization contracts have been signed in order to minimize counterparty risk;
- a portfolio of growth assets invested in a diverse range of asset classes (equities, bonds, diversified funds, etc.) and seeking to outperform the liabilities. Portfolio management was delegated to an external manager in January 2017.

A hedging policy covering some financial risks (particularly foreign exchange, inflation and interest rate) was implemented, in order to reduce the fund's exposure to these risks and therefore reduce the risk of increased contributions. These hedges were implemented using derivatives (currency forwards, total return swaps on gilts, interest rate swaps, etc.).

In **France**, the Group's assets are placed primarily with insurance companies and invested in the general insurance fund. The French General Insurance Code (**Code général des assurances**) requires insurance companies to provide a minimum rate of return on these funds, calculated primarily based on the rate offered by government bonds.

In the **United States**, the investment policy is defined by the pension fund and funding levels are set by the employer.

For the entire Group, the actual rate of return on plan assets reflects market performance based on the asset investment profiles.

The Group plans to make contributions of €25 million to defined benefit plans in 2024, compared with €36 million in 2023.

Investment and return on assets

On average, Group pension plan assets were invested as follows:

	2022	2023
Unquoted assets	**11.4%**	**11.3%**
Liquid unquoted assets - Investment funds (general insurance fund)	7.7%	9.2%
Non-liquid unquoted assets - Investment funds (1)	0.5%	0.5%
Unquoted assets - Other	3.2%	1.6%
Quoted assets (liquid)	**86.2%**	**85.3%**
Government bonds (2)	13.4%	12.4%
Corporate bonds	7.1%	8.0%
Shares	13.3%	17.7%
Diversified Investment funds	38.4%	36.1%
Liquid quoted assets - Other	14.0%	11.0%
Liquid assets	**2.4%**	**3.4%**
TOTAL	100.0%	100.0%

(1) The line "Non-liquid unquoted assets – Investment funds" consists of funds without guaranteed monthly liquidity (e.g. real estate funds, infrastructure funds).
(2) The portion of government bonds from high-risk countries is not material.

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6.3.6 Impact on comprehensive income

The net benefit cost breaks down as follows:

	As of December 31									
	United Kingdom		France		United States		Other countries		TOTAL	
(€ million)	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Service cost	3	1	19	-15	10	7	36	27	69	20
o/w Current service cost	*3*	*1*	*27*	*19*	*10*	*7*	*26*	*29*	*67*	*56*
o/w Past service cost	-	-	*-8*	*-33*	-	-	*11*	*-3*	*2*	*-36*
Net interest expense	-1	-3	3	9	4	4	5	9	11	20
o/w Interest cost	*25*	*38*	*4*	*12*	*21*	*26*	*8*	*13*	*58*	*89*
o/w Interest income on plan assets	*-26*	*-40*	*-1*	*-3*	*-17*	*-22*	*-3*	*-4*	*-47*	*-69*
Interest income on right to reimbursement	-	-	-	-	-	-	-	-	-	-
Administrative expenses paid by the fund	-	-	-	-	-	1	-	-	1	1
Other	1	-	-	-	-	-	-	5	1	5
Net benefit cost recognized in the Consolidated Income Statement	**3**	**-1**	**22**	**-6**	**14**	**12**	**42**	**41**	**81**	**46**
Return on plan assets excluding amounts included in interest income	515	21	-1	-2	127	-34	19	-	660	-16
Actuarial (gains) losses arising from experience adjustments	26	5	1	9	2	1	16	-	45	15
Actuarial (gains) losses arising from changes in demographic assumptions	-1	-12	1	-	-	-	-2	-	-2	-12
Actuarial (gains) losses arising from changes in financial assumptions	-528	19	-96	11	-142	8	-93	2	-860	40
Net benefit cost recognized in other comprehensive income	**13**	**32**	**-96**	**18**	**-14**	**-25**	**-61**	**2**	**-157**	**27**
NET BENEFIT COST RECOGNIZED IN TOTAL COMPREHENSIVE INCOME	**16**	**31**	**-74**	**13**	**1**	**-13**	**-19**	**43**	**-77**	**73**

The costs in the Consolidated Income Statement are recorded in operating income, except for the net interest expense, recorded in net finance costs.

6.4 Compensation and related benefits of key management (related parties)

Group Executive Committee members and directors represent the key management personnel of Veolia Environnement.

The following table summarizes amounts paid by the Group in respect of compensation and other benefits granted to members of the Company Executive Committee in exercise at the closing date of each fiscal year presented.

Short-term benefits include fixed and variable compensation, employee benefits and directors' fees. Variable compensation comprises amounts paid in a given fiscal year in respect of previous fiscal years.

(€ million)	Year ended 31, 2022	Year ended December 31, 2023
Short-term benefits, excluding employer contributions	14	15
Employer contributions	5	5
Post-employment benefits (1)	-	-
Other long-term benefits (2)	-	-
Share-based payments	2	4
Other items	-	-
TOTAL	**21**	**24**

(1) Current service cost.
(2) Other compensation vested but payable in the long-term.

As of December 31, **2023**, total pension and post-employment benefit obligations in respect of members of the Executive Committee amount to €3 million, compared with €3 million as of December 31, 2022.

The members of the Board of Directors receive compensation for their duties as directors. It is noted that Mr. Antoine Frérot (Chairman of the Board of Directors) and Mrs. Estelle Brachlianoff (Chief Executive Officer) waived the receipt of compensation for their duties as a director of the Company and as corporate officers of companies controlled by the Group. The total gross amount of compensation (before withholding tax) paid by the Company to directors and the non-voting member was €1,043,471 in **2023**.

Note 7 GOODWILL, INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

7.1 Goodwill

7.1.1 Movements in goodwill

Goodwill breaks down as follows:

(€ million)	As of December 31, 2022	As of December 31, 2023
Gross	12,649	12,571
Accumulated impairment losses	-1,011	-1,015
NET	11,638	11,556

7.1.1.1 Main goodwill balances by Cash-Generating Unit

A Cash-Generating Unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For the purpose of impairment tests, goodwill is allocated, from the acquisition date, to each of the cash-generating units or each of the groups of cash-generating units that are expected to benefit from the business combination, referred to hereafter as "goodwill CGUs".

Given the Group's activities, the goodwill CGUs are below operating segments in the organizational structure and generally represent a group of countries.

The Group has 11 goodwill CGUs as of December 31, 2023, unchanged with respect to 2022.

(€ million)	As of December 31, 2022	As of December 31, 2023
North America	2,647	2,587
France & Special Waste Europe	2,259	2,178
Central & Eastern Europe	2,044	2,049
Water technologies	1,903	1,836
Northern Europe	1,210	1,232
Pacific	597	576
Goodwill balances > €500 million as of December 31, 2023	**10,660**	**10,458**
Other goodwill balances < €500 million	978	1,097
TOTAL GOODWILL	11,638	11,556

Goodwill balances of less than €500 million mainly concern Asia (€309 million), Latin America (€304 million) and Iberia (€298 million).

As of December 31, 2023, accumulated impairment losses total -€1,015 million and mainly concern goodwill of the Central & Eastern Europe cash-generating unit (-€822 million).

7.1.1.2 Movements in the net carrying amount of goodwill

Movements in the net carrying amount of goodwill during 2023 are as follows:

(€ million)	As of December31, 2022	Changes in consolidation scope	Foreign exchange translation	Impairment losses	Transfers to Assets classified as held for sale	Other movements	As of December 31, 2023
France & special waste Europe	2,262	-	-6	-	-80	3	2,178
Europe excluding France	3,527	33	18	-	-	1	3,580
Rest of the World	3,943	149	-125	-8	-	-	3,959
Water technologies	1,903	-7	-60	-	-	-	1,836
Other	3	-	-	-	-	-	3
TOTAL GOODWILL	11,638	175	-173	-8	-80	4	11,556

The main movements in Group goodwill during 2023 were primarily due to:

- **changes in consolidation scope,** including the entry into the scope of Lydec (Morocco), US Industrial Technologies (USA) and Reciclados la Red and Banales III (Spain);
- **foreign exchange translation gains and losses,** mainly due to movements in the US dollar for -€159 million;
- the reclassification of Sade in assets classified as held for sale for -€80 million.

7.1.2 Impairment tests

Veolia performs systematic annual impairment tests in respect of goodwill and other intangible assets with an indefinite useful life. More frequent tests are performed where there is indication that the cash-generating unit may have suffered a loss in value.

Changes in the general economic and financial context, worsening of local economic environments, or changes in the Group's economic performance or stock market capitalization represent, in particular, external indicators of impairment that are analyzed by the Group to determine whether it is appropriate to perform more frequent impairment tests.

Impairment testing was performed on all cash-generating units as of December 31, 2023.

Goodwill impairment is recognized in operating income and is definitive.

Key assumptions underlying the determination of recoverable amounts

The need to recognize an impairment is assessed by comparing the net carrying amount of the assets and liabilities of the CGU or group of CGUs with their recoverable amount.

The recoverable amount of a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Fair value less costs to sell is determined based on available information enabling the best estimate of the amount obtainable from the sale of the cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The value in use determined by the Group is generally equal to the present value of the future cash flows expected to be derived from the CGU or group of CGUs, taking account of their residual value and based on the following:

- cash flow projections are taken from the Long-Term Plan prepared each year and reflect changes in volumes, prices, direct costs and investment in the period, determined based on contracts and activities and in line with past data and expected changes over the period covered by the Long-Term Plan;
- this plan covers the year in progress and the next six years. This period is representative of the average duration of the Group's long-term contract portfolio and its short-term activities;
- terminal values are calculated based on discounted forecast flows for the last year of the long-term plan (2029). These flows are determined for each CGU or group of CGUs based on a perpetual growth rate mainly founded on long-term inflation;
- these terminal values are calculated based on discount rates and perpetual growth rates reflecting the country or the geographic area of the cash-generating unit;
- a discount rate (weighted average cost of capital) is determined for each asset, cash-generating unit or group of cash-generating units: it is equal to the risk-free rate plus a risk premium weighted for country-specific risks (see Note 2). A risk premium is included in the calculation of the weighted average cost of capital of entities located in countries outside the euro zone and the following euro zone countries: Spain, Italy, Slovakia. The discount rates estimated by management for each cash-generating unit therefore reflect current market assessments of the time value of money and the country specific risks to which the CGU or group of CGUs is exposed, with the other risks reflected in the expected future cash flows from the assets. These rates were updated by an independent expert in the second half of 2023, and take into account the increase in inflation rates and in financing conditions;
- investments included in forecast future cash flows are those investments that enable the level of economic benefits expected to arise from the assets to be maintained in their current condition. It should be noted that these investment forecasts used as a basis for computing projections of future cash flow include Veolia commitments to phase-out coal in Europe reflected through assets decarbonisation plan, Restructuring plans to which the Group is not committed are not included in forecast cash flows used to determine values in use.

Changes in the economic and financial context, as well as changes in the competitive or regulatory environment may impact estimates of recoverable amounts, as may unforeseen changes in the political, economic or legal systems of certain countries.

The assumptions underlying the impairment tests on Group cash-generating units with material goodwill balances are as follows:

Cash Generating Unit	Recoverable amount determination method	Discount rate	Perpetual growth rate
France & Special Waste Europe	Value in use	5.9%	1.9%
Central & Eastern Europe	Value in use	8.0%	2.8%
Northern Europe	Value in use	6.4%	2.0%
Pacific	Value in use	6.7%	2.9%
North America	Value in use	6.7%	2.0%
Water Technologies	Value in use	6.7%	2.2%

7.1.2.1 Impairment test results

Impairment tests were performed on all cash-generating units. No impairment losses were recognized in 2023.

7.1.2.2 Sensitivity of recoverable amounts

Recoverable amounts determined for impairment testing purposes were tested for their sensitivity to a 1% increase in discount rates, a 1% decrease in perpetual growth rates and a 5% decrease in operating cash flows.

The changes in operating cash flows taken into account for the purpose of these sensitivity tests include EBITDA, less investments net of divestitures, plus changes in working capital.

They also include the impact of Efficiency and Convergence plans launched by each cash-generating unit at the date of preparation of the Long-Term Plan.

These assumptions are considered reasonable given the Group's activities and the geographic areas of its operations.

In line with the Groups' new organization, impairment tests were performed on new goodwill CGUs and material joint ventures.

Some goodwill CGUs generate cash flows in more than one country. For these CGUs, discount rates, perpetual growth rates and tax rates taken into account at CGU level were calculated by weighting the flows of each constituent country.

The cash-generating units are not sensitive to changes in macroeconomic and operating assumptions as of December 31, 2022 or December 31, 2023.

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7.2 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. They mainly consist of certain assets recognized in respect of concession arrangements (IFRIC 12).

Intangible assets purchased separately are initially measured at cost in accordance with IAS 38. Intangible assets acquired through business combinations are recognized at fair value separately from goodwill. Subsequently, intangible assets are measured at cost less accumulated amortization and impairment losses. They are tested for impairment where there is indication of loss in value (non-performance of a significant long-term contract under the terms laid down in the contract, technical operating issues, etc.).

7.2.1 Concession intangible assets

Concession intangible assets include entry fees paid to local authorities for public service contracts. They correspond to the right of the concession holder to bill users of a public service in return for construction services provided by it to the concession grantor under public service contracts in accordance with IFRIC 12, Service Concession arrangements.

This concession holder right is equal to the fair value of the construction of the concession infrastructure plus borrowings costs recognized during the construction period. It is amortized over the contract term in accordance with an appropriate method reflecting the rate of consumption of the concession asset's economic benefits as from the date the infrastructure is brought into service.

Investment grants received in respect of concession arrangements are generally definitively earned and, therefore, are not repayable. In accordance with the option offered by IAS 20, these grants are presented as a deduction from intangible assets and reduce the amortization charge in respect of the concession intangible asset over the residual term of the concession arrangement.

Movements in the net carrying amount of concession intangible assets during 2023 are as follows:

(€ million)	As of December 31, 2022	Additions	Disposals	Impairment losses	Amortization/ Reversals	Change in consolidation scope	Foreign exchange translation	Transfers to Assets classified as held for sale	Other movements	As of December 31, 2023
Concession intangible assets, gross	10,305	728	-264	-	-	306	-47	-	-20	11,007
Amortization and impairment losses	-5,013	-	249	-9	-709	-	18	-	47	-5,418
CONCESSION INTANGIBLE ASSETS, NET	5,292	728	-15	-9	-709	306	-29	-	26	5,589

Additions mainly concern France and Special Waste Europe (€129 million), Europe excluding France (€518 million) and the Rest of the world (€81 million).

Charges to amortization and impairment losses mainly concern Europe excluding France (-€414 million), France and Special Waste Europe (-€116 million) and the Rest of the world (-€188 million).

Changes in consolidation scope mainly concern the consolidation of Lydec from January 25, 2023.

Concession intangible assets break down by operating segment as follows:

		As of December 31, 2023		
(€ million)	Net carrying amount as of December 31, 2022	Gross carrying amount	Amortization and impairment losses	Net carrying amount
France & special waste Europe	658	1,546	-878	668
Europe excluding France	3,772	7,299	-3,435	3,864
Rest of the World	856	2,143	-1,091	1,052
Water technologies	6	18	-13	5
Other	-	-	-	-
CONCESSION INTANGIBLE ASSETS	5,292	11,006	-5,417	5,589

7.2.2 Other intangible assets

Other intangible assets mainly consist of the value of contracts acquired through business combinations ("contractual rights"), patents, licenses, software and operating rights.

Useful lives are as follows:

Other intangible assets are amortized on a straight-line basis over their useful life, unless another systematic amortization basis better reflects the rate of consumption of the asset.

	Range of useful lives in number of years*
Purchased contractual rights	6 à 30
Purchased software	3 à 10
Other intangible assets	1 à 30

(*) The range of useful lives is due to the diversity of intangible assets concerned.

Other intangible assets break down as follows:

(€ milion)	As of December 31, 2022	As of December 31, 2023
INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE, NET	62	95
Intangible assets with a definite useful life, gross	5,852	5,813
Amortization and impairment losses	-2,772	-2,997
INTANGIBLE ASSETS WITH A DEFINITE USEFUL LIFE, NET	3,080	2,816
OTHER INTANGIBLE ASSETS, NET	3,142	2,911

Movements in the net carrying amount of other intangible assets during 2023 are as follows:

(€ million)	As of December 31, 2022	Additions	Disposals	Impairment losses	Amorti zation	Changes in consolidation scope	Foreign exchange translation	Other movements	December 31, 2023
INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE, NET	**62**	**2**	**1**	**-**	**-**	**2**	**-5**	**35**	**95**
Purchased contractual rights	442	-	-1	-11	-47	-	-11	-	373
Purchased software	263	80	-1	1	-90	2	-4	19	269
Purchased customer portfolios	515	1	-	-2	-84	30	-24	472	908
Patents, licenses	610	4	-	-6	-37	5	-11	198	763
Other purchased intangible assets	1,184	62	-2	-19	-75	2	-29	-725	399
Other internally-developed intangible assets	66	75	1	-3	-27	-1	-	-7	104
INTANGIBLE ASSETS WITH A DEFINITE USEFUL LIFE, NET	**3,080**	**222**	**-2**	**-41**	**-359**	**38**	**-79**	**-44**	**2,816**
OTHER INTANGIBLE ASSETS	**3,142**	**224**	**-2**	**-41**	**-359**	**40**	**-84**	**-9**	**2,911**

Intangible assets with an indefinite useful life are primarily trademarks.

As of December 2023, purchased customer portfolios total €908 million, including €673 million in Water technologies and €130 million in the Rest of the world.

As of December 2023, patents and licenses, including technologies, total €763 million, including €230 million in France and Special Waste Europe, €321 million in Water technologies and €186 million in the Rest of the world.

Other purchased intangible assets total €399 million as of December 31, 2023 and mainly concern the Rest of the world for €282 million and Water technologies for €59 million.

Other internally-developed intangible assets total €104 million and mainly concern France and Special Waste Europe for €31 million and Europe excluding France for €36 million.

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7.3 Property, plant and equipment

Property, plant and equipment are recorded at historical acquisition cost, less accumulated depreciation and any accumulated impairment losses.

Borrowing costs attributable to the acquisition or construction of identified installations, incurred during the construction period, are included in the cost of those assets in accordance with IAS 23, Borrowing Costs.

Property, plant and equipment are recorded by component, with each component depreciated over its useful life.

Useful lives are as follows:

	Range of useful lives in number of years *
Buildings	20 to 100
Technical installations	7 to 70
Vehicles	3 to 25
Other plant and equipment	3 to 12

(*) The range of useful lives is due to the diversity of property, plant and equipment concerned.

Property, plant and equipment are primarily depreciated on a straight-line basis, unless another systematic depreciation basis better reflects the rate of consumption of the asset.

They are tested for impairment where there is indication of loss in value.

In accordance with the option offered by IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, investment grants are deducted from the gross carrying amount of property, plant and equipment to which they relate. When the construction of an asset covers more than one period, the portion of the grant not yet used is recorded in “Other liabilities” in the Consolidated Statement of Financial Position.

7.3.1 Movements in the net carrying amount of property, plant and equipment

Movements in the net carrying amount of property, plant and equipment during **2023** are as follows:

(€ million)	As of December 31, 2022	Additions	Disposals	Impairment losses	Depreciation	Changes in consolidation scope	Foreign exchange translation	Other movements	As of December 31, 2023
Property, plant and equipment, gross	30,482	2,498	-664	-	-	160	-496	-100	31,880
Depreciation and impairment losses	-13,913	-	544	-86	-1,425	-64	123	75	-14,746
PROPERTY, PLANT AND EQUIPMENT, NET	**16,569**	**2,498**	**-120**	**-86**	**-1,425**	**96**	**-374**	**-26**	**17,134**

Additions mainly concern:

- France and Special Waste Europe (€386 million). Additions concern the France RVD business unit for €138 million and the Special Waste Europe business unit for €138 million;
- Europe excluding France (€875 million). Additions concern the United Kingdom for €167 million and primarily the purchase of rolling stock and other investments in hazardous waste processing for €34 million; Poland and the Czech Republic for €186 million and €150 million, respectively, with mainly investment in decarbonizing, environmental compliance and developing new connections; and Germany for €133 million and primarily the construction and maintenance of the biomass facility.
- the Rest of the world (€1,079 million). Additions concern the United States for €525 million and mainly treatment installations and water distribution systems for €61 million and incinerator equipment for €82 million. They also concern Australia for €122 million, with the purchase of rolling stock; Japan for €44 million, with the construction of new plastic waste processing facilities; and Chili for €153 million, with the renewal of drinking water and wastewater networks.

Disposals, net of impairment losses and depreciation, of -€120 million mainly concern:

- France and Special Waste Europe (-€22 million);
- Europe excluding France (-€38 million);
- and the Rest of the World (-€33 million).

Impairment losses total -€86 million and concern the Rest of the world (-€35 million) and Europe excluding France (-€52 million).

Depreciation of -€1,425 million mainly concerns France and Special Waste Europe (-€280 million), Europe excluding France (-€488 million) and the Rest of the world (-€527 million).

Changes in consolidation scope of €96 million mainly concern the acquisition of an entity in Germany and two companies in Spain.

Foreign exchange translation gains and losses are primarily due to the appreciation of the US dollar (-€178 million) and the Chilean peso (-€139 million) against the euro.

Property, plant and equipment break down by operating segment as follows:

(€ million)	Net carrying amount of December 31, 2022	As of December 31, 2023		
		Gross carrying amount	Depreciation and impairment losses	Net carrying amount
France & special waste Europe	1,743	6,472	-4,691	1,781
Europe excluding France	4,916	11,744	-6,358	5,386
Rest of the World	8,993	12,288	-3,218	9,070
Water technologies	875	1,246	-378	868
Other	42	129	-101	28
PROPERTY, PLANT AND EQUIPMENT	**16,569**	**31,880**	**-14,746**	**17,134**

The breakdown of property, plant and equipment by class of assets is as follows:

(€ million)	Net carrying amount as of December 31, 2022	As of December 31, 2023 Gross carrying amount	Depreciation and impairment losses	Net carrying amount
Land	1,452	2,533	-1,086	1,447
Buildings	2,642	5,320	-2,350	2,970
Technical installations, plant and equipment	9,111	16,855	-7,833	9,022
Rolling stock and other vehicles	789	2,529	-1,735	794
Other property, plant and equipment	428	2,057	-1,598	459
Property, plant and equipment in progress	2,147	2,586	-144	2,442
PROPERTY, PLANT AND EQUIPMENT	16,569	31,880	-14,746	17,134

7.4 Right of use

In application of the Lease standard (IFRS 16), the Group analyses the contractual provisions of an agreement at the time of signature, to determine whether it presents the characteristics of a lease. In substance, it is necessary to determine whether the agreement conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where these characteristics exist, the Group recognizes, at the time the asset is made available:

- a new asset, the "Right of use", which represents the right to use the leased asset during the term of the lease;
- a liability, the "IFRS 16 lease debt", which represents the lease payment commitment.

The Group applies a single recognition method for all leases, excluding short-term leases (duration of 12 months or less) and leases of assets with a low value. The Group adopted a threshold of US $5,000 for low value assets.

Lease payments on contracts excluded from the scope of IFRS 16, as well as variable payments, continue to be recognized as operating expenses.

(€ million)	As of December 31, 2022	As of December 31, 2023
Short term leases	52	58
Low value lease contracts	6	6
Variable leases	11	6
TOTAL	69	70

Initial and subsequent measurement of Right of use assets

The right of use asset recognized includes:

- the amount of the related lease debt;
- plus, where applicable:
  - lease payments made before the asset is made available,
  - initial direct costs incurred to obtain the lease, and
  - any dismantling or rehabilitation costs for which Veolia is liable;
- less any incentives received.

The lease debt is equal to the present value of:

- future lease payments (fixed payments and in-substance fixed payments, as well as variable lease payments that depend on an index or a rate);
- incentives receivable;
- amounts that Veolia expects to pay under residual value guarantees;
- the exercise price of a purchase option if Veolia is reasonably certain to exercise it; as well as
- any penalties for terminating the lease.

The right of use asset is depreciated or amortized on a straight-line over the shorter of the expected useful life of the asset and the lease term.

Impairment tests are performed in accordance with the method described in Note 7.1.2

Lease term

The lease term is determined based on the provisions of the contract and reflects:

- the non-cancellable period, that is the period of time during which the Group does not have the opportunity to cancel the contract;
- plus any optional cancellation periods, if the Group is reasonably assured not to exercise the cancellation option ;
- plus any optional extension periods, if the Group is reasonably assured to exercise the extension option.

Discount rate

When calculating the present value of future lease payments, the Group has elected not to use the rate implicit in the lease as the discount rate, and has developed a calculation method to determine the incremental borrowing rate that would apply to the financing of these leased assets. This methodology is based on a rate schedule calculated by currency and maturity based on the following parameters: reference rate of the relevant currency and the Veolia credit spread, the Group satisfying, through access to the bond market, the majority of the financing requirements of its subsidiaries.

Lease amendments

The net carrying amount of the right of use asset is adjusted in the event of amendments to the lease provisions that require the remeasurement of the lease debt (modification of an index, increase or reduction in the lease term, increase or decrease in future lease payments, etc.) or in the event of changes in assumptions as to whether the exercise of renewal or termination options is reasonably certain.

Right of use assets break down as follows:

(€ million)	Net carrying amount as of December 31, 2022	As of December 31, 2023		
		Gross carrying amount	Depreciation and impairment losses	Net carrying amount
Right of use, Land	388	626	-265	361
Right of use, Buildings	940	1,998	-1,136	862
Right of use assets, Technical installations, plant and equipment	233	374	-199	175
Right of use assets, Rolling stock and other vehicles	401	805	-406	400
Right of use - Other PP&E	35	104	-50	54
RIGHT OF USE	1,997	3,908	-2,055	1,853

Right of use breaks down by operating segment as follows:

(€ million)	Net carrying amount as of December 31, 2022	As of December 31, 2023		
		Gross carrying amount	Depreciation and impairment losses	Net carrying amount
France & special waste Europe	615	1,096	-570	526
Europe excluding France	566	1,122	-544	578
Rest of the World	576	994	-486	508
Water technologies	161	366	-213	153
Other	79	330	-242	88
RIGHT OF USE	1,997	3,908	-2,055	1,853

Movements in the net carrying amount of the right of use during 2023 are as follows:

(€ million)	As of December 31, 2022	Additions	Contract termination or expiry	Impairment losses	Depreciation	Changes in consolidation scope	Foreign exchange translation	Other movements	As of December 31, 2023
Right of use	3,950	550	-498	-	-	16	-45	-65	3,908
Depreciation and impairment losses	-1,953	-	395	-1	-552	-	21	36	-2,055
RIGHT OF USE, NET	1,997	550	-103	-1	-552	16	-25	-29	1,853

Additions mainly concern France and Special Waste Europe (€147 million), Europe excluding France (€185 million) and the Rest of the world (€125 million).

Depreciation and impairment losses total -€552 million in 2023 and mainly breaks down as follows:

- land: -€70 million;
- buildings: -€216 million;
- technical installations, plant and equipment: -€61 million;
- rolling stock: -€183 million;

They mainly concern France and Special Waste Europe (-€168 million), Europe excluding France (-€148 million), the Rest of the world (-€151 million) and Water technologies (-€56 million).

Other movements mainly reflect the impact of the reclassification of Sade in Assets classified as held for sale for -€37 million.

Sub-lease revenue associated with right-of-use assets is not material.

Note 8 FINANCING AND FINANCIAL INSTRUMENTS

8.1 Financial assets and liabilities

Financial assets and liabilities mainly consist of:

- "financial liabilities", presented in Note 8.1.1;
- "non-current and current financial assets", presented in Note 8.1.2;
- cash and cash equivalents and bank overdrafts and other cash position items, presented in Note 8.1.3;
- derivative instruments, presented in Note 8.3.

8.1.1 Financial liabilities

Financial liabilities include borrowings, other financing and bank overdrafts and derivative liabilities.

With the exception of trading liabilities and derivative liabilities which are measured at fair value, borrowings and other financial liabilities are recognized initially at fair value less transaction costs and subsequently measured at amortized cost using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the estimated term of the financial instrument or, where applicable, over a shorter period, to the net carrying amount of the financial asset or liability.

		Non-current		Current		Total	
(€ million)	Notes	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023
Bond issues	8.1.1.1	17,721	16,782	1,474	1,299	19,195	18,081
Other financial liabilities	8.1.1.2	1,971	1,995	5,047	5,895	7,018	7,890
IFRS 16 lease debt	8.1.1.3	1,656	1,533	497	467	2,153	2,000
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES		21,348	20,310	7,018	7,662	28,366	27,972

The heading "Net increase/decrease in current financial liabilities" in the Consolidated Cash Flow Statement mainly includes redemptions of current bonds in the amount of -€1,483 million in 2023 and increases and repayments of other current financial liabilities of €540 million.

The heading "New non-current borrowings and other debts" in the Consolidated Cash Flow Statement mainly includes non-current bond issues in the amount of €267 million in 2023 and new other non-current financial liabilities of €696 million.

8.1.1.1 Changes in non-current and current bond issues

Bond issues break down as follows:

(€ million)	As of December 31, 2022	Subscriptions	Redemptions	Changes in consolidation scope	Fair value adjustments (1)	Foreign exchange translation	Non-current/ current reclassification	Other movements	As of December 31, 2023
Non-current bond issues	17,722	267	-68	33	258	-111	-1,320	1	16,782
Current bond issues	1,474	-	-1,483	16	-	-28	1,320	-	1,299
TOTAL BOND ISSUES	19,196	267	-1,551	49	258	-139	-	1	18,081

(1) Value adjustments are recorded in financial income and expenses.

Additions/subscriptions mainly reflect mainly reflect three bonds issued by Veolia Utilities Resources (previously Suez Water Inc. Utility) for a total nominal amount of US$230 million: an initial tranche issued on January 10, 2023 of US$30 million, maturing in 2052 and bearing a coupon of 5.86% and two tranches issued on November 29, 2023 of US$30 million, maturing in 2038 and bearing a coupon of 6.07% and of US$170 million, maturing in 2053 and bearing a coupon of 6.23%.

Redemptions concern the redemption of two bond issues maturing on October 4, 2023 for €600 million and October 9, 2023 for €376 million, as well as Panda bond lines maturing on June 24, 2023 for CNY1.5 billion and December 16, 2023 also for CNY1.5 billion, representing a euro-equivalent of €382 million.

Non-current/current reclassifications total €1,320 million and mainly concern the euro bond lines maturing on January 14, 2024 and July 22, 2024 in the nominal amounts of €750 million and €461 million, respectively.

Foreign exchange translation gains and losses total equal -€139 million and mainly concern the translation at the year-end exchange rate of the CNY bond line which matured in 2023 for -€25 million (euro-equivalent) as of December 31, 2023, as well as the USD bond line carried by Suez Water Inc - Utility for -€49 million and finally the CLP bond line carried by Chili maturing in 2037 for -€68 million.

	Non-current		Current		Total	
(€ million)	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023
Bond issues	**17,721**	**16,782**	**1,474**	**1,299**	**19,195**	**18,081**
• maturing in < 1 year	-	-	1,474	1,299	1,474	1,299
• maturing in 2-3 years	3,086	3,227	-	-	3,086	3,227
• maturing in 4-5 years	3,841	4,440	-	-	3,841	4,440
• maturing in > 5 years	10,795	9,115	-	-	10,795	9,115

Non-current bond issues break down by maturity as follows:

			Maturing in		
(€ million)	As of December 31, 2022	As of December 31, 2023	2 to 3 years	4 to 5 years	> 5 years
Publicly offered or traded issuances	16,970	16,026	2,489	4,440	9,097
European market (i)	*14,435*	*13,400*	*2,321*	*4,389*	*6,690*
American market (ii)	*1,467*	*1,615*	*115*	*14*	*1,486*
South-American Market (iii)	*1,068*	*1,011*	*54*	*37*	*921*
Bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE)	707	703	703	-	-
Other amounts < €50 million in 2022 and 2023	45	53	34	-	19
NON-CURRENT BOND ISSUES	17,722	16,782	3,227	4,440	9,115

(i) European market: as of December 31, 2023, an amount of €14,620 million is recorded in the Consolidated Statement of Financial Position in respect of bonds issued under the European Medium Term Notes (EMTN) Program, including €13,400 million maturing in more than one year. The impact of the fair value remeasurement of hedged interest rate risk is -€213 million at the year-end (non-current portion);

(ii) American market: as of December 31, 2023, remaining nominal outstandings on the bond issues performed in the United States total US$1,793 million, including US$1,783 million maturing in more than one year.

(iii) South-American market: as of December 31, 2023, remaining nominal outstandings on the bond issues performed in Chile total CLP1,022,200 million, including CLP979,568 maturing in more than one year.

Breakdown of **non-current bond issues** by main components:

Transaction (all amounts are in € million)	Final maturity	Currency	Nominal	Interest rate	Net carrying amount
Series 12	11/25/2033	EUR	700	6.130 %	697
Series 24	10/29/2037	GBP	129	6.130 %	129
Series 29 (PEO)	3/30/2027	EUR	750	4.625 %	682
Series 31 (PEO)	1/10/2028	EUR	500	1.590 %	426
Series 34	1/4/2029	EUR	500	0,927%	499
Series 36	11/30/2026	EUR	650	1.496 %	627
Series 38	1/7/2030	EUR	750	1.940 %	749
Series 40	1/15/2031	EUR	500	0,664%	499
Series 41	4/15/2028	EUR	700	1.250 %	699
Series 42	1/15/2032	EUR	500	0,800%	423
Series 43	1/14/2027	EUR	700	0.000 %	699
Series 18	4/3/2025	EUR	500	1.000 %	492
Series 16	9/10/2025	EUR	500	1.750 %	497
Series 25	6/9/2026	EUR	750	0.000 %	704
Series 23	4/2/2027	EUR	850	1.250 %	867
Series 3	6/8/2027	EUR	250	1.904 %	240
Series 17	5/19/2028	EUR	800	1.250 %	776
Series 19	4/3/2029	EUR	700	1.500 %	712
Series 13	5/21/2029	EUR	75	2.000 %	80
Series 15	7/1/2030	EUR	50	2.250 %	54
Series 21	9/17/2030	EUR	500	1.625 %	526
Series 9	12/2/2030	GBP	288	5.375 %	346
Series 22	10/14/2031	EUR	700	0.500 %	645
Series 20	9/21/2032	EUR	540	1.625 %	520
Series 10	3/25/2033	EUR	100	3.385 %	118
Series 24 VIGIE SA	5/14/2035	EUR	750	1.250 %	692
Total bond issues (EMTN)	**N/A**	**N/A**	**13,732**	**N/A**	**13,398**
USD Series Tranche 3	6/1/2038	USD	171	6,750 %	184
VUR Senior Notes 2015 Series C	8/31/2035	USD	113	4.090 %	113
VUR Senior Notes 2019 Series A	11/6/2034	USD	136	2.940 %	136
VUR Private Placement 2021 B	11/10/2061	USD	109	3.140 %	109
VUR Private Placement 2022 B	11/10/2052	USD	122	5.860 %	122
VUR Private Placement 2023 B	12/1/2053	USD	154	6.230 %	154
Other bond issues in USD <€100 million	N/A	USD	824	N/A	816
Total publicly offered or traded issuances in USD	**N/A**	**N/A**	**1629**	**N/A**	**1634**
Bond issues in CLP < €100 million	N/A	CLP	1011	N/A	1011
Total bond issues in chilean peso	**N/A**	**N/A**	**1011**	**N/A**	**1011**
Bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE)	1/1/2025	EUR	700	N/A	703
Total bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE)	**N/A**	**N/A**	**700**	**N/A**	**703**
Stirling Water Seafield Finance bond issue	9/26/2026	GBP	26	5,822 %	18
Total principal bond issues	**N/A**	**N/A**	**17098**	**N/A**	**16764**
Total other bond issues	**N/A**	**N/A**		**N/A**	**18**
TOTAL NON-CURRENT BOND ISSUES	**N/A**	**N/A**		**N/A**	**16782**

8.1.1.2 Change in other financial liabilities

	Non-current		Current		Total	
(€ million)	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023
Other financial liabilities	**1,971**	**1,995**	**5,047**	**5,895**	**7,018**	**7,890**
• maturing in < 1 year	-	-	5,047	5,895	5,047	5,895
• maturing in 2-3 years	893	646	-	-	893	646
• maturing in 4-5 years	254	438	-	-	254	438
• maturing in > 5 years	824	911	-	-	824	911

Movements in **other financial liabilities** in **2023** are as follows:

(€ million)	As of December 31, 2022	Net movement	Changes in consolidation scope	Fair value adjustments	Foreign exchange translation	Non-current / current reclassification	Transfers to Liabilities classified as held for sale	Other movements	As of December 31,2023
Other non-current financial liabilities	1,971	202	57	-	-43	-211	-	19	1,995
Other current financial liabilities	5,047	544	25	25	84	211	-50	9	5,895
OTHER FINANCIAL LIABILITIES	**7,018**	**746**	**82**	**25**	**41**	**-**	**-50**	**28**	**7,890**

Other non-current financial liabilities mainly comprise debt carried by:

- France and special waste Europe of €47 million, including €15 million in Sarpi;
- the Rest of the world of €1,042 million, including:
  - Veolia Sunshine (Harbin) in China of €196 million;
  - Aguas Andinas in Chile of €145 million;
  - Redal in Morocco (Water) of €49 million as of December 31, 2023 and €63 million as of December 31, 2022;
  - International Water Services Guayaquil Interagua in Ecuador (Water) of €57 million as of December 31, 2023 and €71 million as of December 31, 2022;
- Europe excluding France of €900 million, including Germany of €442 million, and mainly:
  - Braunschweig in Germany of €384 million as of December 31, 2023 and €325 million as of December 31, 2022,
  - Stadtwerke Görlitz of €47 million as of December 31, 2023;
  - and also Agbar in Spain of €176 million;
  - CHP Energia in Hungary of €225 million.
- and certain subsidiaries in the Other operating segment of €6 million.

Other current financial liabilities total €5,895 million as of December 31, 2023, compared with €5,047 million as of December 31, 2022.

Net movements in other financial liabilities in 2023 mainly reflect the issue of commercial paper by Veolia Environnement for €747 million.

As of December 31, 2023, other current financial liabilities mainly concern Veolia Environnement for €4,830 million (including commercial paper of €4,668 million and accrued interest on debt of €161 million).

8.1.1.3 IFRS 16 lease debt

Lease debt recognition and measurement principles are disclosed in note 7.4.

(€ million)	As of December 31, 2022	Net movement	Changes in consolidation scope	Fair value adjustments	Foreign exchange translation	Non-current / current reclassification	Transfers to Liabilities classified as held for sale	Other movements	As of December 31,2023
Non-current IFRS 16 lease debt	1,656	446	12	-	-19	-502	-24	-36	1,533
Current IFRS 16 lease debt	497	-535	4	-	-6	502	-12	19	467
IFRS 16 LEASE DEBT	2,153	-89	16	-	-26	-	-36	-17	2,000

IFRS 16 lease debt by operating segment breaks down as follows:

	As of December 31,2022	As of December 31, 2023		
(€ million)	IFRS 16 lease debt	Non-current IFRS 16 lease debt	Current IFRS 16 lease debt	IFRS 16 lease debt
France & special waste Europe	661	417	134	551
Europe excluding France	610	490	135	625
Rest of the World	624	428	136	564
Water technologies	172	110	47	157
Other	86	88	15	103
IFRS 16 LEASE DEBT	2,153	1,533	467	2,000

IFRS 16 lease debt by type of assets breaks down as follows:

(€ million)	As of December 31, 2022	As of December 31, 2023
Real estate	65.5%	66.7%
Technical installations, plant and equipement	18.9%	13.3%
Rolling stock and other vehicles	15.6%	19.9%

IFRS 16 lease debt by maturity breaks down as follows:

	Non-current		Current		Total	
(€ million)	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023
IFRS 16 lease debt	**1,656**	**1,533**	**497**	**467**	**2,153**	**2,000**
• 1 year	-	-	497	467	497	467
• 2 years	468	339	-	-	468	339
• 3 years	244	262	-	-	244	262
• 4 years	178	191	-	-	178	191
• 5 years	171	165	-	-	171	165
• > 5 years	596	576	-	-	596	576

(€ million)	As of December 31, 2022	As of December 31, 2023
Repayments of IFRS 16 lease debt	683	631
Interest on IFRS 16 lease debts	52	58
Exemption and variable lease payments	15	14
LEASE PAYMENTS OF THE PERIOD	750	704

8.1.1.4 Breakdown of non-current and current financial liabilities by currency

Financial liabilities break down by original currency (before currency swaps) as follows:

- Euro-denominated debt of €21,692 million as of December 31, 2023 and €22,098 million as of December 31, 2022;
- Pound sterling-denominated debt of €726 million as of December 31, 2023 and €687 million as of December 31, 2022;
- US dollar-denominated debt of €2,440 million as of December 31, 2023 and €2,440 million as of December 31, 2022;
- Chine renminbi-denominated debt of €729 million as of December 31, 2023 and €738 million as of December 31, 2022;
- Chilean peso-denominated debt of €1,282 million (including inflation-indexed bond issues of €1,055 million) as of December 31, 2023 and €1,422 million as of December 31, 2022.

8.1.2 Non-current and current financial assets

Financial assets include assets classified as loans and receivables, liquid assets, financing assets, other financial assets, derivative assets and cash and cash equivalents.

Financial assets are initially recognized at fair value plus transaction costs, where the assets concerned are not subsequently measured at fair value through profit or loss. Where the assets are measured at fair value through profit or loss, transaction costs are expensed directly to net income.

The Group classifies financial assets in one of the categories identified by IFRS 9 on the acquisition date, based on the instrument's characteristics and the business model.

Assets at amortized cost

Financial assets are valued at amortized cost where they are recovered by collecting contractual cash flows (payments of principal and interest on the principal amount outstanding).

These assets comprise loans to non-consolidated investments, operating financial assets, other loans and receivables and trade receivables. After initial recognition at fair value, they are recognized and measured at amortized cost using the effective interest method.

In accordance with IFRS 9, these assets are impaired in the amount of expected credit losses. Impairment losses are recorded in other financial income and expenses.

Assets at fair value through other comprehensive income subsequently released to net income

This category includes financial assets recovered by collecting contractual cash flows (payments of principal and interest on the principal amount outstanding) or selling the assets.

Changes in the fair value of these assets are recognized directly in other comprehensive income, with the exception of interest income and dividends recognized in other financial income and expenses. Fair value gains and losses are released to net income on the sale of the assets.

Assets at fair value through other comprehensive income not subsequently released to net income

This category includes equity instruments not held for trading. It relates primarily to non-consolidated investments.

Changes in the fair value of these assets are recognized directly in other comprehensive income, with the exception of interest income and dividends recognized in other financial income and expenses. Fair value gains and losses are not released to net income on the sale of the assets.

Fair value is equal to market value in the case of quoted securities and to an estimate of the fair value in the case of unquoted securities, determined based on financial criteria most appropriate to the specific situation of each security. Financial investments which are not quoted in an active market and for which the fair value cannot be measured reliably, are recorded by the Group at historical cost less any accumulated impairment losses.

Assets at fair value through profit or loss

This category includes:

- financial assets that are not held either to collect contractual cash flows or to sell the assets and whose contractual conditions do not solely give rise to payments of principal and interest on the principal amount outstanding;
- assets designated at fair value and primarily the cash UCITS portfolio whose performance and management is based on fair value.

Fair value gains and losses are recognized in other financial income and expenses.

Net gains and losses on derivatives entered into for trading purposes consist of swapped flows and the change in the value of the instrument.

8.1.2.1 Other non-current and current financial assets

Other non-current and current financial assets break down as follows:

(€ million)	Non-current		Current		Total	
	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023	As of December 31, 2022	As of December 31, 2023
Gross	558	657	576	365	1,134	1,022
Impairment losses	-97	-135	-31	-26	-128	-161
FINANCIAL ASSETS RELATING TO LOANS AND RECEIVABLES, NET	461	522	545	339	1,006	861
OTHER FINANCIAL ASSETS	13	11	-	-	13	12
LIQUID ASSETS AND FINANCING FINANCIAL ASSETS (1)	9	9	1,668	1,884	1,677	1,892
TOTAL OTHER FINANCIAL ASSETS, NET	483	542	2,214	2,223	2,697	2,765

(1) Liquid assets are financial assets composed of funds or securities with an initial maturity of more than three months, easily convertible into cash, and managed with respect to a liquidity objective while maintaining a low capital risk.

8.1.2.2 Changes in other non-current financial assets

Changes in the value of other non-current financial assets during **2023** are as follows:

(€ million)	As of December 31 2022	Changes in business	Changes in consolidation scope	Fair value adjustments	Impairment losses*	Foreign exchange translation	Non-current / current reclassification	Transfers to Assets classified as held for sale	Other movements **	As of December 31 2023
Gross	558	78	7	-	6	-11	23	-1	-4	657
Impairment losses	-97	-	-	-	-39	3	-	-	-3	-135
NON-CURRENT FINANCIAL ASSETS RELATING TO LOANS AND RECEIVABLES, NET	461	78	7	-	-33	-8	23	-1	-6	522
OTHER NON-CURRENT FINANCIAL ASSETS	13	-1	-	-	-1	-	-	-	-	11
LIQUID ASSETS AND FINANCING FINANCIAL ASSETS	9	-	-	-	-	-	-	-	-	9
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS, NET	483	77	7	-	-34	-8	23	-1	-6	542

(*) Impairment losses are recorded in financial income and expenses.
(**) Reinsurers' share.

Non-current financial assets relating to loans and receivables

As of December 31, 2023, the main non-current financial assets relating to loans and receivables primarily comprise loans granted to equity-accounted joint ventures totaling €66 million, compared with €85 million as of December 31, 2022 (see also Note 5.2.4.1).

Other non-current financial assets

Other non-current financial assets are classified as "Assets at fair value through profit or loss" in accordance with the principles set out in Note 8.1.2.

Other financial assets held by the Group in countries considered high-risk by the IMF are not material in amount.

8.1.2.3 Movements in current financial assets

Movements in other current financial assets during **2023** are as follows:

(€ million)	As of December 31 2022	Changes in business	Changes in consolidation scope	Fair value adjustments	Impairment losses *	Foreign exchange translation	Non-current / current reclassification	Transfers to Assets classified as held for sale	Other movements **	As of December 31 2023
Gross	576	-206	-7	-	43	-7	-22	-3	-9	365
Impairment losses	-31	-	-	-	6	1	-2	1	-	-26
CURRENT FINANCIAL ASSETS RELATING TO LOANS AND RECEIVABLES, NET	**545**	**-206**	**-7**	**-**	**49**	**-6**	**-25**	**-2**	**-9**	**339**
Gross	-	-	-	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-	-	-	-
OTHER CURRENT FINANCIAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross	1,668	235	1	-	-	-1	-	-	-19	1,884
Impairment losses	-	-	-	-	-	-	-	-	-	-
LIQUID ASSETS AND FINANCING FINANCIAL ASSETS	**1,668**	**235**	**1**	**-**	**-**	**-1**	**-**	**-**	**-19**	**1,884**
TOTAL OTHER CURRENT FINANCIAL ASSETS, NET	**2,214**	**30**	**-6**	**-**	**49**	**-7**	**-25**	**-2**	**-28**	**2,223**

(*) Impairment losses are recorded in financial income and expenses.
(**) Reinsurers' share.

As of December 31, 2023, liquid assets and financing financial assets primarily comprise investments with an initial maturity of more than three months, easily convertible into cash, and managed with respect to a liquidity objective while maintaining a low capital risk.

Movements in 2023 mainly concern the optimization of the Group's cash management.

The accounting treatment of other current financial assets relating to loans and receivables complies with the required treatment of assets at amortized cost. Other financial assets are classified as "Assets at fair value through profit or loss" in accordance with the principles set out in Note 8.1.2.

8.1.3 Cash and cash equivalents, bank overdrafts and other cash position items

Cash and cash equivalents include all cash balances, certain term deposit accounts, negotiable debt instruments and monetary UCITS.

Cash equivalents are held to meet short-term cash commitments.

In order to be considered a cash equivalent, an investment must be readily convertible to a known amount of cash and subject to a negligible risk of change in value, thereby satisfying the requirements of IAS 7.

Term deposit accounts and negotiable debt instruments present characteristics satisfying the requirements of IAS 7 when their yield is based on short-term money-market rates (such as Eonia) and their maturity is less than 3 months (contractually or due to an early exit option exercisable at least every 3 months and held at a low or nil cost, without loss of capital or remuneration received net of the early exit penalty of less than the yield on short-term investments).

UCITS classified in "cash equivalents" comply with Regulation (EU) 2017/1131 of the European Parliament and of the Council of June 14, 2017 on money market funds and are presumed to satisfy the cash equivalent criteria defined by IAS 7.

These UCITS can be sold daily on demand, conferring on them the characteristics of short-term, highly liquid investments that are readily convertible to known amounts of cash. These instruments are not intended to be held more than three months and offer a yield similar to the Eonia (European Overnight Index Average) interbank rate, thereby limiting sensitivity to interest rates. The regularity of performance trends does not expose them to a material risk of change in value.

Bank overdrafts repayable on demand which form an integral part of the Group's cash management policy represent a component of cash and cash equivalents for the purposes of the Consolidated Cash Flow Statement.

Cash and cash equivalents are valued at fair value through profit or loss. Note 8.2.1 sets out the method of determining fair value. Cash and cash equivalents belong to fair value levels 1 and 2:

- instruments with a quoted price in an active market in level 1;
- other instruments that are not quoted but the fair value of which is determined using valuation techniques involving standard mathematical calculation methods integrating observable market data, in level 2.

8.1.3.1 Movements in cash and cash equivalents

Movements in cash and cash equivalents and bank overdrafts and other cash position items during **2023** are as follows:

(€ million)	As of December 31 2022	Changes in business	Changes in consolidation scope	Fair value adjustments (1)	Foreign exchange translation	Transfers to Assets/ Liabilities classified as held for sale	Other movements	As of December 31 2023
Cash	2,819	-805	306	-	-98	-148	5	2,081
Cash equivalents	6,193	351	39	-	32	-2	2	6,615
CASH AND CASH EQUIVALENTS	9,012	-454	345	-	-66	-150	7	8,696
BANK OVERDRAFTS AND OTHER CASH POSITION ITEMS	214	-49	231	-	16	-5	-26	379
Net cash	**8,798**	**-404**	**114**	**-**	**-82**	**-145**	**34**	**8,317**

(1) Value adjustments are recorded in financial income and expenses.

Cash and cash equivalents total €8,696 million, including €459 million "subject to restrictions" as of December 31, 2023.

Restricted cash comprises: €249 million subject to contractual legal restrictions (particularly for the Group's reinsurance activities), €69 million backing the servicing of local financial liabilities and €141 million in respect of subsidiaries located in countries with currency restrictions.

Cash and cash equivalents decreased by €481 million in 2023, mainly reflecting the redemption of bond issues at maturity for €1.3 billion, partially offset by proceeds from the issue of commercial paper of €747 million.

As of December 31, 2023, the Europe excluding France segment held cash of €519 million, the Rest of the world segment held cash of €717 million, the Water technologies segment held cash of €451 million , France and special waste Europe segment held cash of €80 million and the Other segment held cash of €314 million (including mainly Veolia Environnement).

Surplus cash balances of other Group subsidiaries, not pooled at Veolia Environnement level, are invested in accordance with procedures defined by the Group. Note 8.3.2, "Management of liquidity risk", presents a breakdown of investments by nature.

As of December 31, 2023, cash equivalents were primarily held by Veolia Environnement in the amount of €6,138 million, including monetary UCITS of €3,514 million and term deposit accounts of €2,624 million.

Bank overdrafts and other cash position items consist of credit balances on bank accounts and related accrued interest payable, corresponding to brief overdrafts.

8.1.3.2 Management of equity risk

As part of its cash management strategy, Veolia Environnement holds UCITS. These UCITS have the characteristics of monetary UCITS and are not subject to equity risk.

8.2 Fair value of financial assets and liabilities

8.2.1 Fair value of financial assets and liabilities

The recognition and measurement of financial assets and liabilities is governed by IFRS 9. Fair value measurement incorporates, in particular, the risk of non-performance by the Group or its counterparties, determined based on default probabilities taken from rating agency tables.

The fair value of all financial assets and liabilities is determined at the reporting date, either for recognition in the accounts or disclosure in the Notes to the financial statements.

Fair value is determined:

i. based on quoted prices in an active market (level 1); or

ii. using internal valuation techniques involving standard mathematical calculation methods integrating observable market data (forward rates, interest rate curves, etc.). Valuations produced by these models are adjusted to take account of a reasonable change in the credit risk of the Group or the counterparty (level 2); or

iii. using internal valuation techniques integrating factors estimated by the Group in the absence of observable market data (level 3).

Quoted prices in an active market (level 1)

When quoted prices in an active market are available, they are used in priority to determine the market value. Marketable securities and certain quoted bond issues are valued in this way.

Fair values determined using models integrating observable market data (level 2)

The majority of derivative instruments (swaps, caps, floors, etc.) are traded over the counter and, as such, there are no quoted prices. Valuations are therefore determined using models commonly used by market participants to value such financial instruments.

Valuations calculated internally for derivative instruments are tested every six months for consistency with valuations issued by our counterparties.

The fair value of unquoted borrowings is calculated by discounting contractual flows at the market rate of interest.

The net carrying amount of receivables and payables falling due within less than one year and certain floating-rate receivables and payables is considered a reasonable estimate of their fair value, due to the short payment and settlement periods applied by the Group.

The fair value of fixed-rate loans and receivables depends on movements in interest rates and the credit risk of the counterparty.

Valuations produced by these models are adjusted to take account of changes in Group credit risk.

Fair values determined using models integrating certain non-observable data (level 3)

Derivative instruments valued using internal models integrating certain non-observable data include certain electricity derivative instruments for which there are no quoted prices in an active market (notably for electricity purchase options with extremely long maturity) or observable market data (forward prices for component materials, interest-rate curves, etc.), in particular for distant maturities.

8.2.2 Financial assets

The following table presents the net carrying amount and fair value of Group financial assets as of December 31, 2023, grouped together in accordance with IFRS 9 categories.

		As of December 31, 2023							
		Net carrying amount	Financial assets at fair value			Fair value	Method for determining fair value		
(€ million)	Note	Total	Assets at fair value through other comprehensive income	Assets at amortized cost	Assets at fair value through profit or loss	Total	Level 1	Level 2	Level 3
Non-consolidated investments		92	-	92	-	92	-	92	-
Non-current and current operating financial assets	Note 5.4	1,393	-	1,393	-	1,427	-	1,427	-
Other non-current financial assets	Note 8.1.2	542	-	542	-	542	-	542	-
Trade receivables	Note 5.3	10,355	-	10,355	-	10,355	-	10,355	-
Other current operating receivables	Note 5.3	1,761	-	1,761	-	1,761	-	1,761	-
Other current financial assets	Note 8.1.2	2,223	-	2,214	-	2,214	-	2,214	-
Non-current and current derivative instruments	Note 8.3	259			259	259	-	259	-
Cash and cash equivalents	Note 8.1.3	8,696			8,696	8,696	2,081	6,615	-
TOTAL		25,321	-	16,356	8,955	25,345	2,081	23,264	-

Level 2 cash and cash equivalents mainly consist of negotiable debt instruments and term deposit accounts.

8.2.3 Financial liabilities

The following table presents the net carrying amount and fair value of Group financial liabilities as of December 31, 2023, grouped together in accordance with IFRS 9 categories.

		As of December 31, 2023							
		Net carrying amount	Financial liabilities at fair value			Fair value	Method for determining fair value		
(€ million)	Note	Total	Liabilities at amortized cost	Liabilities at fair value through profit or loss	Liabilities at fair value through profit or loss and held for trading	Total	Level 1	Level 2	Level 3
Borrowings and other financial liabilities									
Non-current bond issues	Note 8.1.1	16,782	16,782	-	-	14,124	13,430	694	-
Current bond issues	Note 8.1.1	1,299	1,299	-	-	1,299	1,299	-	-
Non-current financial liabilities	Note 8.1.1	1,995	1,995	-	-	1,652	-	1,652	-
Current financial liabilities	Note 8.1.1	5,895	5,895	-	-	5,895	-	5,895	-
Non-current IFRS 16 lease debt	Note 8.1.1	1,533	1,533	-	-	1,533	-	1,533	-
Current IFRS 16 lease debt	Note 8.1.1	467	467	-	-	467	-	467	-
Bank overdrafts and other cash position items	Note 8.1.3	379	-	379	-	379	-	-	379
Trade payables	Note 5.3	7,960	7,960	-	-	7,960	-	7,960	-
Non-current and current concession liabilities	Note 5.5	2,011	2,011	-	-	2,011	-	2,011	-
Non-current and current derivative instruments	Note 8.3	745	-	745	-	745	-	745	-
Other operating payables	Note 5.3	8,973	8,973	-	-	8,973	-	8,973	-
TOTAL		**48,039**	**46,915**	**1,124**	**-**	**45,039**	**14,729**	**29,930**	**379**

8.2.4 Offsetting of financial assets and financial liabilities

As of December 31, 2023, derivatives managed under ISDA or EFET agreements are the only financial assets and/or liabilities covered by a legally enforceable master netting agreement. These instruments may only be offset in the event of default by one of the parties to the agreement. They are not therefore offset in the accounts.

Such derivatives are recognized in assets in the amount of €259 million and in liabilities in the amount of €746 million in the Consolidated Statement of Financial Position as of December 31, 2023.

8.3 Market risks and financial instruments

As a result of its operational and financial activities, the Group is exposed to various financial risks, for which it has implemented management rules:

- market risks: interest rate risk, foreign exchange risk and commodity risk;
- liquidity risk;
- credit risk.

Equity risk is presented in Notes 8.1.3.2 and 9.2.2.2.

Derivative instruments

To manage its exposure to market risks, Veolia uses derivatives, the majority of which are classified as hedging instruments.

Derivative instruments are recognized at fair value in the Consolidated Statement of Financial Position. Other than the exceptions detailed below, changes in the fair value of derivative instruments are recorded through profit or loss. The fair value of derivatives is estimated using standard valuation models which take into account active market data.

Net gains and losses on instruments at fair value through profit or loss consist of swapped flows and changes in the value of the instrument.

Hedge accounting is applicable if:

- the hedging relationship is precisely defined and documented at the inception date;
- the effectiveness of the hedge is demonstrated at inception and by regular verification of the offsetting nature of movements in the market value of the hedging instrument and the hedged item. The ineffective portion of the hedge is systematically recognized in the Consolidated Income Statement.

Hedge accounting relationships currently used by the Group meet the requirements of IFRS 9 and are aligned with the Group's risk management strategy and objectives.

The effectiveness of derivatives in these hedging relationships is assessed using the hypothetical derivative method: the designated derivative in each hedging relationship must enable changes in cash flows of the hedged item to be offset.

The main sources of ineffectiveness are:

- the impact of Group and counterparty credit risk on the fair value of hedging instruments, not reflected by fluctuations in the fair value of the hedged item (foreign exchange, interest rate and commodities). Pursuant to IFRS 13, the impact of credit risk on derivatives is regularly assessed. In the absence of materiality, an adjustment has never been recognized;
- changes to the timing and amount of expected cash flows from hedged transactions, in the case of transaction foreign exchange risk.

The recognition of period-on-period fair value gains and losses depends on the type of hedge accounting applied.

A **fair value hedge** is a hedge of exposure to changes in the fair value of all or a portion of a recognized asset or liability impacting net income for the period. Fair value gains and losses on hedging instruments are recognized in net income for the period. Changes in the value of the hedged item attributable to the hedged risk are also recorded in the Consolidated Income Statement for the period, to match these gains and losses (and adjust the value of the hedged item). These two remeasurements offset each other in the income statement headings, with the exception of any "ineffective portion" of the hedge.

A **cash flow hedge** is a hedge of exposure to variability in cash flows of an asset or liability or a highly probable forecast transaction impacting net income for the period. In the case of cash flow hedges, the portion of the gain or loss on the fair value remeasurement of the hedging instrument that is determined to be an effective hedge is recognized directly in other comprehensive income, while the gain or loss on the fair value remeasurement of the underlying item is not recognized in the Consolidated Statement of Financial Position. The ineffective portion of the gain or loss on the hedging instrument is recognized in profit or loss. Gains or losses recognized in other comprehensive income are reclassified to profit or loss in the same period or periods in which the asset acquired or liability issued affects profit or loss.

A **hedge of a net investment in a foreign operation** hedges the exposure to foreign exchange risk of the net assets of a foreign operation including loans considered part of the investment (IAS 21, The Effects of Changes in Foreign Exchange Rates). For this type of hedge, the effective portion of the gain or loss on the hedging instrument is recognized in translation reserves in other comprehensive income, while the ineffective portion is recognized in the Consolidated Income Statement. Gains and losses recognized in foreign exchange translation reserves are reclassified to profit or loss when the foreign investment is sold.

Certain transactions performed in accordance with the Group interest rate and foreign exchange risk management policy, but that do not satisfy hedge accounting criteria, are recorded as trading/non-qualifying instruments.

In the case of **currency hedges**, the Group only designates the "spot" component of derivatives as hedging its foreign exchange risk. As the "hedging cost" option is not applied, the premium/discount on hedging contracts is excluded from the hedging relationship and recognized separately in the financing cost.

In the case of **commodities**, purchase/sales contracts are generally recognized outside the scope of IFRS 9 ("own use" exemption), except for certain specific transactions in electricity, coal and gas. For these specific transactions, cash flow hedge accounting is systematically preferred.

The "own use" classification is applicable when the following conditions are satisfied:

- the volumes purchased or sold under the contracts reflect the operating requirements of the subsidiary;
- the contracts are not subject to net settlement as defined by IFRS 9 and, in particular, physical delivery is systematic;
- the contracts are not equivalent to sales of options, as defined by IFRS 9.

Commodity hedging instruments falling within the application scope of IFRS 9 are derivative instruments and are measured at fair value, calculated using models mostly based on observable data. Fair value gains and losses and the net impact of unwinding these transactions are recognized in operating income.

8.3.1 Management of market risk

The Group uses derivatives to manage and reduce its risk exposure: the Veolia Environnement Financing and Treasury Department is directly responsible for implementing and monitoring these hedges, while the Middle and Back Office teams in the Finance Department verify transactions and monitor limits, ensuring the security of transactions processed.

The fair value of derivatives in the Consolidated Statement of financial Position breaks down as follows:

		As of December 31, 2022		As of December 31, 2023	
(€ million)	Notes	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives	8.3.1.1	**69**	**633**	**39**	**432**
Fair value hedges		-	633	-	428
Cash flow hedges		69	-	39	4
Derivatives not qualifying for hedge accounting		1	-	-	-
Foreign currency derivatives	8.3.1.2	**343**	**386**	**200**	**232**
Net investment hedges		77	45	54	42
Fair value hedges		175	130	99	128
Cash flow hedges		21	45	13	40
Derivatives not qualifying for hedge accounting		70	166	34	22
Commodity derivatives	8.3.1.3	**350**	**584**	**20**	**82**
TOTAL DERIVATIVES		762	1,603	259	746
o/w non-current derivatives		**128**	**720**	**50**	**493**
o/w current derivatives		**634**	**883**	**209**	**253**

The fair value of derivatives recognized in the Consolidated Statement of Financial Position and the determination method (as described in Note 8.2.1) breaks down as follows:

	As of December 31, 2023		Level 2 (en %)		Level 3 (en %)	
(€ million)	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives	39	432	100.0%	100.0%	0.0%	0.0%
Foreign currency derivatives	200	232	100.0%	100.0%	0.0%	0.0%
Commodity derivatives	20	82	100.0%	100.0%	0.0%	0.0%
TOTAL DERIVATIVES	259	746	100.0%	100.0%	0.0%	0.0%

Derivatives valued using internal models integrating certain non-observable data are primarily electricity derivatives for which there are no quoted prices in an active market (mainly electricity purchase options with extremely long maturity) or observable market data (forward prices for component materials), in particular for distant maturities. There are no level 3 derivative instruments as of December 31, 2023.

	As of December 31, 2022		Level 2 (en %)		Level 3 (en %)	
(€ million)	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest rate derivatives	69	633	100.0%	100.0%	0.0%	0.0%
Foreign currency derivatives	343	386	100.0%	100.0%	0.0%	0.0%
Commodity derivatives	350	584	52.1%	100.0%	47.9%	0.0%
TOTAL DERIVATIVES	762	1,603	78.0%	100.0%	22.0%	0.0%

8.3.1.1 Management of interest rate risk

The structure of the Group exposes it naturally to the risk of interest rate fluctuations. As such, the cash and cash equivalents position covers floating-rate debt which impacts future financial results according to fluctuations in interest rates.

Short-term debt is primarily indexed to short-term indexes (Eonia for the treasury note program and Euribor/Libor for the main short-term credit lines). Medium and long-term debt comprises both fixed and floating-rate debt.

Veolia manages a fixed/floating rate position in each currency in order to limit the impact of interest rate fluctuations on its net income and to optimize the cost of debt. For this purpose, it uses interest rate swap and swaption instruments. The Group determines the existence of an economic relationship between the hedging instrument and the hedged item taking account of reference interest rates, the frequency of coupons, the currency and the nominal amount.

These swaps may be classified as fair value hedges or cash flow hedges.

The following table shows the interest-rate exposure of gross debt (defined as the sum of non-current financial liabilities, current financial liabilities and bank overdrafts and other cash position items) before and after hedging.

(€ million)	As of December 31, 2022 Outstandings	% total debt	As of December 31, 2023 Outstandings	% total debt
Fixed rate	22,502	77.0 %	21,221	73.7%
Floating rate	6,723	23.0 %	7,553	26.3%
Gross debt before hedging	**29,225**	**100.0 %**	**28,775**	**100.0%**
Fixed rate	17,607	61.6 %	17,547	61.9%
Floating rate	10,973	38.4 %	10,804	38.1%
Gross debt after hedging and fair value remeasurement of fixed-rate debt	**28,580**	**100.0 %**	**28,351**	**100.0%**
Fair value adjustments to (assets)/liabilities hedging derivatives	**599**		**414**	
GROSS DEBT AT AMORTIZED COST	**29,179**		**28,765**	

Total gross debt as of December 31, 2023, after hedging, is 61.9% fixed-rate and 38.1% floating-rate.
The decrease in fixed-rate debt and the increase in floating-rate debt before hedging is mainly due to the redemption of fixed-rate euro bond issues in the amount of €976 million and the increase in commercial paper of €742 million during the year.
As of December 31, 2023, the Group has cash and cash equivalents of €8,696 million, the majority of which bears interest at floating rates.
The Group manages its exposure to interest rate fluctuations based on floating-rate gross financial debt net of cash.
The Group's net floating-rate position after hedging (liability position) is -€215 million, maturing €4,923 million in less than one year, -€2,638 million in 1 to 5 years and -€2,500 million after 5 years.

Interest rate fair value hedges

The risk of volatility in the value of debt is hedged by fixed-rate receiver/floating-rate payer swaps which change bond issues to floating-rate debt (see Note 8.1.1.1) recorded in non-current and current financial liabilities.

Fair value hedging swaps represent a notional outstanding amount of €4,500 million as of December 31, 2023, stable on December 31, 2022, with a net fair value in the Consolidated Statement of Financial Position of -€428 million as of December 31, 2023, compared with -€634 million as of December 31, 2022, as follows:

Fixed-rate receiver / floating-rate payer swaps (€ million)	Total	Notional contract amount by maturity < 1 year	1 to 5 years	> 5 years	Fair value of derivatives Total assets	Total liabilities
As of December 31, 2023	**4,500**	**-**	**3,000**	**1,500**	**-**	**428**
As of December 31, 2022	4,500	-	2,600	1,900	-	634

As of December 31, 2023, accumulated fair value hedging adjustments to bond issues included in their net carrying amount totaled + €15.6 million.

The +€206 million increase in fair value is due to the decrease in euro forward rates as of December 31, 2023 compared with the end of 2022. It is offset by the fair value remeasurement of the debt relating to the hedged risk in the amount of -€206 million. A review of the inefficiency of these hedging instruments did not give rise to any material impacts.

Interest rate cash flow hedges

The Group has entered into interest rate swaps to fix the cost of existing floating-rate debt or the cost of future debt issues.

Cash flow hedging swaps represent a notional outstanding amount of €1,268 million as of December 31, 2023, compared with €271 million as of December 31, 2022, with a net fair value of +€35 million as of December 31, 2023, compared with +€69 million as of December 31, 2022.

The increase in notional outstanding is due to the implementation of new hedges for €1,000 million.

The -€34 million decrease in the portfolio value is mainly due to the fall in euro forward rates during the period, as new transactions were performed at the end of 2023 and had little impact on the total fair value.

The efficiency of these hedging instruments was measured but did not give rise to any material impacts.

Floating-rate receiver / fixed-rate payer swaps / purchases of caps (€ million)	Total	Notional contract amount by maturity < 1 year	1 to 5 years	> 5 years	Fair value of derivatives Total assets	Total liabilities
As of December 31, 2023	**1,268**	**250**	**1,000**	**18**	**39**	**4**
As of December 31, 2022	271	-	250	21	69	-

An amount of -€6 million, net of tax, was recorded directly in equity attributable to owners of the Company in respect of cash flow hedge interest-rate derivatives as of December 31, 2023. -€3 million was released from equity to net income as of December 31, 2023.

Contractual flows on interest rate swaps are paid at the same time as contractual flows on floating-rate borrowings and the amount recorded in other comprehensive income is released to net income in the period in which interest flows on the debt impact the Consolidated Income Statement.

Interest-rate derivatives not qualifying for hedge accounting

A certain number of derivatives do not qualify as hedges under IFRS 9. The Group does not, however, consider these transactions to be of a speculative nature and views them as necessary for the effective management of its exposure to interest rate risk.

	Notional contract amount as of December 31, 2023				Fair value of derivatives	
(€ million)	Total	< 1 year	1 to 5 years	> 5 years	Total assets	Total liabilities
Total firm financial instruments	839	839	-	-	-	-
TOTAL INTEREST-RATE DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING	839	839	-	-	-	-

The decrease in the portfolio of interest rate derivatives not qualifying for hedge accounting between 2022 and 2023 is mainly due to the change in short-term financial instruments hedging cash investments.

As a reminder, the breakdown as of December 31, 2022 was as follows:

	Notional contract amount as of December 31, 2022				Fair value of derivatives	
(€ million)	Total	< 1 year	1 to 5 years	> 5 years	Total assets	Total liabilities
Total firm financial instruments	1,629	1,625	4	-	1	-
TOTAL INTEREST-RATE DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING	1,629	1,625	4	-	1	-

8.3.1.2 Management of foreign exchange risk

The Group's international activities generate significant foreign currency flows.

The Group's central treasury department manages foreign exchange risk centrally within limits set by the Chief Financial Officer.

Foreign exchange risk, as defined by IFRS 7, mainly results from:

- foreign currency-denominated purchases and sales of goods and services relating to operating activities and the related hedges (e.g. currency forwards). The Group has no significant exposure to foreign exchange transaction risk. Indeed, the activities of the Group are performed by subsidiaries operating in their own country and their own currency. Exposure to foreign exchange risk is therefore naturally limited;
- foreign currency-denominated financial assets and liabilities including foreign currency-denominated loans/borrowings and related hedges (e.g. forex swaps). With many operations worldwide, Veolia organizes financing in local currencies. In the case of inter-company financing, these credit lines can generate foreign exchange risk. In order to limit the impact of this risk, Veolia has developed a policy which seeks to back foreign-currency financing and foreign currency derivatives with inter-company receivables denominated in the same currency. The asset exposure hedging strategy primarily involves hedging certain net foreign investments and ensuring that Group companies do not have a material balance sheet foreign exchange position that could generate significant volatility in foreign exchange gains and losses;
- investments in foreign subsidiaries reflected by the translation of accounts impacting the translation reserves. The Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the value of the hedging instrument attributable to a change in the spot foreign exchange rate with the impact of changes in this same rate on the hedged instrument. It is Group policy to align the key characteristics of hedging instruments (currency, nominal amount, maturity, etc.) with the hedged item.

Foreign exchange risk with regard to the net finance cost

With many operations worldwide, Veolia organizes financing in local currencies.

The foreign currency debt borne by the parent company, Veolia Environnement SA, is generally hedged using either derivative instruments or assets in the same currency.

The Group's net finance cost, i.e. a euro-equivalent of -€539 million in 2023, is primarily denominated in EUR (46%), USD (19%), GBP (3%), CZK (2%), CNY (7%), PLN (4%), BRL (1%), HUF (4%) and CLP (6%).

A 10% appreciation in the main currencies to which the Group is exposed (GBP, USD, PLN, CZK and CNY) against the euro would generate a €21 million increase in the net finance cost, while a 10% depreciation in these currencies would generate a €17 million decrease in the net finance cost.

Translation risk

Due to its international presence, the translation of the income statements of the Group's foreign subsidiaries is sensitive to exchange rate fluctuations.

The following table summarizes the sensitivity of certain Group Consolidated Income Statement aggregates to a 10% increase or decrease in foreign exchange rates against the euro, with regard to the translation of financial statements of foreign subsidiaries.

(€ million)	Contribution to the consolidated financial statements									Sensitivity to a change of:	
	Euro	Pound sterling	US dollar	Polish zloty	Czech koruna	Australian dollar	Chinese renminbi	Other currencies	Total	10%	-10%
Revenue	19,101	2,911	5,181	3,138	2,247	1,970	1,069	9,735	**45,351**	2,891	-2,365
Operating income	795	292	400	177	232	111	60	780	**2,847**	230	-189

Foreign exchange and translation risk in the Consolidated Statement of Financial Position

Due to its international presence, the Group's Consolidated Statement of Financial Position is exposed to exchange rate fluctuations. A fluctuation in the euro impacts the translation of subsidiary foreign currency denominated assets in the Consolidated Statement of Financial Position.

For its most significant assets, the Group has issued debt in the relevant currencies. The main net assets of the Group are located in the United States, the United Kingdom, China, Poland, Australia, Chile and the Czech Republic. A 10% appreciation in the currencies of the above countries would increase net assets by €1,542 million, while a 10% depreciation in these currencies would reduce net assets by -€1,261 million.

Hedge of a net investment in a foreign operation

Financial instruments designated as net investment hedges break down as follows:

Financial instrument (€ million)	Notional amount as of December 31, 2023 by maturity				Fair value of derivatives	
	Amount	< 1 year	1 to 5 years	> 5 years	Total assets	Total liabilities
Currency payer swaps	308	308	-	-	10	-
Currency receiver swaps	295	295	-	-	-	7
Options	3,338	3,274	64	-	43	15
Cross currency swaps	60	-	60	-	1	20
TOTAL	**4,001**	**3,877**	**124**	**-**	**54**	**42**

The above currency swaps are short-term but are generally renewed at maturity, until financing of an appropriate term is secured in the currency of the related country.

Options are mainly hedging strategies using collars.

It is Group policy to hedge the net investment only in the nominal amount of the foreign currency debt financing the securities.

Inter-company loans and receivables forming part of a foreign investment (IAS 21) are nearly systematically hedged by foreign currency external financing or foreign currency derivatives (cross currency swaps, currency forwards, collars) meeting IFRS 9 criteria for hedge accounting.

Foreign exchange gains and losses recorded in foreign exchange translation reserves in respect of hedging instruments are systematically offset by foreign exchange gains and losses recognized in foreign exchange translation reserves on loans forming part of the net investment, unless:

- the inter-company loan forming part of the net investment in a foreign operation is not hedged;
- the hedge is partially ineffective due to a difference between the nominal amount of the hedge and the amount of the hedged net asset;
- only the net assets of the foreign subsidiary (excluding the loan forming part of the net investment) are hedged.

A breakdown of foreign exchange gains and losses recorded in Group foreign exchange translation reserves as of December 31, 2023 is presented in Note 10.2.4.

As a reminder, the breakdown as of December 31, 2022 was as follows:

Financial instrument (€ million)	Notional amount as of December 31, 2022 by maturity				Fair value of derivatives	
	Amount	< 1 year	1 to 5 years	> 5 years	Total assets	Total liabilities
Currency payer swaps	15	15	-	-	1	-
Currency receiver swaps	-	-	-	-	-	-
Options	4,954	4,882	72	-	75	22
Cross currency swaps	60	-	60	-	1	23
TOTAL	**5,029**	**4,897**	**132**	**-**	**77**	**45**

Foreign currency fair value hedges

Financial instruments designated as fair value hedges break down as follows:

Financial instrument (€ million)	Notional amount as of December 31, 2023 by maturity				Fair value of derivatives	
	Amount	< 1 year	1 to 5 years	> 5 years	Total assets	Total liabilities
Forward purchases	1,206	1,186	20	-	11	19
Forward sales	7,463	6,640	823	-	88	109
FOREIGN CURRENCY DERIVATIVES : FAIR VALUE HEDGES	8,669	7,826	843	-	99	128

The fair value hedges presented above mainly consist of foreign currency swaps hedging balance sheet items and mainly hedges of internal financing and, to a lesser extent, hedges of construction contracts or sales of water treatment equipment and solutions. The impact of these hedges is offset by the remeasurement of the underlying items.

Financial instrument (€ million)	Notional amount as of December 31, 2022 by maturity				Fair value of derivatives	
	Amount	< 1 year	1 to 5 years	> 5 years	Total assets	Total liabilities
Forward purchases	957	938	19	-	14	38
Forward sales	6,836	5,748	1,088	-	161	92
FOREIGN CURRENCY DERIVATIVES : FAIR VALUE HEDGES	7,793	6,686	1,107	-	175	130

Foreign currency cash flow hedges

Financial instruments designated as cash flow hedges break down as follows:

Financial instrument (€ million)	Notional amount as of December 31, 2023 by maturity				Fair value of derivatives	
	Amount	< 1 year	1 to 5 years	> 5 years	Total assets	Total liabilities
Forward purchases	281	274	7	-	11	2
Forward sales	551	549	2	-	2	38
FOREIGN CURRENCY DERIVATIVES : CASH FLOW HEDGES	832	823	9	-	13	40

The cash flow hedges presented above mainly consist of forward purchases/sales of foreign currencies different from the functional currencies of the entities concerned, in connection with their own activities.

They mainly include currency hedges in respect of commodity purchases and sales in Central Europe.

Financial instrument (€ million)	Notional amount as of December 31, 2022 by maturity				Fair value of derivatives	
	Amount	< 1 year	1 to 5 years	> 5 years	Total assets	Total liabilities
Forward purchases	614	572	42	-	18	4
Forward sales	898	896	2	-	4	41
FOREIGN CURRENCY DERIVATIVES : CASH FLOW HEDGES	1,512	1,468	44	-	22	45

Hedges of currency exposure in the Consolidated Statement of Financial Position by derivatives not qualifying for hedge accounting

Financial instrument (€ million)	Notional amount as of December 31, 2023 by maturity				Fair value of derivatives	
	Amount	< 1 year	1 to 5 years	> 5 years	Total assets	Total liabilities
Currency receiver swaps and forward purchases	4,111	4,111	-	-	18	2
Currency payer swaps and forward sales	1,306	1,306	-	-	16	20
FOREIGN CURRENCY DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING	5,417	5,417	-	-	34	22

The above portfolio of foreign currency derivatives was mainly contracted by Veolia Environnement to hedge its foreign currency-denominated net financial debt (comprising foreign currency-denominated borrowings and foreign currency-denominated inter-company loans and borrowings).

Financial instrument (€ million)	Notional amount as of December 31, 2022 by maturity				Fair value of derivatives	
	Amount	< 1 year	1 to 5 years	> 5 years	Total assets	Total liabilities
Currency receiver swaps and forward purchases	6,579	6,579	-	-	24	136
Currency payer swaps and forward sales	2,413	2,413	-	-	46	30
FOREIGN CURRENCY DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING	**8,992**	**8,992**	**-**	**-**	**70**	**166**

8.3.1.3 Management of commodity risk

Energy, commodity and consumable purchases represent a major operating expense for the Group's businesses, in particular diesel for waste collection, coal and gas for the supply of energy services, and electricity for water treatment and distribution. The Group is therefore exposed to fluctuations in their price.

The long-term contracts entered into by Veolia generally include price review and/or indexation clauses which enable it to pass on the majority of any increases in commodity or fuel prices to the price of services sold to customers, even if this may be performed with a time delay.

Nonetheless, as part of supply management and cost optimization measures or to hedge future production, certain Group subsidiaries may be required, depending on their activities, to contract forward purchases or sales of commodities and set-up derivatives to fix the cost of commodities supply or the selling price of commodities produced (electricity). The majority of these commitments are reciprocal; the third parties concerned are obliged to deliver the quantities negotiated in these contracts and the Group is obliged to take them.

These transactions form part of the Group's commodity risk management policy, which seeks to establish a progressive hedge over three years (where possible) in order to limit results volatility.

As of December 31, 2023, the fair value of commodity derivatives is recorded €20 million in assets and €81 million in liabilities.

(€ million)	As of December 31, 2022		As of December 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Commodity derivatives	**350**	**584**	**20**	**81**
Electricity	287	309	17	11
Petroleum products	-	-	-	-
CO_2	-	-	-	-
Coal	3	4	-	1
Gas	60	270	3	69
Other	-	-	-	-

These derivatives break down by hedge type as follows:

(€ million)	As of December 31, 2022		As of December 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Commodity derivatives	**350**	**584**	**20**	**81**
Fair value hedges	-	1	-	-
Cash flow hedges	63	290	2	59
Derivatives not qualifying for hedge accounting	287	293	18	22

The marked decrease in the commodity derivative portfolio is due to a reduction in electricity volumes, mainly following the termination of a contract in Germany, and the substantial fall in 2023 closing rates versus 2022.

Greenhouse gases

Regulatory constraints and management policy

As a combustion plant operator, the Group is exposed to the risks inherent to the Emissions Trading Scheme (EU ETS) introduced by the European Union in 2005.

To accelerate the rate of emission reductions, Phase 4 (2021-2030) provides for a 2,2% annual decrease in the total number of emission allowances (free grant of allowances). In December 2022, the Council and European Parliament reached a provisional agreement providing for an increase in the annual reduction rate of the emission cap by 4.3% per year from 2024 to 2027 and 4.4% from 2028 to 2030. The Council formally adopted this new trajectory in April 2023.

Under European regulations, the actual emissions position is determined each year and the corresponding rights surrendered. In addition to the Group's greenhouse gas emissions reduction policy, Veolia is therefore required to purchase or sell emission rights, depending on whether actual emissions are greater or lesser than emission rights allocated under the hedging policy described above.

In addition, China also officially launched a country-wide Emissions Trading Scheme in 2021, focusing initially on electricity producers. The impacts are not material at this stage for the Group.

Accounting treatment adopted by the Group

In the absence of specific IFRS provisions, the Group has adopted the "net liability approach," which involves the recognition of a liability at the period end if actual emissions exceed allowances held, in accordance with IAS 37.

Allowances are managed as a production cost and, in this respect, are recognized in inventories at:

- nil value, when they are received free of charge;
- acquisition cost, if purchased for valuable consideration on the market.

Transactions in these allowances performed on the forward market are generally recognized outside the application scope of IFRS 9 ("own use" exemption).

The position in 2023 is as follows:

Volumes (in thousands of metric tons)	As of January 1st, 2023	Changes in consolidation scope	Granted	Purchased/ Sold/ Cancelled	Used	As of December 31, 2023
TOTAL	435	163	2,466	5,767	-7,960	871

The inventory of 871 thousand metric tons is equivalent to approximately €67 million as of December 31, 2023, based on a spot price of €77.25 per metric ton.

8.3.2 Management of liquidity risk

The operational management of liquidity and financing is managed by the Treasury and Financing Department. This management involves the centralization of major financing in order to optimize liquidity and cash.

The Group secures financing on international bond markets, international private placement markets, the treasury note market and the bank lending market (see Note 8.1.1.4 – Non-current and current financial liabilities).

8.3.2.1 Maturity of financial liabilities

As of December 31, 2023, undiscounted contractual flows on net financial debt (nominal value) break down by maturity date as follows:

	As of December 31, 2023		Maturity of undiscounted contractual flows					
(€ million)	Carrying amount	Total undiscounted contractual flows	2024	2025	2026	2027	2028	Beyond 5 years
Bond issues (1)	18,081	18,391	1,288	1,804	1,472	2,596	2,051	9,181
Other liabilities	8,269	8,269	6,287	218	361	211	164	1,028
Gross financial liabilities excluding IFRS 16 and the impact of amortized cost and hedging derivatives	**26,350**	**26,659**	**7,574**	**2,022**	**1,833**	**2,807**	**2,214**	**10,209**
IFRS 16 lease debt	2,000	2,311	495	378	295	217	196	730
Gross financial liabilities excluding the impact of amortized cost and hedging derivatives	**28,350**	**28,970**	**8,070**	**2,400**	**2,128**	**3,024**	**2,410**	**10,939**
Impact of derivatives hedging debt	414							
Gross financial liabilities	**28,764**	**28,970**	**8,070**	**2,400**	**2,128**	**3,024**	**2,410**	**10,939**
Cash and cash equivalents	-8,696							
Liquid assets and financing financial assets	-1,892							
Net financial debt	**18,176**	**28,970**	**8,070**	**2,400**	**2,128**	**3,024**	**2,410**	**10,939**

(1) Excluding the impact of amortized cost and derivatives hedging debt.

8.3.2.2 Net liquid asset positions

Liquid assets of the Group as of December 31, **2023** break down as follows:

(€ million)	As of December 31, 2022	As of December 31, 2023
Veolia Environnement:		
Undrawn MT syndicated loan facility	5,500	4,500
Undrawn MT bilateral credit lines	910	727
Undrawn ST bilateral credit lines	-	75
Letters of credit facility	-	-
Cash, cash equivalents, liquid assets and financing assets	8,073	8,344
Subsdiaries:		
Bilateral Credit lines	-	689
Cash, cash equivalents, liquid assets and financing assets	2,617	2,244
TOTAL LIQUID ASSETS	17,100	16,579
Current debt and bank overdrafts and other cash position items		
Current debts	7,018	7,662
Bank overdrafts and other cash position items	214	379
TOTAL CURRENT DEBTS AND BANK OVERDRAFTS AND OTHER CASH POSITION ITEMS	7,232	8,041
TOTAL LIQUID ASSETS NET OF CURRENT DEBTS AND BANK OVERDRAFTS AND OTHER CASH POSITION ITEMS, LIQUID ASSETS AND FINANCING ASSETS	9,868	8,538

As of December 31, 2023, Veolia has total liquid assets of €17 billion, including cash and cash equivalents of €11 billion.

As of December 31, 2023, cash equivalents are mainly held by Veolia Environnement in the amount of €6,138 million. They comprise monetary UCITS of €3,514 million and term deposit accounts of €2,624 million.

Confirmation of the credit outlook

On April 20, 2023, Standard and Poor's confirmed Veolia Environnement's credit rating at A-2/BBB with a stable outlook.
On April 28, 2023, Moody's confirmed the Group's rating at P-2/Baa1 with a stable outlook.

Refinancing of the multi-currency liquidity lines

The Group decided to refinance its two syndicated loan facilities (€3 billion historic syndicated facility and €2.5 billion former-Suez syndicated facility) at the beginning of March 2023, securing a new €4.5 billion single syndicated loan facility.
This syndicated loan facility is undrawn as of December 31, 2023.

Renewal of bilateral credit lines

Veolia Environnement has bilateral credit lines of a total undrawn amount of €802 million as of December 31, 2023.
Veolia Environnement may draw on the multi-currency syndicated loan facility and all credit lines at any time.

Undrawn confirmed credit lines mature as follows:

	As of December 31, 2023	Maturing in					
(€ million)	Total	2024	2025	2026	2027	2028	2029
Undrawn syndicated loan facility	4,500	-	-	-	-	4,500	-
Credit lines	802	75	550	100	-	77	-
Letters of credit facility	-	-	-	-	-	-	-
TOTAL	5,302	75	550	100	-	4,577	-

8.3.2.3 Information on early debt repayment clauses

Veolia Environnement debt

The legal documentation for bank financing and bond issues contracted by the Company does not contain any financial covenants, i.e. obligations to comply with a debt coverage ratio or a minimum credit rating which, in the event of non-compliance, could lead to the early repayment of the relevant financing.

Subsidiary debt

Certain project financing or financing granted by multilateral development banks to the Group's subsidiaries contain financial covenants (as defined above).

Based on due diligence performed within the subsidiaries, the Group considers that the covenants included in the Group's material financing agreements were satisfied (or had been waived by lenders) as of December 31, 2023.

8.3.3 Management of credit risk

The Group is exposed to counterparty risk in various areas: its operating activities, cash investment activities and derivatives.

8.3.3.1 Counterparty risk relating to operating activities

Credit risk must be considered separately with respect to operating financial assets and operating receivables. Credit risk on operating financial assets is appraised via the rating of primarily public customers. Credit risk on other operating receivables is appraised through an analysis of late payment and/or default by customers taking account of their nature (public/private) as detailed below.

Group customer credit risk analysis may be broken down into the following four categories (Public customers – Delegating authority, Private customers – Individuals, Public customers – Other and Private customers – Companies):

		At December 31, 2023			Breakdown by customer type			
(€ million)	Note	Gross carrying amount	Impairment losses	Net carrying amount	Public customers - Delegating authority	Private customers - Individuals	Public customers - Other	Private customers- Companies
Non-current and current operating financial assets	5.4	1,410	-17	1,393	932	-	8	453
Trade receivables	5.3	11,600	-1,245	10,355	2,167	2,425	1,449	4,314
Other current operating receivables	5.3	1,854	-92	1,762	214	77	56	1,413
Non-current financial assets in loans and receivables	8.1.2	657	-135	522	120	66	8	328
Current financial assets in loans and receivables	8.1.2	366	-26	340	39	38	3	260
LOANS AND RECEIVABLES		**15,887**	**-1,515**	**14,372**	**3,472**	**2,606**	**1,524**	**6,768**
Other financial assets	8.1.2	1,929	-25	1,904	7	9	1	1,887
TOTAL AS OF DECEMBER 31, 2023		**17,816**	**-1,540**	**16,276**	**3,479**	**2,615**	**1,525**	**8,655**
TOTAL AS OF DECEMBER 31, 2022		**17,658**	**-1,305**	**16,353**	**3,554**	**2,302**	**1,367**	**9,131**

Assets past due and not impaired break down as follows:

			Assets past due but not impaired			
(€ million)	Note	Net carrying amount	Amount not yet due	0-6 months	6 months – 1 year	More than 1 year
Non-current and current operating financial assets	5.4	1,393	1,374	2	4	13
Trade receivables	5.3	10,355	7,845	1,897	307	305
Other current operating receivables	5.3	1,762	1,512	95	53	102
Non-current financial assets in loans and receivables	8.1.2	522	522	-	-	-
Current financial assets in loans and receivables	8.1.2	340	336	-	1	3
LOANS AND RECEIVABLES AS OF DECEMBER 31, 2023		**14,372**	**11,589**	**1,994**	**365**	**422**
Other non-current and current financial assets	8.1.2	1,904	1,873	-	31	-
TOTAL AS OF DECEMBER 31, 2023		**16,276**	**13,462**	**1,994**	**396**	**422**
TOTAL AS OF DECEMBER 31, 2022		**16,353**	**13,561**	**1,910**	**422**	**460**

As of December 31, 2023, trade receivables totalling € 10,355 million include unbilled revenue for € 3,752 million, against € 10,328 million and € 3,477 million as of December 31, 2022.

As of December 31, assets past due over six months have a total gross value of € 1,694, impaired for -€ 1,082 million. The net value of € 612 million represents 5.9% of net receivables against € 762 million (7.4%) as of December 31,2022.

Trade receivables over six months are mainly concentrated in France, Morocco, Italy and primarily concern local authorities (municipalities or equivalent).

In Morocco, net trade receivables total €158 million, including €38 million over six months past due as of December 31, 2023 against € 205 million and € 76 million respectively as of December 2022.

In Italy, net trade receivables total €178 million, including €50 million over six months past due as of December 31, 2023 against € 206 million and € 54 million respectively as of December 2022.

8.3.3.2 Counterparty risk relating to investment and hedging activities

The Group is exposed to credit risk relating to the investment of its surplus cash and its use of derivative instruments in order to manage interest rate and foreign exchange risk. Credit risk corresponds to the loss that the Group may incur should a counterparty default on its contractual obligations. In the case of derivative financial instruments, this risk corresponds to the fair value of all the instruments contracted with a counterparty insofar as this value is positive.

The Group minimizes counterparty risk through internal control procedures limiting the choice of banking counterparties to leading banks and financial institutions (banks and financial institutions with a minimum Moody's, Standard & Poor's or Fitch's rating of A3/P3/F3 respectively for transactions with a term of less than one year and of A2/A/A respectively for transactions with a term of more than one year, unless justified). Limits are determined for each counterparty based primarily on the rating awarded by the rating agencies, the size of their equity and commitments given to the Group and are reviewed regularly. In addition, the Group has set-up Credit Support Annexes with its main counterparties limiting counterparty risk using margin call mechanisms.

Counterparty risk on financial transactions is monitored on an ongoing basis by the middle-office within the Group Finance Department. The Group is not exposed to any risk as a result of material concentration.

Veolia Environnement cash surpluses are managed with a profitability objective close to that of the money market, avoiding exposure to capital risk and maintaining a low level of volatility.

8.4 Financial income and expenses

8.4.1 Cost of net financial debt

Finance costs consist of interest payable on borrowings calculated using the amortized cost method and losses on interest rate derivatives, both qualifying and not qualifying as hedges.

Interest costs included in payments under lease finance contracts are recorded using the effective interest method.

Finance income consists of gains on interest rate derivatives, both qualifying and not qualifying as hedges and income from cash investments and equivalents.

Interest income is recognized in profit or loss when earned, using the effective interest method.

Finance costs and finance income represent the cost of financial liabilities net of income from cash and cash equivalents. In addition, the cost of net financial debt includes net gains and losses on derivatives allocated to debt, irrespective of whether they qualify for hedge accounting.

Finance income totals €585 million, while finance expenses total -€1,124 million in 2023.
The cost of net financial debt presented in the Consolidated Cash Flow Statement reflects the cost of net financial debt of continuing operations presented above and the cost of net financial debt of discontinued operations of nil for the year ended December 31, 2023.
The heading "Interest paid" in the Consolidated Cash Flow Statement reflects the cost of net financial debt of continuing and discontinued operations adjusted for accrued interest of €9 million and fair value adjustments to hedging derivatives of €8 million in 2023.

(€ million)	2022	2023
Expenses on gross debt	-488	-627
Assets at fair value through profit or loss (fair value option) (1)	45	313
Net gains and losses on derivative instruments, hedging relationships and other	-190	-225
COST OF NET FINANCIAL DEBT	**-633**	**-539**

(1) Cash equivalents are valued at fair value through profit or loss.

The cost of net financial debt (including the impact of financial liabilities reevaluation of €78 million) totaled -€539 million for the year ended December 31, 2023, compared with -€633 million for the year ended December 31, 2022. This decrease in the Group cost of net financial debt is mainly due to an increase in income from cash and cash equivalents and liquid assets following the rise in interest rates.

Net gains and losses on derivative instruments, hedging relationships and other mainly include the following amounts in the year ended December 31, 2023:

- a net interest expense on hedging relationships (fair value hedges and cash flow hedges) of -€251 million;
- net losses on derivatives not qualifying for hedge accounting of -€26 million, mainly on foreign currency derivatives.

In addition, the charge relating to the ineffective portion of net investment hedges and cash flow hedges was not material in 2023 or 2022.

8.4.2 Other financial income and expenses

Other financial income and expenses primarily include capital gains and losses on disposals of financial assets, net of disposal costs, the unwinding of discounts on provisions, interest on concession liabilities and interest on IFRS 16 lease debt.

(€ million)	2022	2023
Net gains and losses on loans and receivables	15	-56
Capital gains and losses on disposals of financial assets, net of disposal costs	256	53
Dividends received	4	3
Assets and liabilities at fair value through profit and loss	-	-
Unwinding of the discount on provisions	-33	-49
Foreign exchange gains and losses and fair value adjustments	-213	-79
Interest on concession liabilities	-79	-84
Interest on IFRS 16 lease debt	-53	-58
Other	-101	-169
OTHER FINANCIAL INCOME AND EXPENSES	-204	-439

As of December 31, 2023, the change in net gains and losses on loans and receivables is mainly due to the impairment of shareholder loans in Northern Europe in the amount of -€44 million.

In 2023, capital gains on disposals of financial assets total €53 million and mainly comprise the capital gain on the divestiture of Italian water concessions for €15 million and the divestiture of a Spanish entity for €16 million.

In 2022, capital gains on disposals of financial assets total €256 million and mainly comprise the capital gain on the divestiture of hazardous waste activities in France for €107 million and the divestiture of Lanzhou Water in China for €58 million.

As of December 31, 2023, the change in foreign exchange gains and losses and fair value adjustments is mainly due to the decrease in the inflation impact of the debt of the subsidiary in Chile.

The change in other financial income and expenses is mainly due to costs relating to the legal restructuring in Canada of -€32 million, as well as the interest paid as part of dispute in Lithuania for -€17 million.

8.5 Financing commitments

8.5.1 Financing commitments given

Debt guarantees: these relate to guarantees given to financial institutions in connection with the financial liabilities of non-consolidated companies and equity-accounted entities, when the commitment covers the entire amount.

Letters of credit: letters of credit delivered by financial institutions to Group creditors, customers and suppliers guaranteeing operating activities.

Off-balance sheet commitments given break down as follows:

			Maturing in		
(€ million)	As of December 31, 2022	As of December 31, 2023	Less than 1 year	1 to 5 years	More than 5 years
Letters of credit	-112	-84	-56	-8	-20
Debt guarantees	-27	-77	-	-36	-41
Other financing commitments given	-50	-80	-17	-27	-36
TOTAL FINANCING COMMITMENTS GIVEN	-189	-241	-73	-71	-97

Commitments on lease contracts entered into by the Group are analysed in Note 7.4.

8.5.2 Financing commitments received

Financing commitments received total €253 million as of December 31, 2023, compared with €257 million as of December 31, 2022.

8.5.3 Collateral guaranteeing financial liabilities

As of December 31, 2023, the Group has given €480 million of collateral guarantees in support of financial liabilities, compared with €162 million as of December 31, 2022.
This increase is mainly due to long-term refinancing secured by the Chinese entities with the banks Minsheng and CMB, backed by assets of €358 million.

The breakdown by type of asset is as follows (€ million):

Type of pledge /mortgage (€ million)	Amount pledged (a)	Total Consolidated Statement of Financial Position (b)	Corresponding % (a)/(b)
Intangible assets	21	8,500	0.3%
Property, plant and equipment	424	17,134	2.5%
Financial assets (1)	28		
Total non-current assets	**473**	**44,669**	
Current assets	7	27,897	0.0%
TOTAL ASSETS	**480**	**72,566**	

(1) As financial assets pledged as collateral are shares of consolidated subsidiaries and other financial assets, the ratio of pledged assets to total assets in the Consolidated Statement of Financial Position is not significant.

The breakdown by maturity is as follows:

			Maturing in		
(€ million)	As of December 31, 2022	As of December 31, 2023	Less than 1 year	1 to 5 years	More than 5 years
Intangible assets	**15**	**21**	**2**	**12**	**7**
Property, plant and equipment	**102**	**424**	**9**	**33**	**382**
Mortgage pledge	37	52	8	21	23
Other PP&E pledge (1)	65	372	1	12	359
Financial assets	**26**	**28**	**-**	**-**	**28**
Current assets	**19**	**7**	**0**	**6**	**1**
Pledges on receivables	-	-	0	0	0
TOTAL	**162**	**480**	**11**	**51**	**418**

(1) Mainly equipment and rolling stock.

Note 9 EQUITY AND EARNINGS PER SHARE

9.1 Share capital management procedures

Veolia Environnement manages its share capital within the framework of a prudent and rigorous financial policy that seeks to ensure easy access to French and international capital markets, to enable investments in projects that create value and provide shareholders with a satisfactory remuneration, while maintaining an “Investment Grade” credit rating.

On May 28, 2019, Veolia Environnement entered into a liquidity contract with Kepler Cheuvreux, effective June 1, 2019, for an initial period expiring on December 31, 2019, tacitly renewable thereafter for periods of one year.

9.2 Equity attributable to owners of the Company

9.2.1 Share capital

The share capital is fully paid-up.

9.2.1.1 share capital increase dedicated to employees

In 2023, Veolia Environment carried out an initial share capital increase on May 9, 2023 of approximately €4 million deducted from additional paid-in capital, following the vesting to beneficiaries of rights to performance shares granted by decision of the Board of Directors on May 5, 2020, increasing the share capital to €3,576,919,375.

On December 13, 2023, Veolia Environnement performed a second share capital increase of approximately €222 million, including issue premiums, as part of the 2023 Sequoia employee share ownership plan, using the delegation of authority granted by the Combined General Meeting of April 27, 2023, increasing the share capital to €3,627,058,335. The expenses relating to this transaction were deducted from additional paid-in capital for approximately €1 million.

In 2022, Veolia Environment carried out an initial share capital increase on May 2, 2022 of €4 million deducted from additional paid-in capital, following the vesting to beneficiaries of rights to performance shares granted by decision of the Board of Directors on April 30, 2019, increasing the share capital to €3,502,858,580.

On December 14, 2022, Veolia Environnement performed a second share capital increase of €244 million, including issue premiums, as part of the 2022 Sequoia employee share ownership plan, using the delegation of authority granted by the Combined General Meeting of June 15, 2022, bringing the share capital to €3,572,871,835. The expenses relating to this transaction have been deducted from additional paid-in capital for €1 million.

9.2.1.2 Number of shares outstanding and par value

The number of shares outstanding was 714,574,367 as of December 31, 2022 and 725,411,667 as of December 31, 2023. The par value of each share is €5.

9.2.1.3 Authorized but unissued shares

For the financial management of Veolia Environnement, resolutions authorizing share capital increases approved every two years by Veolia Environnement’s General Shareholders' Meeting are intended to authorize the Board of Directors to increase the share capital subject to certain conditions and limits. They allow the nature of financial instruments issued to be adapted in line with financing requirements and the situation of the French and international capital markets.

These resolutions, approved by the General Shareholders' Meeting of June 15, 2022, are broadly divided into two categories and subject to the following share capital increase ceilings:

- resolutions authorizing share capital increases with preferential subscription rights (PSR) subject to a maximum par value amount capped at app€1.0 billion (i.e. approximately 30% of the Company’s share capital on the date of the General Shareholders’ Meeting that approved these resolutions); and
- resolutions authorizing share capital increases without PSR subject to an overall maximum par value amount capped at €350 million (i.e. approximately 10% of the Company’s share capital on the date of the General Shareholders’ Meeting that approved these resolutions).

The use of these resolutions may not lead to share capital increase transactions with or without PSR exceeding a second overall ceiling of a par value amount of €1.0 billion (approximately 30% of the Company’s share capital on the date of the General Shareholders’ Meeting that approved these resolutions).

All these authorizations are suspended during a Public Tender Offer filed by a third party and aimed at taking control of the Company.

Fiscal years 2022 and 2023

210,171,514 shares could be issued pursuant to the share increase authorizations granted by the General Shareholders’ Meeting of June 15, 2022, based on 700,571,716 shares comprising the share capital as of June 15, 2022.

14,849,101 shares were issued in 2022 from among the 210,171,514 above-mentioned authorized shares.

10,837,300 shares were issued in 2023 from among the 210,171,514 above-mentioned authorized shares.

9.2.2 Offset of treasury shares against equity

Treasury shares are deducted from equity.

Gains or losses arising from the sale of treasury shares and related dividends are recognized directly in equity and do not impact the Consolidated Income Statement.

9.2.2.1 Purchases and sales of treasury shares

Purchase and sale transactions in Veolia Environnement shares under the liquidity contract in 2023 and 2022 were as follows:

	2022	2023
Number of shares purchased during the year	8,906,053	9,685,607
Number of shares sold during the year	8,625,111	9,856,579

As of December 31, 2023, Veolia Environnement holds 162,970 shares under the liquidity contract. A €20 million drawdown authorization was granted for the operation of this liquidity contract.
12,619,170 and 10,362,269 treasury shares are hold as of December 31, 2022 and December 31, 2023, respectively.

9.2.2.2 Equity risk

As of December 31, 2023, Veolia Environnement holds 10,362,269 of its own shares, of which 6,370,621 are allocated to external growth transactions and 3,991,648 were acquired for allocation to employees under employee savings plans. These shares have a market value of €296 million, based on a share price of €29 and a net carrying amount of €376 million deducted from equity.

9.2.3 Appropriation of net income and dividend

The General Shareholders' Meeting of April 23, 2023 set the cash dividend for 2022 at €1.12 per share. The shares went ex-dividend on May 9, 2023 and the dividend was paid from May 11, 2023 for a total amount of €787 million.

A dividend of €688 million was distributed by Veolia Environnement in 2022 and deducted from 2021 net income.

9.2.4 Foreign exchange gains and losses

Accumulated foreign exchange translation reserves total -€583 million as of December 31, 2023 (attributable to owners of the Company).

In 2023, the change in foreign exchange translation reserves primarily reflects fluctuations in the Chinese renminbi (-€122 million), the US dollar (-€253 million), the Argentinian peso (-€154 million), the Czech koruna (-€58 million) and the Russian ruble (-€49 million).

Accumulated foreign exchange translation reserves total -€52 million as of December 31, 2022 (attributable to owners of the Company).

In 2022, the change in foreign exchange translation reserves primarily reflects fluctuations in the Chinese renminbi (-€75 million), the US dollar (+ €367 million), the pound sterling (-€52 million), the Argentinian peso (-€45 million) and the Russian ruble (-€36 million).

Movements in foreign exchange translation reserves (attributable to owners of the Company and to non-controlling interests)

(€ million)	Total	o/w Attributable to owners of the Company
Translation differences on the financial statements of subsidiaries drawn up in a foreign currency	227	169
Translation differences on net foreign investments	-221	-222
As of December 31, 2022	**6**	**-52**
Translation differences on the financial statements of subsidiaries drawn up in a foreign currency	-529	-471
Translation differences on net foreign investments	-58	-60
Movements in 2023	**-587**	**-531**
Translation differences on the financial statements of subsidiaries drawn up in a foreign currency	-302	-301
Translation differences on net foreign investments	-279	-282
AS OF DECEMBER 31, 2023	**-581**	**-583**

Breakdown by currency of foreign exchange translation reserves attributable to owners of the Company

(€ million)	As of December 31, 2022	Change	As of December 31, 2023
Chinese renminbi	242	-122	120
US dollar	493	-253	240
Czech koruna	19	-58	-39
Australian dollar	17	-43	-26
Mexican peso	-13	-11	-24
Polish zloty	-68	29	-39
Argentinian peso	-177	-154	-331
Pound sterling	-191	31	-160
Hong Kong dollar	-247	19	-228
Colombian peso	-55	24	-32
Hungarian forint	-66	19	-47
Romanian leu	-27	-	-27
Korean Won	16	-9	6
Russian ruble	36	-49	-13
Other currencies	-30	46	16
TOTAL	**-52**	**-531**	**-583**

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9.2.5 Fair value reserves

Fair value reserves attributable to owners of the Company total +€306 million as of December 31, 2023 and +€286 million as of December 31, 2022 and break down as follows:

(€ million)	Available-for-sale securities	Commodity derivatives hedging cash flows	Foreign currency derivatives hedging cash flows	Hedging costs	Interest rate derivatives hedging cash flows	Total	o/w attributable to owners of the Company
As of December 31, 2022	**307**	**-76**	**5**	**6**	**26**	**268**	**286**
Fair value adjustments	-2	67	-12	-12	-5	36	20
Other movements	2	-1	1	-	-7	-4	-
AMOUNT AS OF DECEMBER 31, 2023	**307**	**-10**	**-7**	**-6**	**15**	**299**	**306**

Amounts are presented net of tax.

The change in financial instruments at fair value through equity mainly concerns gas hedges for +€44 million in Europe (see Note 8.3).

No material amounts were released to the Consolidated Income Statement in respect of interest rate derivatives hedging cash flows and recorded in finance costs and income.

9.3 Non-controlling interests

Pursuant to IFRS 10, non-controlling interests in fully consolidated subsidiaries are considered a component of equity.

Furthermore, in accordance with IAS 32, Financial Instruments: Presentation, non-controlling interest put options are recognized as liabilities.

9.3.1 Non-controlling interests

A breakdown of the movement in non-controlling interests is presented in the Statement of Changes in Equity.

As of December 31, 2023, non-controlling interests mainly concern:

- in Europe excluding France: Poland (€190 million), Germany (€220 million) and Spain (€205 million);
- in the Rest of the world: Chili (€679 million), the United States (€268 million) and China (€223 million).

9.3.2 Net income attributable to non-controlling interests

Net income attributable to non-controlling interests is -€397 million for the year ended December 31, 2023, compared with -€282 million for the year ended December 31, 2022.

Net income attributable to non-controlling interests breaks down by operating segment as follows:

(€ million)	Year ended December 31, 2022	Year ended December 31, 2023
France & special waste Europe	-15	-11
Europe excluding France (1)	-99	-183
Rest of the World (2)	-165	-183
Water technologies	-3	-21
Other	-	-
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	-282	-397

(1) Including net income attributable to non-controlling interests in Central Europe (-€171 million in 2023 compared to -€84 million in 2022).
(2) Including net income attributable to non-controlling interests in Australia (-€24 million), Chile (-€98 million) and the United-States (-€21 million) in 2023.

9.4 Deeply-subordinated securities and OCEANE convertible bonds

9.4.1 OCEANE convertible bonds

On March 8, 2016, Veolia Environnement issued convertible "OCEANE" bonds. The conversion option of this transaction may be settled solely in shares and is recognized in equity. The bonds convertible and/or exchangeable for new shares ("OCEANEs") were redeemed on September 14, 2019. -€5.5 million was recognized in equity as of December 31, 2019.

On September 12, 2019, Veolia Environnement completed an offering of bonds convertible and/or exchangeable for new and/or existing shares maturing January 1, 2025 by way of a private placement without shareholders' preferential subscription rights, of a nominal amount of €700 million (see also Note 8.1.1.1).

9.4.2 Deeply subordinated securities

On November 8, 2021, Veolia Environnement performed a hybrid debt issue in the amount of €500 million bearing a coupon of 2% until the first reset date in February 2028. Costs relating to this transaction totaled -€3 million.

It is recalled that Veolia Environnement performed a €2 billion debt issue on October 14, 2020 to refinance the acquisition of the 29.9% Suez share block from Engie.

This issue comprised two tranches of deeply subordinated perpetual hybrid notes in euros:

- €850 million bearing a coupon of 2.25% until the first reset date in April 2026;
- €1,150 million bearing a coupon of 2.50% until the first reset date in April 2029.

In 2022, deeply subordinated securities increased by €1,624 million with the acquisition of Suez SA.

As of December 31, 2023, they comprise three tranches:

- a €500 million tranche issued on March 30, 2015 bearing fixed-rate interest of 2.5 %, revised for the first time seven years after issue based on the five- year swap rate. This tranche was repaid on March 30, 2022.
- a €600 million tranche issued on April 19, 2017 with an initial fixed coupon of 2.875%, revised for the first time seven years after issue based on the five-year swap rate, then every five years.This tranche was partially redeemed in the amount of €397.2 million on November 23, 2023.
- a €500 million tranche issued on September 2, 2019 with an initial fixed coupon of 1.625 %, revised for the first time seven years after issue, then every five years.

On November 22, 2023, Veolia performed a new €600 million issue bearing a coupon of 6% until the first reset date in February 2029.

Pursuant to IAS 32.11 and given its intrinsic characteristics (no mandatory repayment, no obligation to pay a coupon except in the event of a dividend distribution to shareholders or the buyback of its own instruments), this instrument is recognized in equity.

9.5 Earnings per share

Basic earnings per share is calculated by dividing adjusted net income attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the fiscal year.

Pursuant to IAS 33, the weighted average number of shares outstanding taken into account for the calculation of net income per share is adjusted for the distribution of scrip dividends during the year. Pursuant to IAS 33.9 and IAS 12, net income attributable to owners of the Company has been adjusted to take into account the cost of the coupon payable to holders of deeply subordinated securities issued by Veolia Environnement.

Diluted earnings per share is calculated by dividing adjusted net income attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the fiscal year plus the weighted average number of ordinary shares that would be issued following the conversion into ordinary shares of all potentially dilutive ordinary shares.

Net income and the number of shares used to calculate basic and diluted earnings per share are presented below for all activities.

	Year ended December 31, 2022	Year ended December 31, 2023
Weighted average number of ordinary shares (in millions of shares)	**688**	**705**
Weighted average number of ordinary shares for the calculation of basic earnings per share	688	705
Theoretical number of additional shares resulting from the exercise of share purchase and subscription options	26	26
Weighted average number of ordinary shares for the calculation of diluted earnings per share (in millions of shares)	**714**	**731**
Net income (loss) attributable to owners of the Company per share (in millions of euros)		
Net income (loss) attributable to owners of the Company (in millions of euros)	716	937
Net income (loss) attributable to owners of the Company per share (in euros):		
Basic	1.04	1.33
Diluted	1.00	1.28
Net income (loss) from discontinued operations attributable to owners of the Company per share (in millions of euros)		
Net income (loss) from discontinued operations attributable to owners of the Company (in millions of euros)	-79	-24
Net income (loss) from discontinued operations attributable to owners of the Company per share (in euros):		
Basic	-0.11	-0.03
Diluted	-0.11	-0.03
NET INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE		
Net income (loss) from continuing operations attributable to owners of the Company (in millions of euros)	794	961
Net income (loss) from continuing operations attributable to owners of the Company per share (in euros) :		
Basic	1.15	1.36
Diluted	1.11	1.31

The only potentially dilutive instruments recognized by Veolia Environnement are the share subscription and purchase options presented in Note 6.2.2.

Note 10 PROVISIONS

Pursuant to IAS 37, Provisions, Contingent Liabilities and Contingent Assets, a provision is recorded when, at the year end, the Group has a current legal or implicit obligation to a third party as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions cover all losses that are considered probable, and that relate to litigation (taxation other than income tax, employee or other) arising in the normal course of Veolia's business operations, including adjustments on uncertain tax positions identified but not yet adjusted.

As part of its obligations under public services contracts, Veolia generally has contractual obligations for the maintenance and repair of the installations it manages. The resulting maintenance and repair costs are analyzed in accordance with IAS 37 on provisions and, where necessary, a provision for contractual commitments is recorded where there are delays in work to be performed.

In the event of a restructuring, an obligation exists if, prior to the period end, the restructuring has been announced and a detailed plan produced or implementation has commenced. Future operating costs are not provided.

Provisions for closure and post-closure costs encompass the legal and contractual obligations of the Group on the completion of operating activities at a site (primarily site rehabilitation provisions) and, more generally, expenditure associated with environmental protection (provision for environmental risks).

In the case of provisions for rehabilitation of landfill facilities, Veolia accounts for the obligation to restore a site as waste is deposited, recording a non-current asset component. This asset is amortized during the fiscal year based on its depletion. The costs included take account of the technical and operating characteristics of the sites, as well as applicable regulatory requirements. The monitoring period following the closure of a landfill site depends on the country where the Group operates (France: 30 years; UK: 60 years). Inflation is taken into account in the total cost calculation and, depending on the projected expenditure schedule, a discount rate is applied (based on the country and flow maturities). Provisions are calculated, by site, at the reporting date, taking account of the landfill site fill rate, total estimated costs per year, the scheduled closure date and the discount rate and are recorded progressively over the operating period.

Provisions giving rise to an outflow after more than one year are discounted if the impact is material. Discount rates reflect current assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recorded in the Consolidated Income Statement in "Other financial income and expenses".

Movements in non-current and current provisions during **2023** are as follows:

(€ million)	As of December 31, 2022	Addition/ Charge	Repayment /Utilization	Reversal	Actuarial gains (losses)	Unwinding of the discount	Change in consolidation scope	Foreign exchange translation	Non-current/ current reclassification	Other movements	As of December 31, 2023
Tax litigation (1)	73	17	-9	-15	-	-	1	-1	-	-8	58
Employee litigation	32	12	-6	-5	-	-	-	-	-	-3	30
Other litigation	190	32	-41	-16	-	-1	2	-1	-	-6	159
Contractual commitments	94	205	-207	-3	-	-	-	-	-	-	87
Provisions for work-in-progress and losses to completion on long-term contracts	332	52	-22	-54	-	1	1	-6	-	-18	286
Closure and post-closure costs	1,177	44	-35	-42	-	63	-	-7	-	8	1,208
Restructuring provisions	42	20	-17	-13	-	-	-	-	-	16	48
Self-insurance provisions	322	161	-83	-38	-	2	-	-1	-	-3	360
Other provisions	818	210	-79	-61	-	-	-7	-7	-	-65	810
Provisions excluding pensions and other employee benefits	**3,080**	**753**	**-499**	**-248**	**-**	**65**	**-3**	**-24**	**-**	**-78**	**3,046**
Provisions for pensions and employee benefits	**781**	**79**	**-91**	**-46**	**41**	**23**	**15**	**-14**	**-**	**-21**	**767**
TOTAL PROVISIONS	**3,860**	**833**	**-590**	**-295**	**41**	**89**	**12**	**-38**	**-**	**-99**	**3,813**
NON-CURRENT PROVISIONS	**2,844**	**476**	**-298**	**-198**	**41**	**89**	**22**	**-31**	**-110**	**-28**	**2,807**
CURRENT PROVISIONS	**1,015**	**356**	**-292**	**-97**	**-**	**-**	**-11**	**-6**	**110**	**-71**	**1,005**

(1) Provisions other than for income tax.

Provisions for litigation total €247 million overall as of December 31, 2023, compared with €295 million overall as of December 31, 2022.

The France and Special Waste Europe, Europe excluding France, Rest of the world and Water technologies operating segments account for €63 million, €49 million, €91 million and €39 million of these provisions, respectively, as of December 31, 2023.

Additional information on the main litigation is presented in Note 12.

As of December 31, 2023, **provisions for contractual commitments** primarily concern the France and Special Waste Europe operating segment in the amount of €43 million and Europe excluding France in the amount of €33 million.

Provisions for work-in-progress and losses to completion on long-term contracts total €285 million as of December 31, 2023 and mainly concern the France and Special Waste Europe operating segment in the amount of €17 million, the Europe excluding France operating segment in the amount of €40 million, the Rest of the world operating segment in the amount of €137 million and the Water technologies operating segment in the amount of €91 million.

Provisions for closure and post-closure costs total €1,208 million as of December 31, 2023 compared with €1,177 million as of December 31, 2022 and mainly concern the following operating segments::

- France and Special Waste Europe in the amount of €443 million as of December 31, 2023, compared with €439 million as of December 31, 2022;
- Europe excluding France in the amount of €310 million as of December 31, 2023, compared with €323 million as of December 31, 2022;
- the Rest of the world in the amount of €422 million as of December 31, 2023, compared with €388 million as of December 31, 2022.

The change in these provisions in 2023 is mainly due to the unwinding of the discount in the amount of €63 milion.

By nature of obligation, these provisions concern:

- provisions for site rehabilitation in the amount of €1,079 million at the end of 2023, compared with €1,060 million at the end of 2022;
- provisions for environmental risks in the amount of €64 million at the end of 2023, compared with €84 million at the end of 2022;
- provisions for plant dismantling in the amount of €65 million at the end of 2023, compared with €33 million at the end of 2022.

Self-insurance provisions were mainly recorded by Group insurance and reinsurance subsidiaries.

Other provisions include various obligations recorded as part of the normal operation of the Group's subsidiaries and which are of immaterial individual amount. They primarily concern the following operating segments:

- France and Special Waste Europe in the amount of €122 million as of December 31, 2023, compared with €110 million as of December 31, 2022;
- Europe excluding France, in the amount of €145 million as of December 31, 2023, compared with €162 million as of December 31, 2022;
- the Rest of the world in the amount of €132 million as of December 31, 2023, compared with €150 million as of December 31, 2022;

- Water technologies in the amount of €126 million as of December 31, 2023, compared with €149 million as of December 31, 2022;
- the Other segment in the amount of €285 million as of December 31, 2023, compared with €247 million as of December 31, 2022 re-presented.

Provisions for pensions and other employee benefits as of December 31, 2023 total €767 million, and include provisions for pensions and other post-employment benefits of €670 million (governed by IAS 19 and detailed in Note 6.3), and provisions for other long-term benefits of €97 million.

The change in these provisions as of December 31, 2023 is mainly due to the consolidation of Lydec.

Note 11 INCOME TAX EXPENSE

11.1 Income taxes

The income tax expense (income) includes the current tax expense (income) and the deferred tax expense (income).

11.1.1 Analysis of the income tax expense

Les éléments de la charge fiscale sont les suivants :

(€ million)	2022	2023
Current income tax (expense) income	**-595**	**-573**
France	-100	-38
Other countries	-495	-535
Deferred tax (expense) income	**175**	**62**
France	92	-7
Other countries	83	69
TOTAL INCOME TAX EXPENSE	**-420**	**-511**

A number of French subsidiaries elected to form a consolidated tax group with Veolia Environnement as the head company. Veolia Environnement is liable to the French Treasury Department for the full income tax charge, calculated based on the group tax return. Any tax savings are recognized at Veolia Environnement level.

11.1.2 Effective tax rate

	2022	2023
Net income (loss) from continuing operations (a)	1,076	1,358
Share of net income (loss) of associates (b)	71	63
Share of net income (loss) of joint ventures (c)	57	60
Share of net income (loss) of other equity-accounted entities (d)	-	-
Impairment losses on goodwill of joint ventures and other equity-accounted entities (e)	-	-
Income tax expense (f)	-420	-511
Net income from continuing operations before tax (g) = (a)-(b)-(c)-(d)-(e)-(f)	1,369	1,747
Effective tax rate -(f)/(g)	**30.66%**	**29.26%**
Theoretical tax rate(1)	**25.83%**	**25.83%**
Net impairment losses on goodwill not deductible for tax purposes	1.0%	0.1%
Differences in tax rate	-3.3%	-4.2%
Capital gains and losses on disposals	-2.8%	-0.1%
Dividends	2.0%	1.3%
Taxation without tax base	6.7%	7.9%
Effect of tax projections(2)	5.8%	6.0%
Other permanent differences	-4.5%	-7.5%
EFFECTIVE TAX RATE	**30.7%**	**29.3%**

(1) The tax rate indicated is the statutory tax rate in France applicable in fiscal years 2022 and 2023.
(2) Effect of tax projections primarily includes impairment losses on deferred tax assets and capitalized deferred taxes.

The main elements explaining the effective tax rate in **2023** are as follows:

- transactions in countries with a higher or lower tax rate than the French standard rate
- the change in the deferred tax rate to take into account of legislative amendments in certain countries
- taxation without tax basis, including, in particular, taxes other than income tax meeting IAS 12 criteria
- the effect of tax projections, primarily relating to impairment losses on deferred tax assets and capitalized deferred taxes.

It is recalled that the main elements explaining the effective tax rate in 2022 were as as follows:

- transactions in countries with a lower tax rate than the French standard rate;

- taxation without tax base.

11.2 Deferred tax assets and liabilities

Deferred tax assets and liabilities are generally recognized on timing differences and/or tax loss carry forwards.

Deferred tax assets arising from timing differences are only recognized when it is probable that:

- there are sufficient taxable timing differences within the same tax group or tax entity that are expected to reverse in the same periods as the expected reversal of such deductible timing differences or in the periods when the deferred tax assets arising from tax losses can be carried back or forward; or
- the Group is likely to generate sufficient future taxable profits against which the asset can be offset.

At each reporting date, the Group reviews the recoverable amount of deferred tax assets arising from material tax losses carried-forward.

Deferred tax assets arising from these tax losses are no longer recognized or are reduced when required by the specific facts and circumstances of each company or tax group concerned, and particularly when:

- the forecast period and uncertainties regarding the economic environment no longer enable the probability of utilization to be assessed;
- the companies have not started utilizing the losses;
- the forecast utilization period exceeds the carry forward period authorized by tax legislation; or
- offset against future taxable profits is uncertain due to the risk of different interpretations of the application of tax legislation.

Deferred tax assets and liabilities are adjusted for the effects of changes in prevailing tax laws and rates at the year end. Deferred tax balances are not discounted.

Movements in deferred tax assets and liabilities during **2022** are as follows:

(€ million)	As of December 31, 2022	Changes in business through net income	Changes in business through equity	Changes in consolidation scope	Foreign exchange translation	Transfers to Assets / Liabilities classified as held for sale	Other movements	As of December 31, 2023
Deferred tax assets, gross	4,107	147	-23	75	-55	-	-70	4,181
Deferred tax assets not recognized	-2,056	-110	2	10	16	-	-	-2,139
DEFERRED TAX ASSETS, NET	2,051	37	-21	85	-39	-	-70	2,042
DEFERRED TAX LIABILITIES	2,640	-25	-9	93	-43	-1	-82	2,575

As of December 31, 2023, deferred tax assets not recognized total -€2,139 million, including -€1,503 million on tax losses and -€636 million on timing differences. As of December 31, 2022, such deferred tax assets totaled -€2,056 million, including -€1,434 million on tax losses and -€622 million on timing differences.

Deferred tax assets and liabilities break down by nature as follows:

(€ million)	As of December 31, 2022	As of December 31, 2023
DEFERRED TAX ASSETS		
Tax losses	1,840	1,841
Provisions and impairment losses	523	450
Employee benefits	270	294
Financial instruments	199	95
Operating financial assets	31	72
Fair value of assets purchased	121	167
Foreign exchange gains and losses	1	8
Finance leases	35	155
Intangible assets, PP&E and operating financial assets	89	228
Other	998	871
DEFERRED TAX ASSETS, GROSS	4,107	4,181
DEFERRED TAX ASSETS NOT RECOGNIZED	-2,056	-2,139
RECOGNIZED DEFERRED TAX ASSETS	2,051	2,042

(€ million)	As of December 31, 2022	As of December 31, 2023
DEFERRED TAX LIABILITIES		
Intangible assets and Property plant and equipment	1,061	1,184
Fair value of assets purchased	614	721
Operating financial assets	64	54
Financial instruments	230	96
Finance leases	59	113
Provisions	31	29
Foreign exchange gains and losses	11	15
Employee benefits	61	71
Other	509	292
DEFERRED TAX LIABILITIES	2,640	2,575

The breakdown by **main tax group** as of December 31, 2023 is as follows:

(€ million)	Recognized deferred tax assets on tax losses	Recognized deferred tax assets on timing differences	Deferred tax liabilities on timing differences	Net recognized deferred tax position
France tax group	24	197	-198	23
United States tax group	152	213	-486	-122
TOTAL FOR THE MAIN TAX GROUPS	176	410	-684	-99

The **timing schedule for the reversal** of the net deferred tax position on timing differences and the deferred tax asset position on tax losses of the France tax group and the United States tax group is as follows:

	Deferred tax assets on tax losses			Net deferred tax on timing differences			Total		
(€ million)	5 years or less	More than 5 years	Total	5 years or less	More than 5 years	Total	5 years or less	More than 5 years	Total
France tax group	24	–	**24**	-1	–	**-1**	23	–	**23**
United States tax group	152	–	**152**	25	-298	**-273**	177	-298	**-121**

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The expiry schedule for deferred tax assets on tax losses recognized and not recognized as of December 31, 2023 is as follows:

	Maturing in				
(€ million)	5 years or less	More than 5 years	Unlimited	Total as of December 31, 2023	Total as of December 31, 2022
Recognized tax losses	192	44	103	338	389
Tax losses not recognized	635	399	469	1,503	1,451

The increase in recognized tax losses as of December 31, 2023 follows the reassessment by the Group of its outlook and, particularly the outlook of the US tax group.

Deferred tax assets and liabilities **break down by destination** as follows:

(€ million)	As of December 31, 2022	As of December 31, 2023
DEFERRED TAX ASSETS, NET		
Deferred tax assets through net income	1,882	1,898
Deferred tax assets through equity	169	144
DEFERRED TAX ASSETS, NET	2,051	2,042
DEFERRED TAX LIABILITIES		
Deferred tax liabilities through net income	2,561	2,506
Deferred tax liabilities through equity	79	69
DEFERRED TAX LIABILITIES	2,640	2,575

11.3 Tax audits

In the normal course of their business, the Group entities in France and abroad are subject to regular tax audits.

The Group assesses income tax risks in accordance with IFRIC 23, notably by considering that the tax authorities will conduct an audit and will have full knowledge of all relevant information.

The tax authorities have carried out various tax audits in respect of both consolidated tax groups and individual entities. To date, none of these reviews have led to liabilities to the tax authorities materially in excess of amounts estimated during the review of tax risks.

In estimating the risk as of December 31, 2023, the Group took account of the expenses that could arise as a consequence of these audits, based on a technical analysis of the positions defended by the Group before the tax authorities. The Group periodically reviews the risk estimate in view of developments in the audits and legal proceedings.

11.4 Pillar 2 Directive

The 2024 Finance Act (Article 33 of Law no. 2023-1322 of December 29, 2023) enacted the Pillar 2 Directive (Council Directive (EU) 2022/2523 of December 14, 2022) which aims to introduce a global minimum tax. Due to the amount of its revenue, the Group falls within the scope of this new legislation.

A methodology analysis was performed to determine the resulting financial impacts.

As the Group's effective tax rate was 29.3% in 2023, the financial impact of this legislation is not material and should not have a material negative effect on the Group's income statement.

Note 12 CONTINGENT ASSETS AND LIABILITIES

In accordance with IAS 37 criteria, management does not consider it appropriate to record a provision or, as the case may be, an additional provision, or to recognize deferred income with respect to the following legal, administrative or arbitration proceedings as of December 31, 2023, due to the uncertain nature of their outcome.

The main contingent assets and liabilities relating to legal, administrative or arbitration proceedings are presented below:

North America

United States – Water – Flint

In November 2011, the Governor of Michigan declared the City of Flint, Michigan ("Flint") to be in financial difficulty and appointed an emergency manager ("Emergency Manager") for Flint. In an attempt to save money, the Emergency Manager decided in 2013 to switch the city's water supply source (previously provided by Detroit) to the Flint River on an interim basis as part of a long-term plan to switch to water from Lake Huron.

In 2013, Flint hired the engineering firm Lockwood, Andrews & Newman ("LAN") to prepare the Flint water plant to switch water sources. In April 2014, the Flint water plant began treating Flint River water for distribution to its residents.

Following the switch to Flint River water, Flint residents began to complain about its odor, taste and appearance. Between August and December 2014, Flint experienced a number of water quality issues resulting in violations of National Primary Drinking Water Regulations, including "Total Trihalomethanes" ("TTHM") (which are disinfection byproducts) maximum contaminant level violations.

In February 2015, Flint hired a US subsidiary of the Company, Veolia Water North America Operating Services, LLC ("VWNAOS"), to produce a report, which included a discussion of residual effects of the chlorination process, discoloration and taste and odor issues. This one-time review (invoiced at USD $40,000) was completed by VWNAOS in approximately four weeks. Throughout that time, and subsequently, Flint continued to retain LAN as its primary water engineering consultant. In December 2014 and during 2015, LAN developed a treatment plan for the Flint River water and submitted reports to Flint that addressed compliance with the Safe Drinking Water Act. In its plan and reports, LAN did not raise or address any concerns that Flint's new water supply could create problems with lead levels in the drinking water.

On February 18, 2015, VWNAOS issued an interim report based, among other things, on tests performed exclusively by Flint, which showed that the city was in compliance with the Lead & Copper rule. This report included a statement that the drinking water was "safe" in that it complied "with state and federal standards and required testing". During that evening's public meeting, which was organized by the Flint City Council Public Works Committee, VWNAOS employees communicated to the public the results of VWNAOS' interim report.

In parallel, Flint conducted lead tests at the home of a Flint resident which revealed high levels of lead in the water but did not share these results with VWNAOS.

On March 12, 2015, VWNAOS delivered its final report to Flint, which was subsequently made available to the public. In its report, VWNAOS issued a broad set of recommendations to address TTHM compliance and improve water quality related to taste, odor and discoloration. The report also recommended that Flint work with the State regulators and Flint's engineering firm to establish a corrosion control plan. Most of these recommendations were ignored by Flint until late 2015, when the government ordered certain measures be taken in response to reports of lead in Flint's water.

On June 24, 2015, an employee of the U.S. Environmental Protection Agency issued a memorandum summarizing the available information regarding measures taken by Flint and several governmental agencies in response to high lead levels in Flint's drinking water reported by a Flint resident in February 2015.

On September 25, 2015, Flint issued a lead advisory to the residents of Flint regarding the presence of lead in the drinking water.

On October 16, 2015, Flint switched its water supply source back to the Detroit water system.

On October 21, 2015, the office of the Governor of the State of Michigan commissioned the Flint Water Advisory Task Force, a group of experts from a variety of disciplines, to conduct an independent review of the Flint water crisis, including lead contamination of the water.

On March 21, 2016, the Flint Water Advisory Task Force issued its final report, drafted after interviewing numerous individuals and reviewing many documents. The report concluded that the responsibility for the Flint water crisis rested largely with several governmental agencies and Flint. The report concluded that the Michigan Department of Environmental Quality and the City of Flint did not require the implementation of corrosion control when the source of the water supply was changed to the Flint River, which the Task Force found was contrary to requirements imposed by a federal law known as the Lead & Copper Rule.Since February 2016, numerous individual complaints and putative class actions have been filed in Michigan state and federal courts by Flint residents against a number of defendants, including the State of Michigan, the Michigan Department of Environmental Quality, Flint, LAN and three of the US subsidiaries of the Company, Veolia North America Inc., VWNAOS and Veolia North America LLC (collectively "VNA").

Although the Company has been named in several actions mentioned above, it has not been served and is not an active party to any of these actions. Only the three U.S. subsidiaries of the Company are active parties in these actions.

In November 2020, the plaintiffs in the putative class actions and individual actions (both state and federal) reached a settlement with some defendants in these actions, including the State of Michigan and Flint, but not VNA, nor the engineering firm, LAN. This settlement was approved by the federal judge in the amount of $626.25 million. In July 2023, LAN informed the federal and state courts that it had reached a settlement agreement in principle with the plaintiffs, without specifying the details of such agreement. Proceedings against LAN were subsequently stayed.

The proceedings will, however, continue with regard to those who are not parties to the settlement, including VNA. The cause of action in the federal and state proceedings is professional negligence.

Civil Actions in the United States District Court for the Eastern District of Michigan (Federal Court)

Individual actions: Actions brought by individually represented plaintiffs have been organized into a bellwether process, under which a series of trials brought by a small number of representative plaintiffs will be held. The first of these began in February 2022. On 11 August 2022, after the jury informed the court that it was unable to reach a unanimous verdict, the Federal Magistrate Judge overseeing the deliberations declared a mistrial. This first bellwether trial was initially scheduled for a retrial, it was subsequently adjourned sine die at the request of the plaintiffs. Further bellwether trials with new groups of plaintiffs are planned, beginning in October 2024.

Issues class action: In August 2021, the court certified an issues class action with respect to VNA. The issues class action only addressed some specific common questions regarding elements of VNA's alleged liability. The trial for the issues class action was scheduled for several weeks starting in mid-February 2024. In early February, VNA and the attorneys representing the class requested a suspension of the issues class proceedings, as an agreement in principle for settlement had been reached between the parties. The proceedings were subsequently stayed by the federal court. This settlement provides for:

(i) a payment of $25 million to the plaintiffs in the issues class action, which will result in the termination of the issues class action as well as the putative class action before the state court; and

(ii) a payment of $1.5 million to individual minor plaintiffs represented by the lawyer representing the class, within a limit of 1,000 plaintiffs, equalling $1,500 for each.

This settlement agreement is subject to the final approval of the federal court, which is likely to take several months' time.

Civil Actions in Circuit Court for the Seventh Judicial Circuit, Genesee County, Michigan (State Court)

Individual actions and putative class action: In parallel to the actions in federal court, claims filed by individual plaintiffs and a putative class are pending in state court. No trial date has been set for any of these state court cases. The putative class action will also be subject to termination if the above-mentioned settlement agreement is approved by the federal court.

Civil action brought by the Michigan Attorney General: In June 2016, the State of Michigan's Attorney General filed a "parens patriae" civil action in state court against several corporations, including VNA and the Company itself, alleging certain acts and omissions related to the Flint water crisis. After unilaterally dismissing that action, the Attorney General filed a new action in August 2016. The Attorney General then agreed to dismiss the Company without prejudice from that action. After the 2018 election of a new state Governor and Attorney General, the Attorney General filed an amended complaint against the Company and VNA, among others. The Company has not been served with that complaint and is not currently an active party in this action, but VNA is. Following motions to dismiss, the only remaining causes of action brought by the Attorney General against VNA are professional negligence and unjust enrichment. No trial date has been set.

The Group strongly contests the merits of claims in all of these civil proceedings.

Criminal actions

Criminal proceedings were initiated by the former Attorney General against fifteen employees of the State of Michigan and the City of Flint for their conduct related to the water crisis in Flint. Of these fifteen employees, seven pleaded guilty. On June 13, 2019, the new Attorney General dropped all charges against the remaining eight employees.

In mid-January 2021, new criminal indictments were issued against nine former Flint and state officials. In June 2022, the Michigan Supreme Court ruled that the prosecution's use of the "one-man grand jury" method of indictment violated Michigan law. As a consequence of this ruling, the indictments against these nine former officials have been dismissed.

Insurance

These lawsuits have been reported to the insurers. Some of the insurers, relying on an exclusion clause contained in their policies, have made it known that they do not intend on covering the financial consequences of VNA's liability, if this were to be established, for damages resulting from lead.

The Group strongly contests this position, arguing that this exclusion clause is not applicable in the current situation and that, in any case, the clause is void as it is contrary to both the mandatory rule of article L.113-1 of the French Insurance Code, requiring that the exclusion shall be "formal and limited" and contrary to its interpretation by the courts.

In June 2023, the Company and VNA filed a request for arbitration in order to resolve their dispute with their insurers. The arbitration proceedings are ongoing.

Central and Eastern Europe

Lithuania - Energy

Between 2000 and 2003, the Lithuanian subsidiaries of the Group, UAB Vilniaus Energija ("UVE") and UAB Litesko ("Litesko"), signed a number of contracts with Lithuanian cities, of which the most significant was with the city of Vilnius ("Vilnius") in 2002 to rent, operate and modernize the heating and electricity production and distribution infrastructure. The Group made significant investments over the years for which it expects the cost incurred to be taken into account and a return on its investment.

Since 2009, the government publicly, and on numerous occasions, accused the Group of being responsible for high heating prices by waging a sustained campaign against it. Several steps were thus taken by the public authorities against the Lithuanian subsidiaries of the Group, among others:

- a €19 million fine imposed on UVE by the Competition Council;
- the transfer of ownership without compensation of the individual heat exchange sub-stations invested by UVE;
- the unilateral reduction of the heating prices to capture the savings realized with the help of a smoke condenser invested by UVE;
- the retroactive annulment of the heating prices applied by UVE for the period 2011-2015.
- the annulment of the amendments extending the duration of the contract concluded between Litesko and the city of Alytus and the transfer to Alytus of the assets invested by Litesko.

All the harmful decisions taken against the Lithuanian subsidiaries of the Group are subject to pending challenges or appeals before the local courts.

In this context, the Company and its subsidiaries also had to initiate the arbitral proceedings described below.

ICSID arbitration

In January 2016, the Company, Veolia Energie International (successor in law to Veolia Baltics and Eastern Europe), UVE and Litesko (collectively "the Companies") filed a request for arbitration against Lithuania before the International Center for Settlement of Investment Disputes ("ICSID").

To date, the Companies' claim amounts to circa €91M (not including interest). For its part, Lithuania withdrew its €150M counterclaim. This procedure is still pending.

In June 2018, Lithuania filed an objection to the arbitral tribunal's jurisdiction, based on a decision rendered by the European Court of Justice on March 6, 2018 in the Achmea case, in which the Court ruled that investor-state arbitration provisions in intra-EU bilateral investment treaties are incompatible with European Union law. In a declaration dated January 15, 2019, the EU Member States indicated their intention to terminate the intra-EU bilateral investment treaties by December 2019. On May 5th 2020, a vast majority of Member states – including France and Lithuania – signed a plurilateral treaty organizing the termination of the intra-EU bilateral investment treaties. The treaty came into effect in France on August 28, 2021 and in Lithuania on September 4, 2021. These developments may have an impact on the ICSID arbitration and, as the case may be, on the enforcement of the future award as well as on the proceedings described hereafter.

In July 2020, Lithuania initiated a legal action against the Companies and other respondents before the Vilnius regional court, by which it seeks compensation for damages worth over € 240 million. Lithuania has indicated that this action is a transfer of the counterclaims it previously withdrew from the ICSID arbitration, following the Achmea decision. At that time, only VEI, UVE and Litesko had been served with Lithuania's writ of summons. The Company was later served in May 2023. The Companies vigorously contest Lithuania's claims. Following several divergent rulings by the Lithuanian courts,Lithuania's claim was finally declared admissible in October 2023. In November 2023, the Vilnius court, following a request submitted by the Companies, stayed the proceedings pending the awards in the ICSID and SCC arbitrations (see below). Lithuania has filed an appeal against this stay. In February 2024, the Vilnius court of appeal confirmed the stay of the proceedings pending the ICSID award.

SCC arbitration

In November 2016, in the context of the Vilnius agreement which expiration date was nearly reached (March 2017), the Company and UVE filed a request for arbitration before the Stockholm Chamber of Commerce ("SCC") to secure the appointment of an independent expert to evaluate the condition of the assets. That SCC arbitration has since expanded in scope to address claims by the Company, UVE, Vilnius and municipal company VST ("VST") in connection with the Vilnius lease.
In this arbitration, the Company and UVE filed a claim for an indemnity of circa €22 million. For their part, Vilnius and VST submitted counterclaims quantified to date at circa €660M. On November 30, 2023, the SCC tribunal unanimously rendered an award rejecting 95% of Vilnius' and VST's counterclaims and upholding more than 50% of the claims made by the Company and UVE. As a result, the latter have paid Vilnius and VST a net amount after compensation of approximately €34.7 million, inclusive of interest. This decision is now final, as no petition to set aside the award was filed.

Italy / Africa Middle East

Veolia Propreté vs. Republic of Italy

In October 2007, Veolia Propreté made very significant investments in Italy through long-term concession contracts for the construction and management of waste recovery and power generation facilities in the regions of Calabria and Tuscany. The Italian subsidiaries of Veolia Propreté were unable to execute the concession contracts due to the serious failures of the Italian authorities. In 2014, these actions caused subsidiaries' bankruptcy and the destruction of Veolia Propreté's investment.
In June 2018, Veolia Propreté commenced an against the Republic of Italy arbitration before the International Center for Settlement of Investment Disputes alleging breaches of the Energy Charter Treaty. The tribunal was constituted in January 2019. To date, Veolia Propreté claims amounts to circa €400M plus interests. The arbitration is underway.
In September 2021, the Court of Justice of the European Union ruled that the investor-state dispute settlement mechanism provided for in the Energy Charter Treaty is incompatible with EU Law and does not apply to intra-EU disputes. This development may affect the enforcement of the future award.

Water technologies

VWT v. K+S Potash

On December 1, 2012, Veolia Water Technologies, Inc. ("VWT") signed a $324.5MUSD contract with K + S Potash Canada GP ("KSPC") for the design, supply and commissioning of a evaporation and crystallization system, which includes 14 large evaporators and crystallizers (the "Tanks"), for a potash mine then under construction by KSPC in the province of Saskatchewan, Canada. In this framework, a letter of guarantee at first request was issued by VWT to the benefit of KSPC in the amount of $14.6MUSD.

On July 17, 2016, during the process of commissioning the Tanks, one tank collapsed (the "Incident"). A new replacement tank had to be manufactured and installed. The Incident also damaged other Tanks and plant equipment, which had to be removed and replaced. VWT cooperated with KSPC to determine the cause of the incident. The first investigation, conducted by KSPC, identified a defect in the design of the metal structure supporting the Tanks, for which VWT and one of its subcontractors were responsible. A second investigation conducted by VWT, however, found a defect in the production of the concrete bases to which the metal structure supporting the Tanks was affixed. These concrete bases were in turn built by a subcontractor of KSPC. VWT has repaired the damaged Tanks. These repairs resulted in significant contractual changes and additional costs. Mid-June, 2017, a second letter of guarantee at first request was issued by VWT to KSPC in the amount of $15MUSD.

Several procedures are currently in progress.

ADRIC Arbitration Procedure (ADR Institute of Canada)

On August 18, 2017, VWT filed a complaint with the ADRIC seeking KSPC's reimbursement of the costs incurred by the contractual modifications made to carry out repairs linked to the Incident, i.e. $19MUSD. Mid-January 2019, the arbitral tribunal accepted jurisdiction over only some claims (approximately $13.6MUSD). This procedure is stayed due to proceedings initiated by KSCP before the Court of Queen's Bench for Saskatchewan (see below).

Legal Proceedings (the Court of Queen's Bench for Saskatchewan and Paris Commercial Court)

On April 11, 2018, KSPC brought claims against VWT before the Court of Queen's Bench for Saskatchewan in the amount of $180MCAD (approximately €119M) for consequential damages and additional costs of repair in relation to the Incident. On January 18 2019, VWT made a settlement offer to KSPC who refused the offer.

On May 28, 2018, one of KSPC's subcontractors, AECON, sued KSPC before the Court of Queen's Bench for various claims for damages. On June 28, 2018, KSPC joined VWT as a third party to the proceedings in an attempt to require VWT to indemnify KSPC for a minimum of $466MCAD (approximately €318M) as well as for reimbursement of sums already paid by KSPC to other subcontractors (the "Delay Claim").

On March 25, 2020, KSPC brought claims against VWT before the Court of Queen's Bench for Saskatchewan for an amount quantified to date at $4,6MCAD (approximately €3M). These new claims include an equipment failure that occurred in November 2018 and alleged corrosion in specific materials of the plant. In June 2020, VWT filed a statement of defense before this court and contested these new claims.

In November 2019 and 2020, respectively, KSPC received payment under the letters of guarantee.

The Group strongly contests the merits of all these legal proceedings.

These lawsuits have been notified to professional liability insurance companies. After initially agreeing to cover the legal costs associated with the Delay Claim, Lexington Insurance Company has initiated arbitration proceedings seeking to avoid coverage and future defense costs for the Delay Claim and for reimbursement of defense costs paid to date on the Delay Claim. The arbitration hearing is currently scheduled for the spring 2024 and we expect a final ruling from the arbitration panel by the end of that year. VWT vigorously disputes Lexington's position.

VWT v. Antero

In August 2015, Veolia Water Technologies Inc. ("VWT") and Antero Resources Corporation ("Antero") entered into a Design Build Agreement ("DBA") for a revised contract sum of USD $255.8 million for the treatment of water associated with the drilling, production and general development of shale gas at the Clearwater facility located in Pennsboro West Virginia ("Facility").

VWT achieved the substantial completion of the Facility on March 15, 2019. The Facility was fine-tuned over the following months. The final performance test was scheduled to begin on September 16, 2019 but, by a letter dated September 12, 2019, Antero terminated the DBA. VWT considers this termination to have been made without proper contractual notice or a valid reason.

On March 13, 2020 VWT filed suit against Antero in the State District Court, City and County of Denver, Colorado, in the United States, alleging breach of contract and seeking damages of USD $118 million. On the same day and in front of the same tribunal, Antero filed suit against VWT and claimed that VWT breached its contractual obligations under the DBA. In this lawsuit, Antero asserts claims under theories of fraud and breach of contract. It claims alternatively USD $451 million or USD $367 million in damages based on different valuation methods.

VWT's claims have been consolidated with Antero's claims. By a final judgment dated January 27, 2023, the State District Court, City and County of Denver, Colorado ordered VWT to pay to Antero on the grounds of fraud and breach of contract, a principal amount of USD $242 million, plus interests (such interests including USD $67 million of pre-judgment interests) and Antero's fees and costs. By a revised judgment dated May 3, 2023, reflecting the outcome of a post-trial motion successfully filed by VWT, the principal amount of the judgment was reduced to USD $215 million and the pre-judgment interests were reduced to USD $65 million. The effects of the judgment are stayed.

VWT vigorously contests all of the tribunal's findings that led the tribunal to rule in favor of Antero and appealed the decision before the Colorado Court of Appeals at the end of May 2023. In June 2023, Antero filed a cross appeal. The appellate proceedings are ongoing.

This dispute has been reported to the insurers. After initially accepting to cover the legal expenses in connection with those proceedings, one of the insurers ultimately disputed its coverage obligation and initiated arbitral proceedings to that end in October 2021. On July 10, 2023, the arbitral tribunal dismissed the insurer's claim and ruled that the insurer's dispute of its coverage obligation was ill-grounded.

Note 13 RELATED PARTY TRANSACTIONS

The Group identifies related parties in accordance with the provisions of paragraph 9 of IAS 24 revised, Related Party Disclosures.

To the Company's knowledge, as of December 31, 2023, except for relations with joint ventures (see Note 5.2.4.1) and compensation and related benefits of key management (see Note 6.4), there were no other related party transactions.

Note 14 SUBSEQUENT EVENTS

No significant events occurred between the reporting date and the date on which the consolidated financial statements were approved by the Board of Directors.

Note 15 MAIN COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

In 2023, Veolia Group consolidated or accounted for a total of 1,987 companies, of which the main companies are:

Company and address	French company registration number (Siret)	Consolidation method	% control	% interest
Veolia Environnement SA 21 rue La Boétie 75008 Paris	403 210 032 00104	FC	100.00	100.00
Vigie Groupe 21 rue de La Boétie 75008 Paris	410 118 608 00109	FC	100.00	100.00
FRANCE & SPECIAL WASTE EUROPE				
Water				
Veolia Eau – Compagnie Générale des Eaux 21 rue La Boétie 75008 Paris	572 025 526 10945	FC	100.00	99.99
Veolia Water 21 rue La Boétie 75008 Paris	421 345 042 00053	FC	100.00	100.00
Sade-Compagnie Générale de Travaux d’Hydraulique (SADE-CGTH) and its subsidiaries ZAC François Ory 23/25 avenue du docteur Lannelongue 75014 Paris	562 077 503 02584	FC	100.00	99.50
Compagnie des Eaux et de l’Ozone Procédés M.P Otto 21 rue La Boétie 75008 Paris	775 667 363 02470	FC	100.00	100.00
Société Française de Distribution d’Eau 28 boulevard de Pesaro 92000 Nanterre	542 054 945 00416	FC	99.67	99.67
Compagnie Fermière de Services Publics Route de l’Escarpe 76200 DIEPPE	575 750 161 00326	FC	99.89	99.89
Compagnie Méditerranéenne d’Exploitation des Services d’Eau – CMESE 1 rue Albert Cohen Immeuble Plein Ouest A 13016 Marseille	780 153 292 00187	FC	99.75	99.75
Société des Eaux de Melun Zone Industrielle – 198/398, rue Foch 77000 Vaux-Le-Penil	785 751 058 00047	FC	99.37	99.37
Société des Eaux de Marseille 78 boulevard Lazer 13010 Marseille	057 806 150 00488	FC	98.80	98.80
Waste				
Veolia Propreté 21 rue La Boétie 75008 Paris	572 221 034 01230	FC	100.00	100.00
Routière de l’Est Parisien 28 boulevard de Pesaro 92000 Nanterre	612 006 965 00182	FC	100.00	100.00
ONYX Auvergne Rhône-Alpes 2/4 avenue des Canuts 69120 Vaulx-en-Velin	302 590 898 00656	FC	100.00	100.00
ONYX Est Bâtiment O’Rigin 1 rue Henriette Galle Grimm 54000 Nancy	305 205 411 00930	FC	95.00	95.00
Paul Grandjouan SACO 6 rue Nathalie Sarraute 44200 Nantes	867 800 518 00609	FC	100.00	100.00
SARP Industries and its subsidiaries 427, route du Hazay – Zone Portuaire Limay-Porcheville 78520 Limay	303 772 982 00029	FC	100.00	99.86

Company and address	French company registration number (Siret)	Consolidation method	% control	% interest
Société d'Assainissement Rationnel et de Pompage (SARP) and its subsidiaries 22 boulevard de Pesaro 92000 Nanterre	775 734 817 00395	FC	99.69	99.69
Generis 28 boulevard de Pesaro 92000 Nanterre	410 303 481 00304	FC	100.00	99.99
ARIANEO 33 boulevard de l'Ariane 06300 Nice	901 780 221 00023	FC	90.00	90.00
EUROPE EXCLUDING FRANCE				
Veolia Water UK Ltd and its subsidiaries 210 Pentonville Road London N1 9JY (United Kingdom)		FC	100.00	100.00
Veolia ES (UK) Ltd and its subsidiaries 210 Pentonville Road London– N19JY (United Kingdom)		FC	100.00	100.00
Veolia Energy UK Ltd and its subsidiaries 210 Pentonville Road N1 9JY London (United Kingdom)		FC	100.00	99.99
Veolia Umweltservice GmbH and its subsidiaries Hammerbrookstrasse 69 20097 Hamburg (Germany)		FC	100.00	100.00
Veolia Energie Deutschland GmbH and its subsidiaries Lindencorso Unter den linden 21 10117 Berlin (Germany)		FC	100.00	100.00
Braunschweiger Versorgungs- AG &Co.KG Taubenstrasse 7 38106 Braunschweig (Germany)		FC	50.11	50.11
Apa Nova Bucuresti Srl Strada Aristide Demetriade nr 2, Sector 1 Bucharest (Romania)		FC	73.69	73.69
Veolia Central & Eastern Europe and its subsidiaries 21 rue La Boétie 75008 Paris	433 934 809 00032	FC	100.00	100.00
Veolia Énergie Praha, a.s. Na Florenci 2116/15, Nové Město, 110 00 Praha 1 (Czech Republic)		FC	100.00	83.05
Prazske Vodovody A Kanalizace a.s. Ke Kablu 971/1 102 00 Prague 10 (Czech Republic)		FC	51.00	51.00
Sofiyska Voda AD Mladost region Mladost 4 Business Park Street Building 2a 1715 Sofia Sofia (Bulgaria)		FC	77.10	77.10
Veolia NV-SA and its subsidiaries 78-79 boulevard Poincarré B1060 – Brussels (Belgium)		FC	100.00	100.00
Siram SPA and its subsidiaries Via Anna Maria Mozzoni, 12 20152 Milan (Italy)		FC	100.00	99.99
Veolia Espana S.L.U.and its subsidiaries Calle Torrelaguna 60 28043 Madrid (Spain)		FC	100.00	99.99
Veolia Energia Warszawa and it subsidiary ul Batarego 02-591 Warszawa (Poland)		FC	97.24	58.34
Veolia Nordic AB and its subsidiaries Hälsingegatan 47 113 31 Stockholm (Sweden)		FC	100.00	99.99
Veolia Nederland BV and its subsidiaries Tupolevlaan 69 1119 PA Schiphol-Rijk (Netherlands)		FC	100.00	99.99

Company and address	French company registration number (Siret)	Consolidation method	% control	% interest
Vilnaius Energija Konstitucijos ave. 7 02300 Vilnius (Lithuania)		FC	100.00	99.99
Veolia Energy Hungary Co Ltd and its subsidiaries Szabadsag ut 301 2040 Budaors (Hungary)		FC	99.98	99.97
Veolia Energia Slovensko A.S. and its subsidiaries Einsteinova 21 851 01 Bratislava (Slovakia)		FC	100.00	99.99
Pražská teplárenská – PT and its subsidiaries Partyzánská 1/7 170 00 Praha 7 (Czech Republic)		FC	100.00	100.00
Veolia Énergie CR A.S. and its subsidiaries 28.Rijna 3123/152 709 74 Ostrava (Czech Republic)		FC	83.06	83.06
Agbar S.L.U. and its subsidiaries Santa Leonor 39 28037 MADRID (Spain)		FC	100.00	100.00
Veolia Environmental Services Belux and its subsidiaries Avenue Charles-Quint 584 7 1082 Berchem, Sainte-Agathe (Belgium)		FC	100.00	100.00
Recovera Vyuziti zdroju a.s. and its subsidiaries Spanelska 1073/10 120 00 Praha 2 - Vinorhady (Czech Republic)		FC	100.00	100.00
REST OF THE WORLD				
Veolia North America Regeneration Services LLC 4760 World Houston Parkway, Suite 100 Houston, TX 77032 (United States)		FC	100.00	100.00
Veolia Environmental Services North America LLC 53 State street 14th floor 02109 MA Boston (United States)		FC	100.00	100.00
Veolia ES Technical Solutions LLC 53 State street 14th floor 02109 MA Boston (United States)		FC	100.00	100.00
Veolia Water USA Inc. and its subsidiaries 461 From Road Suite 400, Paramus 07652 New Jersey (United States)		FC	100.00	100.00
Veolia North America (Paramus) Inc. and its subsidiaries 461 From Road Suite 400, Paramus 07652 New Jersey (United States)		FC	100.00	100.00
Veolia Water Technologies Treatment Solutions USA Inc. and its subsidiaries 461 From Road Suite 400, Paramus 07652 New Jersey (United States)		FC	100.00	70.00
Veolia ES Canada Industrial Services Inc. 555 René-Lévesque Boulevard West Suite 1450 H2Z 1B1 H1B 5M9 Montreal – Quebec (Canada)		FC	100.00	100.00
Veolia Holding America Latina SA Calle Torrelaguna 60, 2 Planta 28043 Madrid (Spain)		FC	100.00	100.00
Beijing Yansan Veolia Water No. 5 Yanshan Xinghua East Road, Yanshan Fangshan District 102500 Beijing (China)		FC	50.00	50.00
Shanghai Pudong Veolia Water Corporation Ltd No. 703 Pujian Road, Pudong New District 200127 Shanghai (China)		EA	50.00	50.00
Veolia Environmental Services China LTD 40/F One Taikoo Place 979 King's Road Quarry Bay (Hong-Kong)		FC	100.00	100.00
Kunming CGE Water Supply Co Ltd No.6 Siyuan Road, Kunming Municipality, Yunnan Province 650231 (China)		EA	49.00	24.99

Company and address	French company registration number (Siret)	Consolidation method	% control	% interest
Tianjin Jinbin Veolia Water Co Ltd No2 Xinxiang Road, Bridge 4 Jin Tang Expressway, Dongli District Tianjin Municipality (China)		EA	49.00	49.00
Veolia Water – Veolia Environmental Service (Hong Kong) – VW-VES (HK) Ltd 40/F, One Taikoo Place 979 King's Road Quarry Bay (Hong Kong)		FC	100.00	100.00
Veolia Environmental Services (Hong Kong) Limited and its subsidiaries 40/F One Taikoo Place 979 King's Road Quarry Bay (Hong Kong)		FC	100.00	100.00
Veolia Korea and its subsidiaries East 16 F Signature Towers Building Chungyechou-ro 100 Jung-gu (South Korea)		FC	100.00	100.00
Veolia Water Australia and its subsidiaries Level 4, Bay Center, 65 Pirrama Road, NSW 2009 Pyrmont (Australia)		FC	100.00	100.00
Veolia Environmental Services Australia Pty Ltd Level 4, Bay Center, 65 Pirrama Road, NSW 2009 Pyrmont (Australia)		FC	100.00	100.00
Veolia Recycling & Recovery Holdings ANZ PTY LTD and its subsidiaries Level 4, Bay Center, 65 Pirrama Road, NSW 2009 Pyrmont (Australia)		FC	100.00	100.00
Veolia Middle East and its subsidiaries 21 rue La Boétie 75008 Paris	505 190 801 00041	FC	100.00	100.00
Amendis 20 rue Imam Ghazali 90 000 Tanger (Morocco)		FC	100.00	99.99
REDAL S.A. 6 Zankat Al Hoceima, BP 161 10 000 Rabat (Morocco)		FC	100.00	100.00
Lydec S.A. 48, rue Mohamed Diouri 20110 Casablanca (Morocco)		FC	99,67	99,67
Sharqiyah Desalination Co. SAOC PO Box 685, PC 114 Jibroo, (Sultanate of Oman)		EA	35.75	35.75
Veolia Environmental Services Asia Pte Ltd 15 Tuas View Circuit 636968 (Singapore)		FC	100.00	100.00
WATER TECHNOLOGIES				
Veolia Water Technologies and its subsidiaries Immeuble L'Aquarène 1 place Montgolfier 94417 St Maurice Cedex	414 986 216 00037	FC	100.00	100.00
OTV Immeuble L'Aquarène 1 place Montgolfier 94417 St Maurice Cedex	433 998 473 00014	FC	100.00	100.00
Société Internationale de Dessalement (SIDEM) 1 rue Giovanni Batista Pirelli 94410 Saint-Maurice	342 500 956 00038	FC	100.00	100.00
Veolia Water Technologies & Solutions and its subsidiaries 21 rue La Boétie 75008 Paris	829 256 197 00023	FC	70.00	70.00
OTHER				
Veolia Énergie International 21 rue La Boétie 75008 Paris	433 539 566 00045	FC	99.99	99.99

Consolidation method.
FC: Full consolidation – EA: Equity associate.

The German subsidiaries of the Group are included in the enclosed consolidated financial statements. In accordance with section 264(3), 264-B and 291 of the German Commercial Code (HGB), these entities may be exempt from the obligation to publish an annual report and present consolidated financial statements under German GAAP. Subsidiaries that have opted for this exemption are listed below:

Publication exemption	Company	Country	Currency
	ALTVATER CHERNIVZY	Ukraine	UAH
	ALTVATER KIEV	Ukraine	UAH
	ALTVATER TERNOPIL	Ukraine	UAH
Yes	BELLANDVISION GmbH	Germany	EUR
	BELLIS GmbH	Germany	EUR
	BIOCYCLING GmbH	Germany	EUR
	BRAUNSCHWEIGER NETZ GmbH	Germany	EUR
	BRAUNSCHWEIGER VERSORGUNGS-AG & Co. KG	Germany	EUR
	EUROLOGISTIK UMWELTSERVICE GmbH	Germany	EUR
	Filtech Entwässerungen GmbH	Germany	EUR
	GASVERSORGUNG GÖRLITZ GmbH	Germany	EUR
	GLOBALIS BETEILIGUNGSGESELLSCHAFT mbH	Germany	EUR
Yes	GLOBALIS SERVICE GmbH & CO. KG	Germany	EUR
Yes	GUD GERAER UMWELTDIENSTE GmbH & Co. KG	Germany	EUR
	GUD GERAER UMWELTDIENSTE VERWALTUNGS GmbH	Germany	EUR
	JOB & MEHR GmbH	Germany	EUR
	KANALBETRIEBE FRITZ WITHOFS GmbH	Germany	EUR
	KOM-DIA GmbH	Germany	EUR
	MIDEWA Dienstleistungsgesellschaft mbH	Germany	EUR
	MULITPET GmbH	Germany	EUR
	MULITPORT GmbH	Germany	EUR
	ÖKOTEC Energiemanagement GmbH	Germany	EUR
	ONYX ROHR- UND KANAL-SERVICE GmbH	Germany	EUR
	Ostthüringer Wasser und Abwasser GmbH	Germany	EUR
	RECYCLING & ROHSTOFFVERWERTUNG KIEL GmbH	Germany	EUR
	RECYPET AG	Switzerland	CHF
Yes	ROHSTOFFHANDEL KIEL GmbH & Co. KG	Germany	EUR
	STADTENTWAESSERUNG BRAUNSCHWEIG GmbH	Germany	EUR
	STADTWERKE GÖRLITZ Aktiengesellschaft	Germany	EUR
	STADTWERKE WEISSWASSER GmbH	Germany	EUR
Yes	SCHRADENBIOGAS GMBH & CO. KG	Germany	EUR
	SWG Services GmbH	Germany	EUR
	URR GmbH	Germany	EUR
	VBG VERWALTUNGS- UND BETEILIGUNGSGESELLSCHAFT mbH	Germany	EUR
	VEOLIA BS ENERGY BETEILIGUNGS GmbH	Germany	EUR
	VEOLIA DEUTSCHLAND GmbH	Germany	EUR
	VEOLIA ENERGIE DEUTSCHLAND GmbH	Germany	EUR
	VEOLIA ENVIRONNEMENT LAUSITZ GmbH	Germany	EUR
	VEOLIA GEBÄUDESERVICE DEUTSCHLAND GmbH	Germany	EUR
	VEOLIA HOLDING DEUSTCHLAND GmbH	Germany	EUR
	VEOLIA INDUSTRIE DEUTSCHLAND GmbH	Germany	EUR
	VEOLIA INDUSTRIEPARK DEUTSCHLAND GmbH	Germany	EUR
	Veolia Infra Klärschlamm Deutschland GmbH	Germany	EUR
	Veolia Klärschlamm und Biogas Schönebeck GmbH	Germany	EUR
	VEOLIA Klärschlammverwertung Deutschland GmbH	Germany	EUR
	VEOLIA PET Allemagne GmbH	Germany	EUR
	Veolia Pet Norge AS	Norway	NOK
	VEOLIA PET SVENSKA AB	Sweden	SEK
	VEOLIA UMWELTSERVICE & CONSULTING GmbH	Germany	EUR
	VEOLIA UMWELTSERVICE BETEILIGUNGSVERWALTUNGS GmbH	Germany	EUR
	VEOLIA UMWELTSERVICE DUAL GmbH	Germany	EUR
	VEOLIA UMWELTSERVICE GmbH	Germany	EUR
	VEOLIA UMWELTSERVICE GmbH DEUTSCHLAND	Germany	EUR
Yes	VEOLIA LOGISTIK DEUTSCHLAND GmbH	Germany	EUR

Publication exemption	Company	Country	Currency
	VEOLIA UMWELTSERVICE NORD GmbH	Germany	EUR
Yes	VEOLIA UMWELTSERVICE OCHTENDUNG GmbH	Germany	EUR
	VEOLIA UMWELTSERVICE OST GmbH	Germany	EUR
Yes	VEOLIA UMWELTSERVICE RECYCLING & RECOVERY DEUTSCHLAND GmbH	Germany	EUR
	VEOLIA UMWELTSERVICE RESSOURCENMANAGEMENT GmbH	Germany	EUR
Yes	VEOLIA UMWELTSERVICE RÜCKNAHMESYSTEME GmbH	Germany	EUR
Yes	VEOLIA UMWELTSERVICE SÜD GmbH & Co. KG	Germany	EUR
	VEOLIA UMWELTSERVICE SÜD VERWALTUNGS GmbH	Germany	EUR
	VEOLIA UMWELTSERVICE WERTSTOFFMANAGEMENT GmbH	Germany	EUR
Yes	VEOLIA UMWELTSERVICE WESSELING GmbH	Germany	EUR
	VEOLIA UMWELTSERVICE WEST GmbH	Germany	EUR
	VEOLIA WASSER DEUTSCHLAND GmbH	Germany	EUR
	VEOLIA WASSER STORKOW GmbH	Germany	EUR
	VEOLIA WASSER WAGENFELD GmbH	Germany	EUR
	VEOLIA WASSER WEGELEBEN GmbH	Germany	EUR
	VKD Holding GmbH	Germany	EUR

Note 16 AUDIT FEES

Audit fees incurred by the Group during fiscal years 2023 and 2022 total €40 million including:

- €35 million in 2023 and €33 million in 2022 in respect of the statutory audit of the accounts; and
- €4 million in 2023 and €7 million in 2022 in respect of services falling within the scope of diligences directly related to the audit engagement.

6.1.7 STATUTORY AUDITORS' REVIEW REPORT ON THE 2023 HALF-YEAR FINANCIAL INFORMATION

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by French law, such as information about the appointment of the Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2023

To the Shareholders' Meeting of Veolia Environnement,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meetings, we have audited the accompanying consolidated financial statements of Veolia Environnement for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of December 31, 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our work in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) no. 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Assessment of the recoverable amount of intangible assets, property, plant and equipment and operating financial assets

Risk identified

As of December 31, 2023, the net carrying amount of your Group's intangible assets, property, plant and equipment and operating financial assets is €8,500 million, €17,134 million and €1,393 million, respectively. These assets primarily consist of intangible assets and operating financial assets under concession arrangements (IFRIC 12) and the production and distribution assets necessary for the performance of contacts in your Group's three businesses. These assets are tested for impairment by your Group where there is indication that they may have suffered a loss in value (non-performance of a major long-term contract under the conditions provided, operating technical difficulties, default by a counterparty for operating financial assets, etc.) as disclosed in Notes 7.2, 7.3 and 5.2.1 to the consolidated financial statements. The recoverable amount generally corresponds to the value in use, which is equal to the present value of future cash flows expected to be derived from these assets or groups of assets as disclosed in Notes 5.2.1 and 5.4 to the consolidated financial statements. Determining value in use requires your Group to make significant judgments; we have therefore considered the valuation of intangible assets, property, plant and equipment and operating financial assets to be a key audit matter.

Our response

We assessed the compliance of the methodology adopted by your Group with prevailing accounting standards. We also performed a critical review of the implementation of this methodology and notably assessed the assets identified with regard to:

- changes in economic performance;
- the justification of differences between forecast and actual results for prior periods;
- where appropriate, the reasonableness of forecast cash flows given the economic and financial context in which the contracts are performed, in particular by analyzing the main data and assumptions underlying the estimates (assumptions regarding changes in volumes, prices, direct costs and investment) and the reasonableness of discount rates adopted with respect to long-term growth rates and market data for each geographic zone.

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Contingent liabilities relating to litigation in the United States (Flint), K+S Potash and Antero, in Lithuania

Risk identified

Your Group is regularly involved in major litigation with its customers and third parties during the course of its activities. The disputes relating to legal, administration or arbitration proceedings disclosed in Note 12 to the consolidated financial statements, represent a greater exposure for your Group due to their amount or the parties involved.

As disclosed in Note 10 to the consolidated financial statements, a provision is recognized at the reporting date if the Group has a current legal or implicit obligation to a third party as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated. In the context of these disputes, estimates made by your Group when determining any provisions were made in a context of uncertainty surrounding the outcome.

Where the outcome of legal, administration or arbitration proceedings is uncertain, the Group considers that in accordance with IAS 37 criteria, a provision, or where applicable an additional provision, should not be recognized in respect of these proceedings, and they should be disclosed in the notes to the consolidated financial statements as indicated in Note 12.

We considered the contingent liabilities relating to this litigation to be a key audit matter due to the amounts concerned and the management judgment involved in assessing the uncertain outcome of these litigation.

Our response

As part of our audit of the consolidated financial statements, our work consisted in:

- assessing the procedures implemented by the Company to identify and inventory all risks;
- obtaining an understanding of the risk analysis performed by your Group, of the corresponding documentation and the written consultations from external advisors;
- analyzing the information on the ongoing proceedings and the probable financial consequences communicated to us by your Group's external advisors in response to our circularization letters;
- assessing the main risks identified and the assumptions adopted by your Group and their accounting treatment;
- assessing the information regarding these risks disclosed in Note 12 to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial performance statement required by Article L.225-102-1 of the French Commercial Code (code de commerce) is included in the information relating to the Group in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Other Legal and Regulatory Verifications or Information

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limits inherent to the macro-tagging of consolidated financial statements in accordance with the European single electronic format, it is possible that the content of certain tags in the notes to the consolidated financial statements are not presented in an identical manner to the accompanying consolidated financial statements.

Moreover, we have no responsibility to verify that the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Veolia Environnement by the Shareholders' Meetings of December 18, 1995 for KPMG S.A. and December 23, 1999 for Ernst & Young et Autres.

As of December 31, 2023, KPMG S.A. was in the twenty-ninth year of total uninterrupted engagement and Ernst & Young et Autres was in the twenty-fifth year.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Accounts and Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality with which the Company's management has conducted or will conduct the affairs of the entity.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;

- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

  These conclusions are based on the audit evidence obtained up to the date of his audit report.

  However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Accounts and Audit Committee

We submit a report to the Accounts and Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Accounts and Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters. We describe these matters in the audit report.

We also provide the Accounts and Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for Statutory Auditors. Where appropriate, we discuss with the Accounts and Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 18, 2024

The Statutory Auditors

KPMG S.A.		**ERNST & YOUNG et Autres**	
Eric Jacquet	Baudouin Griton	Jean-Yves Jégourel	Quentin Séné

6.2 Company financial statements

6.2.1 BALANCE SHEET AS OF DECEMBER 31, 2023

Assets

	As of December 31, 2023			As of December 31, 2022
(€ million)	Gross	Deprec., amort. & impairment	Net	Net
Share capital subscribed but not called				
Non-current assets				
Intangible assets				
Preliminary expenses	-	-	-	-
Research & development expenditure	-	-	-	-
Concessions, patents, licenses, trademarks, processes, and software, rights and similar	227	215	13	14
Purchased goodwill (1)	-	-	-	-
Other intangible assets	-	-	-	-
Intangible assets in progress	9	-	9	12
Property, plant and equipment				
Land	-	-	-	-
Buildings	-	-	-	-
Industrial and technical plant	-	-	-	-
Other property, plant and equipment	37	31	6	7
Property, plant and equipment in progress	1	-	1	2
Payments on account - PP&E	-	-	-	-
Long-term loans and investments (2)				
Equity investments	23,233	1,141	22,092	21,820
Loans to equity investments	15,079	144	14,936	13,753
Long-term portfolio investments	8	1	7	6
Other long-term investment securities	13	0	13	14
Loans	2,474	0	2,474	1,965
Other long-term loans and investments	5,056	16	5,039	5,117
TOTAL (I)	**46,136**	**1,548**	**44,589**	**42,710**

(€ million)	As of December 31, 2023 Gross	Deprec., amort. & impairment	Net	As of December 31, 2022 Net
Current assets				
Inventories and work-in-progress				
Raw materials & supplies	-	-	-	-
Work in process - goods and services	-	-	-	-
Semi-finished and finished goods	-	-	-	-
Bought-in goods	-	-	-	-
Payments on account – inventories	**4**	**-**	**4**	**4**
Receivables (3)				
Operating receivables:				
Trade receivables and related accounts	178	29	149	174
Other receivables	3,389	108	3,281	5,349
Miscellaneous receivables:				
Share capital subscribed and called but not paid in	-	-	-	-
Marketable securities				
Treasury shares	86	-	86	91
Other securities	3,495	-	3,495	3,676
Treasury instruments	358	-	358	499
Cash at bank and in hand	**362**	**-**	**362**	**583**
Prepayments (4)	**75**	**-**	**75**	**53**
TOTAL (II)	**7,946**	**136**	**7,810**	**10,431**
Accrued income and deferred charges				
Deferred charges (III)	72	-	72	72
Bond redemption premiums (IV)	77	-	77	96
Unrealized foreign exchange losses (V)	2,587	-	2,587	2,991
GRAND TOTAL (I+II+III+IV+V)	**56,819**	**1,684**	**55,135**	**56,300**
(1) Of which leasehold rights			-	-
(2) Portion due in less than one year			292	367
(3) Portion due in more than one year			11	4
(4) Portion due in more than one year			23	31

N.B. Amounts are in millions of euros rounded to the nearest whole number, unless stated otherwise in the notes. Accordingly, the sum of rounded amounts may present non-material differences with total figures.

Equity and Liabilities

(€ million)	As of December 31, 2023	As of December 31, 2022
Shareholders' equity		
Share capital (of which paid in: 3,627)	3,627	3,573
Additional paid-in capital	9,444	9,283
Revaluation reserves	-	-
Equity-accounting revaluation reserve	-	-
Reserves		
Reserve required by law	363	357
Reserves required under the Articles of Association or contractually	-	-
Special long-term capital gains reserve	-	-
Other reserves	-	-
Retained earnings	2,606	2,093
Net income for the year	155	1,300
Sub-total: Shareholders' equity	**16,195**	**16,606**
Investment subsidies	-	-
Tax-driven provisions	7	7
TOTAL (I)	**16,202**	**16,613**
Equity equivalents		
Proceeds from issues of equity equivalent securities	-	-
Subordinated loans	-	-
Other	3,803	3,600
TOTAL (I A)	**3,803**	**3,600**
Provisions		
Provisions for contingencies	39	23
Provisions for losses	14	10
TOTAL (II)	**53**	**33**

(€ million)	As of December 31, 2023	As of December 31, 2022
Liabilities (1)		
Convertible bonds	-	-
Other bond issues	16,005	17,398
Bank borrowings (2)	99	104
Other borrowings (3)	15,941	14,591
Payments received on account for work-in-progress	-	-
Operating payables		
Trade payables and related accounts	190	179
Tax and employee-related liabilities	103	117
Other operating payables	-	-
Miscellaneous liabilities		
Amounts payable in respect of PP&E and related accounts	70	298
Tax liabilities (income tax)	-	-
Other miscellaneous liabilities	77	49
Treasury instruments	341	532
Accrued income and deferred charges		
Deferred income (1)	**35**	**44**
TOTAL (III)	**32,861**	**33,312**
UNREALIZED FOREIGN EXCHANGE GAINS (IV)	**2,215**	**2,742**
GRAND TOTAL (I+II+III+IV)	**55,135**	**56,300**
(1) Portion due in more than one year	*14,699*	*15,926*
Portion due in less than one year	*18,162*	*17,385*
(2) Of which overdrafts and current bank facilities	*99*	*104*
(3) Of which equity equivalent loans	-	-

N.B. Amounts are in millions of euros rounded to the nearest whole number, unless stated otherwise in the notes. Accordingly, the sum of rounded amounts may present non-material differences with total figures.

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6.2.2 INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

(€ million)	2023	2022
Operating revenue (1)		
Sales of bought-in goods	-	-
Sales of own goods and services	706	667
Net sales	706	667
Of which export sales		
Changes in inventory of own production of goods and services	-	-
Own production capitalized	5	5
Operating subsidies	0	0
Write-back of provisions (and depreciation and amortization) and expense reclassifications	18	518
Other revenue	153	86
TOTAL (I)	**882**	**1,276**
Operating expenses (2)		
Purchases of bought-in goods	-	-
Change in inventories of bought-in goods	-	-
Purchases of raw materials and other supplies	-	-
Change in inventories of raw materials and other supplies	-	-
Other purchases and external charges *	423	691
Duties and taxes other than income tax	20	54
Wages and salaries	162	182
Social security contributions	105	99
Depreciation, amortization, impairment and charges to provisions:		
On non-current assets: depreciation and amortization	34	35
On non-current assets: impairment	0	0
On current assets: impairment	4	10
For contingencies and losses: charges to provisions	12	8
Other expenses	110	107
TOTAL (II)	**871**	**1,186**
1. OPERATING PROFIT / (LOSS) (I – II)	**12**	**91**
Joint venture operations	**5**	**3**
Profits transferred in or losses transferred out (III)	5	3
Profits transferred out or losses transferred in (IV)	-	-
* *Of which*		
Equipment finance lease installments	-	-
Real estate finance lease installments	-	-
(1) Of which income relating to prior periods	-	-
(2) Of which expenses relating to prior periods	-	-

(€ million)	2023	2022
Financial income		
Financial income from equity investments (3)	1,443	1,752
Financial income from other securities and long-term receivables (3)	103	8
Other interest and similar income (3)	908	684
Write-back of provisions for financial items, impairment and expense reclassifications	78	544
Foreign exchange gains	1,688	2,156
Net proceeds from sales of marketable securities	52	2
TOTAL (V)	**4,272**	**5,147**
Financial expenses		
Amortization, impairment and charges to provisions	622	237
Interest and similar expenses (4)	1,889	1,587
Foreign exchange losses	1,701	2,164
Net expenses on sales of marketable securities	0	18
TOTAL (VI)	**4,212**	**4,005**
2. NET FINANCIAL INCOME (V-VI)	**60**	**1,141**
3. NET INCOME FROM ORDINARY ACTIVITIES BEFORE TAX (I-II+III-IV+V-VI)	**77**	**1,235**
Exceptional income		
Exceptional income from non-capital transactions	13	0
Exceptional income from capital transactions	60	146
Write-back of provisions for financial items, impairment and expense reclassifications	-	13
TOTAL (VII)	**73**	**159**
Exceptional expenses		
Exceptional expenses on non-capital transactions	21	12
Exceptional expenses on capital transactions	92	287
Amortization, impairment and charges to provisions for financial items	3	1
TOTAL (VIII)	**116**	**300**
4. NET EXCEPTIONAL ITEMS (VII-VIII)	**-43**	**-141**
STATUTORY EMPLOYEE PROFIT-SHARING (IX)	-	0
INCOME TAX EXPENSE (X)	**122**	**206**
TOTAL INCOME (I+III+V+VII)	**5,232**	**6,585**
TOTAL EXPENSES (II+IV+VI+VIII+IX-X)	**5,076**	**5,285**
NET INCOME/(LOSS)	**155**	**1,300**
(3) Of which income from related parties	*2,037*	*2,025*
(4) Of which interest charged by related parties	*524*	*245*

N.B. Amounts are in millions of euros rounded to the nearest whole number, unless stated otherwise in the notes. Accordingly, the sum of rounded amounts may present non-material differences with total figures.

6.2.3 PROPOSED APPROPRIATION OF 2023 NET INCOME

(in euros)	2023
2023 Net income	**155,370,501**
Distributable reserves	9,443,959,791
Prior year retained earnings	2,605,915,170
i.e a total of	**12,205,245,462**
To be appropriated as follows [1]:	
• to the reserve required by law	-
• to dividends (€1.25 x 715,049,398 shares) [2]	893,811,747
• to retained earnings	1,867,473,924
Shareholders' equity accounts after appropriation and distribution of the dividend	
Share capital	3,627,058,335
Additional paid-in capital	9,443,959,791
Reserve required by law	362,705,834
2023 retained earnings	**1,867,473,924**
TOTAL [3]	**15,301,197,884**

(1) Subject to the approval of the General Shareholders' Meeting.
(2) The total dividend distribution presented in the above table is calculated based on 725,411,667 shares outstanding as of December 31, 2023, less 10,362,269 treasury shares held as of this date and may change depending on movements in the number of shares conferring entitlement to dividends up to the ex-dividend date. Accordingly, amounts deducted from "2023 retained earnings" and/or "distributable reserves" may change depending on the definitive dividend amount paid.
(3) After appropriation of net income and distribution of the proposed dividend for 2023, shareholders' equity of the Company will be €15,301,197,884.

6.2.4 STATEMENT OF SOURCE AND APPLICATION OF FUNDS

(€ million)	2023	2022
Source of funds		
Operating cash before changes in working capital (1)	778	1,163
Disposals or decreases in non-current assets:		
Disposals of intangible assets and property, plant and equipment	0	137
Disposals of equity investments	-	2
Disposals of long-term investment securities	54	-
Repayment of financial receivables (long-term advances) (2)	859	9,490
Repayment of other long-term loans and investments	57	30
Increase in shareholders' equity	221	242
Increase in equity equivalents	600	-
New borrowings	-	-
TOTAL SOURCE OF FUNDS	**2,569**	**11,065**
Application of funds		
Dividend distribution (including registration fees)	787	688
Acquisitions or increases in non-current assets:		
Intangible assets and Property, plant and equipment	8	112
Long-term loans and investments:		
Equity investments	773	527
Long-term financial receivables (2)	2,078	2,405
Long-term portfolio investments	0	5
Other long-term loans and investments	346	5,331
Decrease in shareholders' equity and equity equivalents	397	500
Principal payments on borrowings (3)	1,359	3,333
TOTAL APPLICATION OF FUNDS	**5,748**	**12,902**
Increase/decrease in working capital requirements	-3,179	-1,838
TOTAL	**2,569**	**11,065**

(1) Operating items total €58 million; financial items total €604 million; exceptional items total -€5 million and income tax income is €122 million.
(2) Mainly the increase in net loans to equity investments of €1.2 billion.
(3) Decrease in bond issues for €1.4 billion.

6.2.5 NOTES TO THE COMPANY FINANCIAL STATEMENTS

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NOTE 1 MAJOR EVENTS OF THE YEAR

1.1 Finalization of the merger with Suez

The final amounts in respect of the completion accounts and the outstanding earn-outs for the 2022 transaction in accordance with the Share and Purchase Agreement (SAPA), were finalized in the agreement between Suez and Veolia Environnement dated March 3, 2023.

An initial payment was received in respect of the transaction balance on March 24, 2023 of €106 million.

The final amount of the earn-out was received on June 30, 2023 for €284 million.

In addition, following the Public Tender Offer, legal and financial restructuring transactions led to a review of inter-company financing..

1.2 Treasury shares

Due to the increase in the share price, Veolia Environnement recognized a financial impairment reversal of €69 million in 2023, based on an average share price of €29.28 in December 2023, compared with €24.51 in December 2022.

The gross value of the 10,362,269 treasury shares held as of December 31, 2023 was €289 million, impaired in the amount of €16 million, giving a net carrying amount of €273 million.

NOTE 2 ACCOUNTING POLICIES AND METHODS

2.1 Basis of preparation

The Company financial statements for the year ended December 31, 2023 are prepared and presented in accordance with general accounting principles applicable in France, as set-out in Regulation no. 2014-03 issued by the French Accounting Standards Authority (*Autorité des Normes Comptables*, ANC).

Amounts recorded in the accounts are valued on a historical cost basis in accordance with the true and fair principle.

The accounting period ends on December 31, 2023 and has a duration of 12 months.

Veolia Environnement, whose registered office is located at 21, rue La Boétie, 75008 Paris, prepared Group consolidated financial statement under the number: 403 210 032 RCS Paris.

A copy of the financial statements may be obtained at the Company's administrative headquarters at 30, rue Madeleine Vionnet, 93300 Aubervilliers.

2.2 Main accounting policies

2.2.1 Non-current assets

Non-current assets: on initial recognition in the accounts, non-current assets are recorded at acquisition cost if acquired for valuable consideration, at market value if acquired for nil consideration or at production cost if produced by the Company.

Intangible assets: in the course of major IT projects, the Company incurs project costs which it capitalizes when they satisfy certain criteria. These costs are not amortized prior to asset commissioning.

Technical merger losses are recognized according to the nature of the underlying asset to facilitate monitoring over time, in accordance with the new rules defined by ANC Regulation no. 2015-06. Technical merger losses are amortized on the same basis as the underlying asset to which the unrealized capital loss relates. The share of the loss allocated to non-depreciable assets is not amortized but is impaired, where appropriate, in accordance with Article 745-8 of the French General Chart of Accounts.

Property, plant and equipment: depreciation is calculated over the expected period of use. More specifically, fixtures and fittings and installations are depreciated on a straight-line basis over periods of 6 to 10 years. Furniture and office equipment are depreciated on a straight-line basis over periods of between five and ten years. Finally, vehicles are depreciated on a straight-line basis over 5 years.

Equity investments: this heading records the acquisition cost of securities held by Veolia Environnement in companies over which it exercises control or significant influence, directly or indirectly.

At the date of entry into Company assets, the gross value of "Equity investments" is their acquisition cost. The Company has elected to capitalize costs relating to the acquisition of equity investments. At the closing date, the value in use of equity investments is determined by the Company based on criteria encompassing profitability, growth perspectives, the net assets of the Company held and the stock market value of the securities acquired, where applicable. Where the net carrying amount of an equity investment exceeds its value in use, an impairment is recorded in the amount of the difference.

Pursuant to the change in tax regime applicable to equity investment acquisition costs introduced by Article 21 of the 2007 Finance Act and completed by Article 209 of the French General Tax Code and based on Opinion no. 2007-C of June 15, 2007 issued by the Urgent Issues Taskforce of the French National Accounting Institute (Conseil National de la Comptabilité), Veolia Environnement has recognized the tax deferral of security acquisition costs over a period of 5 years in the accelerated depreciation account since January 1, 2007.

Other long-term loans and investments: treasury shares are recorded in long-term investment securities when earmarked for external growth operations. They are recognized at acquisition cost and an impairment is recorded if their market value is less than their net carrying amount.

Term accounts not classified as cash equivalents are recorded in "Other long-term loans and investments".

Merger losses relating to financial assets are recognized in "Other long-term loans and investments" and are considered to have an unlimited duration.

Pursuant to Articles 214-15, 214-17 and 745-8 of ANC Regulation no. 2015-06, Veolia Environnement performs an impairment test at each period end to assess the net carrying amount of the asset compared with its current value. Where the current value of the asset is less than its net carrying amount, an impairment is recognized in the amount of the difference and offset in priority against the share of the merger loss.

Where the current value of the asset cannot be determined separately, the current value of the group of assets is determined.

2.2.2 Marketable securities and Cash at bank and In hand

Marketable securities: marketable securities comprise treasury shares held in respect of Group savings plans, share option plans and other highly liquid investment securities. Treasury shares are classified as marketable securities when purchased for presentation to employees under share option plans and employee savings plans benefiting certain employees. Shares acquired and sold under the liquidity contract generate movements in the "marketable securities" account. Marketable securities are recognized at acquisition cost and an impairment provision is recorded if their market value is less than their net carrying amount.

Cash at bank and in hand: term accounts classified as cash equivalents are recorded in Cash at bank and in hand.

2.2.3 Foreign currency-denominated transactions

During the year, foreign currency-denominated transactions are translated into euro at the spot exchange rate.

Liabilities, receivables and cash balances denominated in currencies other than the euro are recorded in the balance sheet at their euro equivalent determined using year-end exchange rates. Gains and losses resulting from the translation of foreign currency liabilities and receivables at year-end exchange rates are recorded in "Unrealized foreign exchange gains and losses". In accordance with Article 420-7 of the French General Chart of Accounts, unrealized foreign exchange gains and losses on foreign currency cash accounts are recognized directly in foreign exchange gains and losses. Similarly, foreign exchange gains and losses on subsidiary current accounts equivalent in nature to cash accounts are recognized directly in foreign exchange gains and losses, except where hedge accounting principles are applied.

Pursuant to ANC Regulation no. 2015-05, Veolia Environnement applies hedge accounting to clearly identified and documented matching foreign exchange positions, which seek to reduce the risk associated with currency fluctuations. Accordingly, all foreign exchange gains and losses calculated on liabilities and receivables and related hedging transactions included in these matching positions are recorded in dedicated unrealized foreign exchange gains and losses – matching positions accounts.

The corresponding increase or decrease in the value of treasury instruments is recorded in the Treasury instruments – Assets or Treasury instruments – Liabilities accounts.

Furthermore, in order to comply with the matching settlement principle, foreign exchange gains and losses realized on instruments hedging underlying items not yet matured are recorded in new balance sheet accounts in the French General Chart of Accounts: Change in the value of treasury instruments – Assets and Change in the value of treasury instruments – Liabilities. On maturity of the underlying items, the foreign exchange gains and losses realized on the corresponding hedging instruments are released to profit or loss.

Pursuant to Article 628-11 of ANC Regulation no. 2014-03, when the underlying is unwound, the gains/loss on the hedging instrument is presented in the same section of the income statement (operating, financial) as the hedged item.

Hedge accounting is also applied to equity investments acquired in foreign currency and hedged by borrowings or foreign exchange derivatives in accordance with Article 628-8 of ANC Regulation no. 2014-03.

Other liabilities, receivables and foreign currency derivatives not forming part of matching hedge relationships are included in the overall foreign exchange position per currency, as provided in Article 420-6 of the French General Chart of Accounts. For those transactions with sufficiently close terms and conditions, the provision amount is determined by limiting the excess of unrealized losses over unrealized gains. This provision is calculated individually for each currency on realizable items maturing in the same fiscal year.

In the case of isolated open positions, a provision for foreign exchange losses is only recorded in respect of unrealized losses at the accounts closing.

Finally, pursuant to Articles 946-65 and 947-75 of ANC Regulation no. 2015-05, foreign exchange gains and losses on commercial receivables and payables and related hedging gains and losses are recorded in the accounts: Foreign exchange gains or Foreign exchange losses on commercial receivables and payables.

Foreign exchange gains and losses on financial transactions and related hedging gains and losses continue to be recorded in the accounts, Foreign exchange gains or Foreign exchange losses on financial items.

2.2.4 Recognition of financial transactions

Financial transactions (loans, borrowings, derivatives, etc.) are recognized at the value date, with the exception of cash pooling transactions with subsidiaries which are recognized at the trade date.

Deeply-subordinated perpetual securities (TSSDI): these securities represent perpetual bonds and are classified in equity equivalents. Issue premiums are recognized in balance sheet assets. Accrued interest is expensed in the accounting period to which it relates through an accrued interest on bond issues account. Accrued interest is recognized as a financial expense in the Income Statement. TSSDI issue costs are amortized on a straight-line basis over the estimated debt repayment period by Veolia Environnement, that is the period from the debt issue date to the first reset date.

Derivatives: Veolia Environnement hedges asset risks (acquisition of securities in foreign currencies), balance sheet risks (financing of subsidiaries in their local currency) and transaction risks (hedging of commercial flows on its own account and for all its operating subsidiaries). The Company has therefore adopted a strategy that consists in backing foreign currency-denominated borrowings with either assets denominated in the same currency or using foreign exchange derivatives (forex swaps, currency forward contracts, hedging options, cross currency swaps).

All transaction flows are hedged, primarily by currency forward contracts and forex swaps. Finally, market risks relating to interest rate fluctuations are hedged by interest rate swaps or interest rate caps and floors.

Interest rate derivatives: pursuant to ANC Regulation no. 2015-05, income and expenses relating to the use of these instruments are recognized in the income statement to match income and expenses on the hedged transactions.

These transactions are recognized as follows:

- transactions qualifying as hedges:
  - a provision for unrealized losses is not recognized as changes in the value of the underlying item reduce the related risk;
- open-isolated positions:
  - unrealized losses, calculated individually for each instrument, are provided in full,
  - unrealized gains on instruments are recognized in income on the unwinding of the transaction only.

Foreign currency derivatives: for hedging transactions, currency financial instruments are valued by comparison with the closing exchange rate defined by the European Central Bank. The difference between the spot rate of the instrument and the closing rate is recorded in the dedicated unrealized foreign exchange gains and losses – matching position accounts and the difference between the forward rate and the spot rate of the instrument is recorded in a specific financial instruments account entitled "premium/discount". This distinguishes the interest rate impact from the currency impact. The premium/discount is spread on a straight-line over the hedge period and is classified in net financial expense.

Realized gains and losses on currency transactions are recorded to match the gains and losses on the hedged transactions. If the underlying item has not matured, realized gains and losses on hedging instruments are recorded in accounts created in the French Chart of Accounts – Change in the value of treasury instruments – Assets and Change in the value of treasury instruments – Liabilities.

Where transactions do not qualify as hedges, the foreign exchange derivatives are included in the overall foreign exchange position.

2.2.5 Valuation of provisions

Provisions for contingencies and losses

These provisions are valued at the best estimate of the outflow of resources necessary to settle the obligation. When valuing a single obligation in the presence of several valuation assumptions concerning the outflow of resources necessary, the best estimate is the most probable assumption.

2.2.6 Accrued expenses method for personnel costs

Accrued expense for incentives schemes

The unit amount of incentive payments is defined:

- based on the results of Group subsidiaries for the following criteria:
  - current net income (Group share) compared to the 2023 budget,
  - 2023 purchase expenditure, excluding taxes, recorded for the sheltered employment sector (France scope);
- based on the results and performance of Veolia Environnement for the following criteria:
  - average number of training hours per employee in Veolia Environnement for 2023,
  - participation rate in the Veolia Environnement employee engagement survey in 2023,
  - employee engagement rate under the Veolia Environnement engagement survey,
  - employee subscription rate to the Veolia Environnement employee share ownership transaction in 2023.

Based on the observed growth rate and other criteria, the level of incentive payments is determined using a contractually defined chart. The total amount of incentive payments provided is equal to the individual amount determined above multiplied by the number of beneficiaries communicated by the Human Resources Department.

The maximum amount of the incentive scheme accrued expense cannot exceed €5,000 gross per beneficiary and per fiscal year.

Accrued expense for bonuses

The accrued expense is determined based on the amount of bonuses awarded in the previous year multiplied by an estimated percentage change and changes in employee numbers.

Accrued expense for paid leave

Entitlement to paid leave is earned and consumed in Veolia Environnement in the calendar year.

The new regulation concerning entitlement to paid leave earned during periods of sick leave was taken into account from the date of the Court of Appeal ruling of September 13, 2023, with the individual counter of the relevant employees updated.

Provisions for paid leave (including related social security contributions) are not recognized as they are not material in the accounts at the end of December 2023.

2.2.7 Income from ordinary activities and exceptional income

Items concerning the ordinary activities of the Company, even if exceptional in amount or frequency, are included in income from ordinary activities. Only those items that do not concern the ordinary activities of the Company are recognized in exceptional items.

2.2.8 Valuation of employee-related commitments

Pursuant to Article L.123-13 of the French Commercial Code, Veolia Environnement has elected not to recognize a provision for retirement benefits and other employee commitments. This information is presented in off-balance sheet commitments in the notes to the financial statements.

NOTE 3 BALANCE SHEET ASSETS

3.1 Non-current assets

Movements in gross values

(€ million)	Opening balance	Increase	Decrease	Closing balance	Notes
Intangible assets	**230**	**7**	**1**	**236**	**3.1.1**
Property, plant and equipment	**38**	**1**	**2**	**37**	**3.1.1**
Long-term loans and investments					
Equity investments	22,460	773	-	23,233	3.1.2
Loans to equity investments	13,885	2,176	981	15,079	3.1.3
Long-term portfolio investments	7	0	-	8	
Other long-term investment securities	14	0	1	13	
Loans	1,965	3,253	2,744	2,474	3.1.4
Other long-term loans and investments	5,202	0	147	5,056	3.1.5
TOTAL	**43,802**	**6,211**	**3,876**	**46,136**	

Movements in depreciation, amortization and impairment

(€ million)	Opening balance	Increase Charge	Decrease, removals and write-backs	Closing balance	Notes
Amortization of intangible assets	204	12	1	215	3.1.1
Depreciation of property, plant and equipment	29	2	2	30	3.1.1
Impairment of intangible assets	-	-	-	-	3.1.1
Impairment of property, plant and equipment	1	0	0	1	3.1.1
Impairment of equity investments	640	501	-	1,141	3.1.2
Impairment of loans to equity investments	132	12	-	144	3.1.3
Impairment of long-term portfolio investments	1	-	-	1	
Impairment of other long-term investments securities	0	0	-	0	
Impairment of loans	0	-	-	0	3.1.4
Impairment of other long-term loans and investments	86	-	69	16	3.1.5
TOTAL	**1,092**	**528**	**72**	**1,548**	
Nature of charges and write-backs					
Operating		14	3		
Financial		513	69		
Exceptional		0	-		
TOTAL		**528**	**72**		

3.1.1 Intangible assets and Property, plant and equipment

Intangible assets have a gross value of €236 million and a net value of €21 million.

Property, plant and equipment have a gross value of €37 million and a net value of €7 million.

3.1.2 Long-term loans and investments: equity Investments

Equity investments have a gross value of €23.2 billion as of December 31, 2023. Impairments total €1.1 billion, reducing the net value to €22.1 billion.

3.1.3 Long-term loans and investments: loans to equity investments

Loans to equity investments have a gross value of €15.1 billion as of December 31, 2023.

Movements recorded in 2023 break down as follows:

(€ million)	Opening balance	Increase	Decrease	Unrealized foreign exchange gains (losses)	Closing balance
Veolia Eau - Compagnie Générale des Eaux	2,022	202	7	-59	2,157
Veolia UK	1,903	8	72	70	1,908
SUEZ Water Technologies & Solutions	892	583	21	-35	1,419
Veolia Energie international	703	458	3	-1	1,157
VEOLIA CENTRAL & EASTERN EUROPE	849	5	5	-32	817
VEOLIA PROPRETE	734	3	2	-	734
VEOLIA CHINA HOLDING LIMITED	490	60	2	-25	523
VEOLIA ENERGIA POLSKA SA	484	5	17	37	509
VP SIEGE FRANCE	425	2	1	-	425
VEOLIA UMWELTSERVICE GMBH	407	2	1	-	408
VEOLIA ENERGIA POZNAN SA	112	145	0	14	271
SARP SA	239	1	1	-	239
Veolia Water Technologies	197	14	0	-1	209
VEOLIA ENVIRONMENTAL SERVICES (AUSTRALIA) PTY LTD	210	1	1	-7	202
VEOLIA RECYCLING & RECOVERY HD	0	192	-	0	193
VEOLIA ENERGIE CR A.S.	188	1	1	-5	183
VEOLIA VERWALTUNGSGESELLSCHAFT MBH	174	1	1	-	174
VEOLIA ENERGIA LODZ SA	159	1	1	12	172
VEOLIA HOLDING AMERICA LATINA, S.A.	153	2	1	8	162
VUS BETEILIGUNGSVERWALTUNGS GMBH	141	1	0	-	142
VEOLIA MIDDLE EAST FOR ENVIRONMENTAL SERVICES	84	41	0	-4	121
Others	3,320	448	796	-20	2,953
TOTAL	**13,885**	**2,176**	**934**	**-47**	**15,079**

Loans to equity investments also include impairment charges in the amount of €144 million.

3.1.4 Long-term loans and investments: loans

Loans have a gross value of €2.5 billion as of December 31, 2023.

Loans mainly include term deposit accounts of €2.5 billion (including accrued interest).

3.1.5 Other long-term loans and investments

Other long-term loans and investments have a gross value of €5.1 billion and a net value of €5 billion as of December 31, 2023 and mainly comprise:

- the technical merger loss of €448 million recognized on the merger by absorption of Veolia Services Énergétiques in 2014. Impairment testing in 2023 did not give rise to the recognition of an impairment loss;
- the technical merger loss of €4.2 billion recognized on the merger by absorption of Vigie SA in 2022. Impairment testing in 2023 did not give rise to the recognition of an impairment loss;
- the net carrying amount of the e 6,370,621 treasury shares held by Veolia Environnement, with a gross value of €203 million and a net value of €187 million. Financial impairment reversals of €69 million were recorded in 2023. Impairment of treasury shares totals €16 million as of December 31, 2023.

3.2 Trade receivables

Trade receivables mainly correspond to services invoiced to Group subsidiaries. Trade receivables have a gross value of €178 million and a net value of €149 million as of December 31, 2023.

3.3 Other receivables

Other receivables have a gross value of €3.4 billion and mainly comprise the following balances:

(€ million)	As of December 31, 2023	As of December 31, 2022
Current accounts with Group subsidiaries	**3,057**	**4,297**
Other receivables	**300**	**1,064**
Income tax receivables	52	4
Other tax receivables	27	158
Financial receivables on derivatives	2	3
Receivables on non-current asset disposals (1)	178	871
Accrued interest on current accounts	40	28

(1) Receivables on non-current asset disposals comprise receivables related to the Suez Public Tender Offer transactions not yet settled at December, 31 2022.

3.4 Marketable securities

3.4.1 Treasury shares

The remaining 3,991,648 shares recorded in marketable securities have a gross carrying amount of €86 million at the end of 2023. These shares are mainly allocated to cover stock option programs or other share award programs to Group employees, with 162,970 shares allocated to the liquidity contract.

No impairment charges were recognized in 2023. Impairment reflects the difference between the average purchase cost of the Veolia Environnement shares and the average stock market price in December 2023.

Liquidity contract

This liquidity contract forms part of the share buyback program authorized by the Veolia Environnement General Shareholders' Meeting of April 24, 2014.

In 2023, 9,685,607 shares were purchased for a total amount of €270 million and a weighted average share price of €27.88.

9,856,579 shares were sold for a total amount of €273 million and a weighted average share price of €27.73. A net capital gain of €2 million was generated under this contract.

3.4.2 Other securities

Other securities total €3.5 billion as of December 31, 2023 and comprise SICAV mutual funds.

3.4.3 Treasury instruments – Assets

Treasury instruments total €358 million as of December 31, 2023 and break down as follows:

- interest-rate derivative spreads: €11 million;
- foreign currency derivatives: €290 million;
- premium/discount: €57 million.

3.5 Cash at bank and in hand

Liquid assets total €362 million as of December 31, 2023.

3.6 Prepayments

Prepayments total €75 million and mainly concern:

- balancing cash adjustments paid on interest rate swaps of €30 million;
- interest on treasury notes of €26 million;
- operating expenditure of €19 million.

3.7 Accrued income and deferred charges

3.7.1 Deferred charges: bond issue costs

Bond issue costs are spread on a straight-line basis over the bond term. Net deferred charges as of December 31, 2023 total €60 million. The charge for the year was €16 million.

Other deferred charges total €11 million and mainly comprise credit line issue costs, amortized on a straight-line basis over the repayment term. The charge for the year was €3 million.

3.7.2 Bond redemption premiums

Unamortized bond redemption premiums total €77 million and mainly comprise the redemption premium recognized on the bond exchange performed in 2015 of €43 million as of December 31, 2023.

Bonds redemption premiums are amortized on a straight-line basis over the bond term.

3.8 Accrued income

Accrued income totals €278 million and primarily comprises the following items:

(€ million)	As of December 31, 2023	As of December 31, 2022
Accrued interest on loans to equity investments	98	77
Sales invoice accruals	94	134
Supplier credit notes receivable	19	22
Accrued interest on current accounts	40	28

3.9 Foreign exchange gains and losses and changes In value of treasury Instruments

Foreign exchange gains and losses include unrealized foreign exchange gains and losses on matching positions and on the overall position per currency. In addition, matching positions include realized gains and losses on instruments where the underlying item has not yet matured.

(€ million)	Unrealized foreign exchange losses	Change in value of treasury instruments - Assets	Unrealized foreign exchange losses	Change in value of treasury instruments - Liabilities	Notes
Matching foreign exchange positions	748	1,832	268	1,940	3.9.1
Overall foreign exchange position	6	-	8	-	3.9.2
TOTAL	**755**	**1,832**	**276**	**1,940**	

The following tables present the foreign exchange positions for the main currencies determined at the reporting date.

3.9.1 Unrealized foreign exchange gains and losses and changes in value of treasury assets and liabilities on matching foreign exchange positions

Unrealized foreign exchange gains and losses presented below include not only unrealized gains and losses, but also realized gains and losses on financial instruments recognized in accordance with ANC Regulation no. 2015-05.

The following information concerns the most material currencies:

Account heading concerned by matching foreign exchange positions (€ million)	Unrealized foreign exchange losses	Unrealized foreign exchange gains	Change in value of treasury instruments - Assets	Change in value of treasury instruments - Liabilities	Total asset matching position	Total liability matching position
Loans	55	-	3	2		
Borrowings	-	-	-	-		
Current account hedges	-	-	-	7		
Foreign currency derivatives	5	-	181	213		
Total AUD	**60**	**-**	**185**	**222**	**245**	**222**
Loans	9	-	-	4		
Borrowings	3	-	-	1		
Current account hedges	-	-	4	1		
Foreign currency derivatives	-	12	50	25		
Total CNY	**12**	**12**	**54**	**31**	**66**	**43**
Loans	-	6	23	12		
Borrowings	-	-	-	-		
Current account hedges	-	-	-	-		
Foreign currency derivatives	-	7	104	57		
Total CZK	**-**	**14**	**128**	**70**	**128**	**83**
Loans	-	90	19	13		
Borrowings	128	-	-	147		
Current account hedges	-	-	121	-		
Foreign currency derivatives	-	6	198	211		
Total GBP	**128**	**96**	**338**	**371**	**466**	**467**
Loans	-	9	-	2		
Borrowings	-	-	-	-		
Current account hedges	-	-	4	-		
Foreign currency derivatives	-	11	250	192		
Total HKD	**-**	**20**	**253**	**193**	**253**	**213**
Loans	37	-	37	9		
Borrowings	-	-	-	-		
Current account hedges	-	-	-	-		
Foreign currency derivatives	-	1	105	159		
Total HUF	**37**	**1**	**142**	**169**	**179**	**169**
Loans	36	-	9	3		
Borrowings	-	-	-	-		
Current account hedges	-	-	1	-		
Foreign currency derivatives	-	20	50	70		
Total JPY	**36**	**20**	**60**	**72**	**96**	**92**
Loans	-	35	28	5		
Borrowings	-	-	-	-		
Current account hedges	-	-	-	-		
Foreign currency derivatives	41	-	222	236		
Total PLN	**41**	**35**	**250**	**241**	**291**	**276**
Loans	11	-	4	2		
Borrowings	-	-	-	-		
Current account hedges	-	-	-	-		
Foreign currency derivatives	-	-	18	51		
Total RUB	**11**	**-**	**22**	**52**	**33**	**52**
Loans	88	-	13	38		
Borrowings	214	-	24	33		
Current account hedges	-	-	-	-		
Foreign currency derivatives	-	49	201	235		
Total USD (1)	**301**	**49**	**238**	**305**	**539**	**355**
Total Other currencies	**122**	**22**	**161**	**213**	**281**	**232**
GRAND TOTAL	**748**	**268**	**1,832**	**1,940**	**2,581**	**2,207**

(1) A provision was not booked in respect of US dollar net unrealized foreign exchange losses on matching positions of €202 million, as they correspond to a hedge of securities.

3.9.2 Unrealized foreign exchange gains and losses on the overall foreign exchange position per currency, excluding matching positions

The following table presents the most material unrealized gains and losses on foreign currencies included in the overall foreign exchange position:

Currencies concerned by the unrealized foreign exchange gains and losses (€ million)	Total net unrealized foreign exchange losses	Total net unrealized foreign exchange gains
BRL	1	0
CLP	1	0
CNY	0	1
COP	1	1
HKD	1	0
JPY	0	2
MXN	0	2
Other currencies	1	2
GRAND TOTAL	6	8

Provisions for foreign exchange losses concern:

- the overall foreign exchange position for €6 million, determined based on the overall foreign exchange position for each currency and year of maturity;
- operating receivables for €1 million.

NOTE 4 BALANCE SHEET EQUITY AND LIABILITIES

4.1 Share capital and reserves

(€ million)	Opening balance	Increase	Decrease	Closing balance
Share capital (1)	**3,573**	**54**	**-**	**3,627**
Additional paid-in capital (1)	5,151	172	11	5,312
Additional paid-in capital (2003 share capital reduction)	3,443	-	-	3,443
Additional paid-in capital in respect of contributions	4	-	-	4
Additional paid-in capital in respect of bonds convertible into shares	682	-	-	682
Additional paid-in capital in respect of share subscription warrants	3	-	-	3
Reserve required by law	357	5	-	363
Special long-term capital gains reserve	-	-	-	-
Frozen reserves	-	-	-	-
Other reserves	-	-	-	-
Retained earnings	2,093	513	-	2,606
Prior year net income/(loss)	1,300	-	1,300	-
Tax-driven provisions	7	0	-	7
TOTAL BEFORE NET INCOME FOR THE YEAR	16,613	745	1,311	16,047
Net income for the year		155	-	155
TOTAL AFTER NET INCOME FOR THE YEAR	16,613	900	1,311	16,202

N.B. Amounts are in millions of euros rounded to the nearest whole number, unless stated otherwise in the notes. Accordingly, the sum of rounded amounts may present non-material differences with total figures

(1) €215 million net share capital increase through the issue of 10,837,300 new shares with a par value of €54 million, plus net additional paid-in capital of €161 million (see Note 7.8 below).

The share capital comprises 725,411,667 shares with a par value of €5 each, compared with 714,574,367 shares with a par value of €5 each as of December 31, 2022.

The €54 million increase in share capital is the result of subscriptions under the Group employee savings plan for €50 million and performance shares for €4 million.

The €172 million increase in "Additional paid-in capital" is due to the share capital increase under the Group employee savings plan.

The €11 million decrease in "Additional paid-in capital" corresponds to the €5 million charge to the reserve required by law, performance shares for €4 million and net issue costs for €1 million.

Dividends distributed to shareholders totaled €787 million and were deducted from net income for fiscal year 2022 and retained earnings for the balance of €513 million.

4.1 A Equity equivalents

(€ million)	Opening balance	Increase	Decrease	Closing balance
Proceeds from issues of equity equivalent securities	-			-
Subordinated loans	-			-
Other	3,600	600	397	3,803
TOTAL EQUITY EQUIVALENTS	3,600	600	397	3,803

The increase in equity equivalents reflects the €600 million issue of deeply subordinated perpetual securities in November 2023, bearing a coupon of 6% until the first reset date in February 2029.
The decrease in equity equivalents reflects the partial redemption of deeply subordinated perpetual securities in November 2023 in the amount of €397 million on the initial €600 million issue bearing a coupon of 2.875% and with a first reset date in April 2024.

4.2 Provisions for contingencies and losses

Movements in provisions for contingencies and losses

(€ million)	Opening balance	Charge	Write-backs used	Write-backs not used	Closing balance
Provision for foreign exchange losses	7	1	2	-	7
Provision for other contingencies	16	16	-	-	32
Provision for losses	10	10	2	4	14
TOTAL	33	28	3	4	53
Nature of charges and write-backs:					
Operating		12	3	4	
Financial		13	1	-	
Exceptional		3	-	-	
TOTAL		28	3	4	

4.3 Bond issues

(€ million)	Opening balance	Increase	Decrease	Foreign exchange translation	Closing balance
Other bond issues	17,195	-	1,353	-28	15,814
Accrued interest on other bond issues	203	191	203	-	191
TOTAL	17,398	191	1,556	-28	16,005

The €1.6 billion decrease is due to:

- the maturity on June 24, 2023 of Chinese renminbi bond lines in the nominal amount of €1.5 billion (€188 million euro-equivalent);
- the maturity on October 4, 2023 of a euro-denominated bond line paying interest at 0.314% for an outstanding amount of €600 million;
- the maturity on October 9, 2023 of a euro-denominated bond line paying interest at 2.75% for an outstanding amount of €376 million;
- the maturity on December 16, 2023 of Chinese renminbi bond lines in the nominal amount of €1.5 billion (€189 million euro-equivalent).

4.4 Bank and other borrowings

Bank and other borrowings total €16 billion and break down as follows:

(€ million)	As of December 31, 2023	As of December 31, 2022
Current accounts with Group subsidiaries	11,203	10,660
Treasury note outstandings	4,716	3,931
Bank borrowings	-	-
Tax group current accounts	22	-
Bank accounts in overdraft and short-term bank facilities	99	104
TOTAL	16,040	14,695

4.5 Tax and employee-related liabilities

Tax and employee-related liabilities total €103 million and mainly include:

- personnel costs – accrued expenses: €53 million;
- social welfare organizations: €36 million;
- French State - tax liabilities: €5 million;
- value added tax: €7 million;
- French State – accrued expenses: €2 million.

4.6 Miscellaneous liabilities

Treasury instruments – Liabilities

This heading totals €341 million and includes:

- interest-rate derivative spreads: €14 million;
- foreign currency derivatives: €232 million;
- premium/discount: €95 million.

Deferred income

Deferred income totals €35 million and mainly concerns financial instruments:

- balancing payments on derivatives of €5 million;
- bond issue premiums of €29 million.

4.7 Accrued expenses

Accrued expenses total €608 million and primarily comprise the following items:

(€ million)	As of December 31, 2023	As of December 31, 2022
Accrued interest on bond issues	191	203
Purchase invoice accruals	163	154
Provisions for personnel costs	76	85
Accrued interest on current accounts	119	46
Accrued customer credit notes	18	8

NOTE 5 RECEIVABLES AND DEBT MATURITY ANALYSIS

(€ million)	Amount	Falling due in one year	Falling due in more than one year
Non-current assets			
Loans to equity investments	15,079	98	14,981
Other long-term investment securities	13	-	13
Loans	2,474	194	2,280
Other long-term loans and investments	5,056	-	5,056
Current assets			
Payments on account – inventories	4	4	-
Trade receivables and related accounts	178	178	-
Group and associates	3,057	3,057	-
Other receivables	332	321	11
Marketable securities	3,940	3,876	63
Cash at bank and in hand	362	362	-
Prepayments	75	52	23
TOTAL RECEIVABLES	30,568	8,141	22,428

(€ million)	Amount	Falling due in one year	Falling due in one to five years	Falling due in more than five years
Liabilities				
Bond issues	16,005	1,402	7,650	6,953
Bank borrowings	-	-	-	-
Other borrowings	4,716	4,716	-	-
Group and associates	11,225	11,225	-	-
Bank accounts in overdraft and short-term bank facilities	99	99	-	-
Other	816	720	75	21
TOTAL LIABILITIES	32,861	18,162	7,725	6,973

NOTE 6 INCOME STATEMENT

6.1 Net income from ordinary activities

Net income from ordinary activities before tax is €77 million.

6.1.1 Operating revenue

(€ million)	Year ended December 31, 2023	Year ended December 31, 2022	Notes
Sales of services and other	706	667	Note 1
Own production capitalized	5	5	
Operating subsidies	0	0	
Write-back of provisions (and depreciation and amortization) and expense reclassifications	18	518	
Other revenue	153	86	Note 2
TOTAL	882	1,276	

Note 1: the increase in sales of services is tied to amounts billed to Group subsidiaries.

Note 2: other revenue includes indemnities in full and final settlement of repair and maintenance work (see Note 7.2. below).

6.1.2 Operating expenses

(€ million)	Year ended December 31, 2023	Year ended December 31, 2022	Notes
Other purchases and external charges	423	691	Note 1
Duties and taxes other than income tax	20	54	Note 2
Personnel costs (wages, salaries and social security contributions)	267	281	
Depreciation, amortization, impairment and charges to provisions	50	53	
Other expenses	110	107	Note 3
TOTAL	871	1,186	

Note 1: the €268 million decrease in other purchases and external charges is mainly due to costs relating to the Suez acquisition in 2022.

Note 2: the €34 million decrease in registration fees is mainly due to the Suez acquisition in 2022.

Note 3: other expenses consist of renewal expenses (see Note 7.2. below).

6.1.3 Financial income and expenses

(€ million)	Year ended December 31, 2023	Year ended December 31, 2022	Notes
Expenses on borrowings	**-949**	**-574**	Note 1
Income from other securities and long-term receivables	**103**	**8**	
Foreign exchange gains and losses	**-13**	**-7**	
Other financial income and expenses	-33	-328	
Amortization, impairment and charges to provisions for financial items	-622	-237	Note 2
Dividends	287	937	
Investment income	1,156	814	
Net gain/loss on sales of marketable securities	52	-15	
Write-back of provisions for financial items, impairment and expense reclassifications	78	544	
Other financial income and expenses	**919**	**1,715**	
NET FINANCIAL INCOME	60	1,141	

Note 1: the increase is mainly due to current account interest.

Note 2: charges to provisions and impairment in 2023 primarily break down as follows:

- a charge to impairment of the investment in Veolia Eau-Compagnie Générale des Eaux of €230 million,
- a charge to impairment of the investment in Veolia North America of €213 million,
- a charge to impairment of the investment in Veolia Holding Mexico of €55 million.

6.2 Exceptional items

Exceptional items, representing a net expense of €43 million, break down as follows:

(€ million)	Year ended December 31, 2023
Net charge to contingency provisions	-3
Net exceptional income from non-capital transactions	-8
Net income on intangible and tangible assets	0
Net income on financial assets (1)	-32
Other	0
TOTAL	-43

(1) Net income on disposals mainly concerns treasury shares removed in the context of the Veolia Holding Mexico equity investment swap.

6.3 Income tax and the consolidated tax group

Within the framework of a tax group agreement, Veolia Environnement forms a tax group with those subsidiaries at least 95% owned that have elected to adopt this regime. Veolia Environnement is liable for the full income tax charge due by the resulting tax group.

The income tax expense is allocated to the different entities comprising the tax group according to the "neutrality" method. Each subsidiary bears the tax charge to which it would have been liable if it were not a member of the tax group. The parent company records its own tax charge and the tax saving or additional charge resulting from application of the tax group regime.

The tax group election came into force on January 1, 2001 for a period of five years and benefits from tacit renewal failing explicit termination by Veolia Environnement at the end of the five-year period.

The application of the tax group regime in 2023 is reflected in the Veolia Environnement financial statements by a tax saving in respect of the subsidiaries of €170 million.

A tax charge of €47 million corresponding to income tax and tax credits not offset against current income tax was also recognized.

6.4 Net income

Veolia Environnement reported net income of €155 million for fiscal year 2023.

NOTE 7 OTHER DISCLOSURES

7.1 Off-balance sheet commitments

Commitments given by Veolia Environnement total €3.1 billion as of December 31, 2023, (including counter-guarantees) and primarily consist of financing and performance guarantees given on behalf of subsidiaries:

(€ million)	As of December 31, 2023	As of December 31, 2022	Notes
Commitments given			
Discounted notes not yet matured			
Endorsements and guarantees (1)	3,036	2,839	Note 1
Equipment finance lease commitments			
Real estate finance lease commitments			
Pension obligations and related benefits	44	59	Note 2
TOTAL	3,080	2,898	Note 3
Commitments received			
Endorsements and guarantees		-	

(1) Of which commitments given in respect of related companies: €8 million;

Note 1 : Main endorsements and guarantees

The €182 million increase in commitments given breaks down as follows:

- a net increase in commitments given during the period of €159 million;
- a €95 million increase in future rental payments;
- a €57 million decrease related to foreign exchange impacts;
- a €15 million decrease in pensions obligations and related benefits. The commitment given takes into account the extension of the legal retirement age following the pension reform.

Veolia Environnement is required to grant the following types of endorsement and guarantee:

- Operational or operating guarantees of €2.3 billion.

These are commitments not relating to the financing of operations, required in respect of contracts and markets and generally in respect of the operations and activities of Group companies (bid bonds accompanying tender offers, completion or performance bonds given on the signature of contracts or concession arrangements and counter-guarantees granted by Veolia Environnement to insurance companies that issue bonds on behalf of its subsidiaries). This type of guarantee also includes letters of credit delivered by financial institutions to Group creditors, customers and suppliers for their business requirements or to guarantee various commitments such as the payment of leases or reinsurance obligations.

- Financial guarantees of €0.8 billion.

These primarily relate to guarantees given to financial institutions in connection with the borrowings of subsidiaries, including project financing, and Veolia Environnement's joint and several commitments regarding divestments by subsidiaries or direct Veolia Environnement warranties on asset divestitures.

Warranties mainly included:

- warranties relating to guarantees (joint and several) covering obligations of US and Canadian subsidiaries under letters of credit granted by several banking institutions in the amount of €220 million;
- the warranty given under the trade receivables factoring program in France, the United Kingdom and the United States in the amount of €92 million.

Note 2 : Pension obligations and related benefits

Obligations net of plan assets break down as follows:

(€ million)	
Pension obligations pursuant to Title V of the Collective Agreement	28
Collective insurance contract in favour of Group executives (active and retired)	10
Insurance company contract in favour of Executive Committee members (retired)	5
TOTAL (1)	**44**

(1) Of which obligations for Executive Committee members as of December 31, 2023: €2 million.

The economic assumptions underlying the actuarial valuation of employee-related commitments as of December 31, 2023 are a discount rate of 4% and an inflation rate of 2.00%.

Note 3 : Other commitments given

In addition to commitments given of €3.1 billion, Veolia Environnement also granted commitments of an unlimited amount in respect of:

- completion or performance bonds;
- a sludge incineration plant construction contract and waste processing contracts in Hong Kong in the Water and Waste businesses;
- a Hong Kong landfill contract.

These commitments are limited to the duration of the related contracts and were approved in advance by the Board of Directors of Veolia Environnement.

7.2 Specific contractual commitments

The financial management of maintenance and repair costs for installations provided by delegating authorities, for certain French subsidiaries, was mutualized and centralized until December 31, 2003 within Veolia Environnement and, partially, since January 1, 2004 within Veolia Eau-Compagnie Générale des Eaux.

Therefore, Veolia Environnement, as an active partner of certain subsidiaries of Veolia Eau-Compagnie Générale des Eaux, has undertaken to repay all maintenance and repair costs resulting from contractual obligations to local authorities under public service delegation contracts. In return, the subsidiaries pay an indemnity in full and final settlement to Veolia Environnement, the amount of which is approved annually by the Supervisory Board of each subsidiary benefiting from this guarantee.

7.3 Derivative financial instruments and counterparty risk

Veolia Environnement is exposed to the following financial risks in the course of its business:

Market risk

- Interest rate risk (interest rate hedges, cash flow hedges).

The financing structure of Veolia Environnement exposes it naturally to the risk of interest rate fluctuations. As such, floating-rate debt impacts future financial results in line with changes in interest rates. Veolia Environnement manages a fixed/floating rate position in each currency in order to limit the impact of interest rate fluctuations on its net income and to optimize the cost of debt. For this purpose, it uses interest rate swap and swaption instruments.

- Foreign exchange risk (hedges of balance sheet foreign exchange exposure and overall foreign exchange risk exposure).

Foreign exchange risk is primarily managed using foreign-currency denominated financial assets and liabilities including foreign-currency denominated loans/borrowings and related hedges (e.g. currency swaps). With many offices worldwide, Veolia Environnement organizes financing in local currencies. In the case of inter-company financing, these credit lines can generate foreign exchange risk. To limit the impact of this risk, Veolia Environnement has developed a policy which seeks to back foreign-currency financing and foreign currency derivatives with inter-company receivables denominated in the same currency.

Equity risk

As of December 31, 2023, Veolia Environnement held 10,362,269 treasury shares, of which 6,370,621 were allocated to external growth operations and 3,991,648 were acquired for allocation to employees under employee savings plans. As part of its cash management strategy, Veolia Environnement holds UCITS. These UCITS have the characteristics of monetary UCITS and are not subject to equity risk.

Liquidity risk

Liquidity management involves the pooling of financing in order to optimize liquidity and cash. Veolia Environnement secures financing on international bond markets, international private placement markets, the treasury note market and the bank lending market.

Credit risk

Veolia Environnement is exposed to credit risk on the investment of its surplus cash and on its use of derivative instruments to manage interest rate and foreign exchange risk. Credit risk reflects the loss that Veolia Environnement may incur should a counterparty default on its contractual obligations. Veolia Environnement minimizes counterparty risk through internal control procedures limiting the choice of counterparties to leading banks and financial institutions. Veolia Environnement does not expect the default of any counterparties which could have a material impact on transaction positions or results.

As of December 31, 2023, the main derivative products held primarily comprised:

- interest rate swaps;
- trading swaps;
- cross-currency swaps;
- forward purchases of currency;
- forward sales of currency;
- hedging options.

The net carrying amount of derivatives at the reporting date is presented below:

(€ million)	Assets	Liabilities
Accrued interest on swaps	11	14
Foreign currency derivatives	290	232
Premium/discount [1]	57	95
Prepayments	30	-
Deferred income	-	29
TOTAL	**388**	**370**

(1) The premium/discount represents the difference between the spot rate and the forward rate of the instruments. It is amortized over the term of the financial instrument.

The fair value of derivatives at the reporting date is presented below:

(€ million)	Assets	Liabilities
Interest rate derivatives		
Hedging derivatives	11	429
Derivatives not qualifying for hedge accounting (trading)	-	-
Foreign currency derivatives		
Derivatives used in matching foreign exchange positions	148	135
Derivatives used in the overall foreign exchange position	115	113
Commodity derivatives		
Derivatives hedging fuel and energy	57	57
TOTAL	**331**	**734**

The notional amounts of interest rate swaps globally designated as interest rate hedges at the reporting date are presented below:

(€ million)		Foreign currency amount	€ equivalent
Swaps hedging debt			
Fixed-rate payer/floating-rate receiver swaps	EUR	1,786	1,786
Floating-rate payer/fixed-rate receiver swaps	EUR	4,883	4,883
TOTAL		**6,669**	**6,669**
Trading swaps			
Fixed-rate receiver/floating-rate payer swaps	EUR	-	-
Fixed-rate payer/floating-rate receiver swaps	EUR	-	-
TOTAL		**-**	**-**

The notional amounts by currency of the most material cross-currency swaps, currency swaps and currency forwards at the reporting date are presented below:

(€ million)	Purchases	Sales
Currency hedging instruments included in matching foreign exchange positions:		
Cross currency swaps:		
CNY	80	80
CZK	0	0
EUR	113	60
KRW	0	102
TOTAL	193	242
Currency forwards:		
CNY	193	311
CZK	247	424
EUR	4,673	5,763
GBP	1,419	40
HKD	464	68
HUF	176	30
INR	0	144
PLN	1,045	143
RON	149	0
USD	1,230	1,908
Other currencies	445	464
TOTAL	10,042	9,294

(€ million)	Purchases	Sales
Currency hedging instruments included in the overall foreign exchange positions:		
Cross currency swaps:		
CNY	0	0
EUR	60	0
TOTAL	60	0
Currency forwards:		
AUD	285	443
CAD	451	221
CNY	160	137
CZK	556	454
EUR	6,023	4,131
GBP	386	2,115
HKD	138	386
HUF	282	372
PLN	807	587
USD	1,256	1,514
Other currencies	682	630
TOTAL	11,024	10,991

7.4 Average workforce

	2023 Salaried employees	2022 Salaried employees
Executives	1,120	1,187
Supervisors and technicians	58	67
Administrative employees	75	77
Workers	-	-
TOTAL	1,253	1,331

The average workforce as defined by Article D.123-200 of the French Commercial Code (French Chart of Accounts Articles 832-19, 833-19, 834-14 and 835-14) is now disclosed. The average number of salaried employees is equal to the arithmetical average of the number of employees at the end of each quarter of the calendar year, holding an employment contract with the Company.

7.5 Management compensation

(in euros)	Amount
Compensation granted to members of management bodies	**4,304,186**

The above amount only includes compensation borne by Veolia Environnement.

7.6 Deferred tax

Deferred tax liabilities (€ million)	Amount
Tax-driven provisions	
Accelerated depreciation	7
Other	
Investment subsidies	
Expenses deducted for tax purposes but deferred for accounting purposes	-
Unrealized foreign exchange losses	723
Change in value of treasury instruments - Assets	1,832
TOTAL	2,621

Deferred tax assets (€ million)	Amount
Provisions not deductible in the year recorded	
Other non-deductible provisions	131
Other	
Taxed income not recognized	47
Difference between the net carrying amount/tax value of treasury shares	44
Unrealized foreign exchange gains	276
Change in value of treasury instruments - Liabilities	1,940
TOTAL	2,438
Tax losses carried forward	3,754
Long-term capital losses	-

Theoretical Deferred Tax Effect (€ million)	Amount
TOTAL	923

If the Company were taxed separately, the impact of these timing differences on the financial statements would generate a theoretical net tax receivable of €923 million (income tax rate hypothesis for the calculation of the deferred tax position: 25.83%).

7.7 Audit fees

Audit fees billed in respect of the statutory audit of the accounts and services falling within the scope of related diligence procedures are presented in the Veolia Environnement annual financial report (see Chapter 6, Section 6.1.6, Note 16 above).

7.8 Share-based compensation

2023 Employee savings plan

Veolia Environnement regularly sets up, through Group Savings Plans (GSP), in France and internationally, standard and leveraged savings plans which enable a large number of employees of Veolia Environnement and its subsidiaries to subscribe for Veolia Environnement shares. Shares subscribed by employees under these plans are subject to certain restrictions regarding their sale or transfer.

In 2023, Veolia proposed a new Group employee share ownership transaction, rolled-out across 49 countries.

Under this transaction, shares were subscribed with a 15% discount on the average closing price of the share during the twenty trading days preceding the date the subscription price was set by the Chairman and Chief Executive Officer. The subscription price was set at €22.13.

Under the so-called secure format, employees benefit from:

- a gross contribution from the Group equal to 100% of the employee's investment up to a maximum of €300;
- a leveraged system supplementing their personal investment in the event of an increase in the share price.

This personal investment and the net contribution from the Group are guaranteed in the event of a fall in the share price and receive a guaranteed minimum return.

A financial institution is appointed by Veolia Environnement to hedge the transaction.

On December 13, 2023, Veolia Environnement issued 10,027,792 new shares under the Group Savings Plan, representing a share capital increase of €222 million.

In 2023, an expense of €18 million was recognized in respect of the savings plan and rebilled in part to Group subsidiaries.

2023 Performance share grant plan

In 2023, the Group granted 1,006,109 performance shares (PS) to executives and employees of the Group, subject to the beneficiary's presence in the Group on May 3, 2026 and performance conditions based on the following criteria:

- financial criteria (average increase in Current net income attributable to owners of the Company and relative performance of the total shareholder return (TSR) of the Veolia Environnement share compared with the Stoxx 600 Utilities (Price) SX6P index);
- quantitative non-financial criteria relating to the Company's Purpose.

A net charge to the provision for social security contributions in respect of the performance share grant plan was recorded in operating income in the amount of €1 million in 2023.

2022 Free share grant plan

In 2022, the Group granted 145,200 free shares to executive corporate officers and employees of the Group, subject to the beneficiary's presence in the Group on June 15, 2025.

The presence conditions are taken into account in estimating the compensation expense.

A charge to the provision for social security contributions in respect of the free share grant plan was recorded in operating income in the amount of €0.3 million in 2023.

Plans implemented before 2023

Veolia Environnement implemented the following plans in previous years:

- 2022 Employee Savings Plans: in 2022, the Group proposed a Veolia Environnement employee share ownership transaction, rolled-out across 45 countries. This plan had expired at December 31, 2022 and therefore had no impact on the Company financial statements in 2023;
- 2021 and 2022 Performance Share Grant Plans: the Group set-up performance share grant plans (PSP) in 2021 and 2022 subject to the beneficiary's presence in the Group at the vesting dates on May 4, 2024 and August 2, 2025, respectively, and performance conditions. A net charge to the provision for social security contributions in respect of performance share grant plans was recorded in operating income in the amount of €3 million for the 2021 plan and €3 million for the 2022 plan in the period;
- settlement of the 2020 Performance Share Grant Plan: the Group set-up a performance share grant plan (PSP) in 2020 subject to the beneficiary's presence in the Group at the vesting date on May 5, 2023 and a performance condition. The plan expired and the Company performed a share capital increase in the first half of 2023. The net social security contribution expense for the year is -€1 million.

7.9 Related-party transactions

Veolia Environnement had no transactions with related-parties in 2023.

7.10 Subsequent events

None.

7.11 Subsidiaries and equity investments

Investments acquired in 2023, within the meaning of Article L.233-7 of the French Commercial Code (crossing of investment thresholds laid down by law) concern:

- Vigie 54 at 100% (registered office located in France)
- Veolia Holding Mexico at 49% (registered office located in Mexico)

(€ million except number of shares)										
Company	Number of shares held	Share capital	Shareholders' equity other than share capital*	% share capital held	Carrying amount of shares held GROSS	NET	Loans and advances granted by the Company (gross)**	2023 revenue (provisional figures)	2023 net income (provisional figures)	Dividends recorded in the last fiscal year
A – Detailed information on investments with a gross carrying amount in excess of 1% of the share capital of Veolia Environnement SA i.e. €36,270,583										
VIGIE GROUPE (1)	561,869,157	3,371	7,437	100.00 %	8,857	8,857	-3,447	2,120	1,504	
VEOLIA EAU - COMPAGNIE GENERALE DES EAUX (VE CGE) (1)	214,187,296	2,207	703	100.00 %	8,300	7,536	1,845	2,008	147	163
VEOLIA PROPRETE (1)	8,967,700	143	1,212	100.00 %	1,930	1,930	736	593	96	107
VNA INC (2)	198	—	2,424	13.49 %	1,497	1,284	-690	115	71	
VEOLIA ENERGIE INTERNATIONAL (1)	87,998,691	1,760	394	99.99 %	1,137	1,137	415	131	31	
GIE VEOLIA PLACEMENT	4,925	985	1,026	50.00 %	493	493		67	41	
VEOLIA HOLDING AMERICA LATINA S.A.	41,980	252	(17)	100.00 %	466	466	252	13	-32	
VEOLIA ENVIRONNEMENT ENERGIE ET VALORISATION (1)	13,703,700	137	7	100.00 %	137	137	78	403	1	
Veolia Environnement Services-Ré	11,099,999	111	73	100.00 %	111	111	-351	93	19	6
CAMPUS VEOLIA ENVIRONNEMENT	10,000	—	(43)	100.00 %	85	—	51	21	-18	
VIGIE 43 AS (1)	3,700	—	10	100.00 %	74	64	116	1	-14	
VEOLIA HOLDING MEXICO (1)	343,776,194	39	41	49.00 %	55	—		19	1	
CODEVE	18,000,000	18	35	100.00 %	53	51		49	2	
B – Summary information concerning other subsidiaries and affiliates										
Other subsidiaries and equity investments (less than 1% of share capital) (3)	4,261,849	N/A	N/A	N/A	37	26	625	N/A	N/A	9

* *Including net income for the year.*
** *Including partner current accounts.*
(1) Company which is primarily a holding company. The "Revenue" column includes operating revenue and financial income, excluding provision write-backs and foreign exchange gains and losses.
(2) The main activity of this company is head holding company of the US consolidated tax group.
(3) Some of the data in the table is not audited.
NC Not communicated.
N/A Not applicable.

6.2.6 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2023

To the Shareholders' Meeting of Veolia Environnement S.A.,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying annual financial statements of Veolia Environnement S.A. for the year ended December 31, 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our work in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2023 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) no. 537/2014.

Justification of Assessments- Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific elements, accounts or items of the financial statements.

Measurement of equity investments and loans to equity investments

Risk identified

As of December 31, 2023, equity investments and loans to equity investments are recorded in the balance sheet at a net carrying amount of €37,028 million and represent 67% of total assets. At their date of entry into Company assets, they are recorded at acquisition cost.

As disclosed in Note 2.2.1 to the financial statements, the value in use of equity investments is determined by your Company based on criteria encompassing profitability, growth perspectives, the net assets of the Company held and the stock market value of the securities acquired, where applicable. If the value in use of investments is lower than their net carrying amount, an impairment is recognized in the amount of the difference.Given the amount of equity investments in the balance sheet and the sensitivity of the value in use to changes in assumptions, we considered the measurement of the value in use of equity investments and loans to equity investments to be a key audit matter.

Our response

Our procedures primarily consisted in:

- assessing the compliance of the methodology used to determine the values in use applied by your Company with prevailing accounting standards and its consistency with the methodology applied last year for the relevant equity investments;
- assessing the methodology and data used by the Company to estimate the values in use and examining the implementation of this methodology and particularly, where applicable:
  - assessing the consistency of forecast cash flows with the most recent Company estimates used in the budget process and with respect to the economic and financial context in which the entities operate by inspecting the source of any differences between forecast and actual cash flows of prior periods;
  - assessing the multiples used and, in particular, the reference panel and transactions adopted to determine these multiples.

Besides assessing the value in use of equity investments, our procedures also consisted in:

- assessing the recoverable amount of loans to equity investments with respect to analyses of the equity investments performed;
- controlling the recognition of a contingency provision where the Company is committed to bearing the losses of a subsidiary with negative equity.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code (code de commerce).

Information relating to corporate governance

We attest the inclusion in the section of the Board of Directors' management report on corporate governance of the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code (code de commerce).

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (code de commerce) relating to remunerations and benefits paid or awarded to Directors and any other commitments made in their favor, we have verified its consistency with the financial statements and, where applicable, with the information obtained by your Company from companies controlled by it and included in the scope of consolidation. Based on this work, we attest the accuracy and fair presentation of this information.

Other disclosures

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other Legal and Regulatory Verifications or Information

Format of presentation of the annual financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the annual financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the annual financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the annual financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Veolia Environnement S.A. by the Shareholders' Meetings of December 18, 1995 for KPMG S.A. and December 23, 1999 for Ernst & Young et Autres.

As of December 31, 2023, KPMG SA was in the twenty-ninth year of total uninterrupted engagement and Ernst & Young et Autres the twenty-fifth year, including twenty-four years since securities of the Company were admitted to trading on a regulated market, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality with which the Company's management has conducted or will conduct the affairs of the entity.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. These conclusions are based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in ifinancial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters. We describe these matters in the audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537-2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, March 18, 2024

The Statutory Auditors

KPMG SA		**ERNST & YOUNG et Autres**	
Éric Jacquet	Baudouin Griton	Jean-Yves Jégourel	Quentin Séné
Partner	Partner	Partner	Partner

6.2.7 PARENT COMPANY RESULTS FOR THE LAST FIVE YEARS AND OTHER SPECIFIC INFORMATION

Parent company results for the last five years

	2023	2022	2021	2020	2019
Share capital at the end of the fiscal year					
Share capital *(€ million)*	3,627	3,573	3,499	2,893	2,836
Number of shares issued	725,411,667	714,574,367	699,725,266	578,611,362	567,266,539
Transactions and results for the fiscal year *(€ million)*					
Operating income	882	1,276	618	686	616
Income before taxes, depreciation, amortization and impairment	621	546	433	138	212
Income tax expense	122	206	60	90	75
Income after taxes, depreciation, amortization and impairment	155	1,300	1,249	621	1,058
Distributed income	894	787	687	397	277
Earnings per share *(in euros)*					
Income after taxes, but before depreciation, amortization and impairment	1.03	1.05	0.70	0.39	0.51
Income after taxes, depreciation, amortization and impairment	0.21	1.82	1.78	1.07	1.87
Dividend per share	1.25	1.12	1.00	0.70	0.50
Personnel					
Number of employees	1,253	1,331	1,079	1,071	1,082
Total payroll *(€ million)*	162	182	144	133	137
Total benefits (social security, benevolent works, etc.) *(€ million)*	105	99	82	73	72

(1) The total dividend distribution presented in the above table is calculated based on 725,411,667 shares outstanding as of December 31, 2023, less 10,362,269 treasury shares held as of this date and may change depending on movements in the number of shares conferring entitlement to dividends up to the ex-dividend date.

Other disclosures

Expenses not deductible for tax purposes

Pursuant to Article 223 quater of the French General Tax Code, expenses and charges referred to in Article 39-4 of the French General Tax Code totaled €1,096,661 (additional depreciation on passenger vehicles and compensation paid to directors).

Branches

Pursuant to Article L.232-1 of the French Commercial Code, Veolia Environnement declares it had branches as of December 31, 2023.

Supplier and customer settlement periods

Pursuant to Article D.441-6 of the French Commercial Code, the following disclosures are provided for supplier and customer settlement periods:

- for suppliers, the number and amount of invoices received, not settled at the year end and past due; this amount is broken down by period past due and presented as a percentage of total purchases, including VAT, for the period;
- for customers, the number and amount of invoices issued, not settled at the year end and past due; this amount is broken down by period past due and presented as a percentage of total revenue, including VAT, for the period.

Invoices received and issued, not settled as of December 31, 2023 and past due

	Invoices received not settled at the year end and past due						Invoices issued not settled at the year end and past due					
	0 days (information only)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	0 days (information only)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) Late payment period												
Number of invoices concerned	635					66	83					458
Total invoice amount concerned (incl. VAT) (€ thousand)	19,304	8,540	47	24	251	8,862	11,860	-19,534	-4,121	26	26,850	3,221
As a percentage of total purchases of the fiscal year (incl. VAT)	4.06 %	1.80 %	0.01 %	0.01 %	0.05 %	1.86 %						
Percentage of total revenue of the fiscal year (incl. VAT)							1.42%	-2.34%	-0,49%	—%	3.21%	0.39 %
(B) Invoices not included in (A) relating to receivables and payable in dispute or not recognized in the accounts												
Number of invoices excluded	262						300					
Total invoice amount excluded (incl. VAT) (€ thousand)	1,832						31,605					
(C) Reference settlement periods applied (contractual or statutory period – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Settlement periods applied to determine late payment	Generally, 45 days from the end of the invoice month and 30 days from the invoice date						Generally, 45 days from the end of the invoice month					

7

SHARE CAPITAL AND OWNERSHIP

Information from the Annual Financial Report is clearly identified in the table of contents by the pictogram AFR

7.1 Information on the share capital and stock market data

7.1.1 SHARE CAPITAL

As of December 31, 2023, Veolia Environnement's share capital was €3,627,058,335, divided into 725,411,667 fully paid-up shares, all of the same class, with a par value of €5 each (see Section 7.1.6 below).

As of the date of filing of this Universal Registration Document, the Company's share capital is unchanged.

7.1.2 MARKET FOR THE COMPANY'S SHARES

Veolia Environnement shares

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

Euronext Paris - Share price and trading volumes

	Share price *(in euros)*		
Year (month)	High	Low	Trading volume
2023			
December	30.140	28.470	26,881,936
November	29.090	25.860	32,235,036
October	27.700	24.860	40,865,731
September	29.660	27.210	30,432,845
August	29.660	27.270	34,322,404
July	30.130	28.140	24,476,673
June	29.410	27.500	31,601,614
May	28.990	26.710	35,963,337
April	29.600	28.150	29,833,059
March	28.740	25.760	47,426,700
February	28.970	27.050	33,590,620
January	27.940	24.330	39,340,652
2022			
December	25.530	23.480	37,292,875
November	25.280	22.170	46,804,130
October	23.070	18.940	44,830,105
September	23.540	18.825	47,405,608
August	26.090	21.850	41,878,682
July	24.640	22.210	36,382,643

Source : Bloomberg.

Following the delisting by Veolia Environnement of its American Depositary Receipts (ADRs) from the New York Stock Exchange (NYSE), the final listing of the ADRs on the NYSE occurred on December 22, 2014. Since this date, the ADRs are traded on the US over-the-counter market under the code VEOEY.

As of the date of filing of this Universal Registration Document, the ADR program is managed by Bank of New York Mellon as a sponsored level 1 facility since March 27, 2023.

7.1.3 PURCHASE OF TREASURY SHARES BY THE COMPANY

7.1.3.1 Repurchase plan in effect as of the date of filing of this Universal Registration Document (plan authorized by the Combined General Meeting of April 27, 2023)

During the Combined General Meeting of April 27, 2023, the Company's shareholders authorized a share repurchase plan that allows the Company to purchase, sell or transfer its shares at any time, except during a public offer, within the limits authorized by provisions set forth by the law and regulations in force, and by any means, on regulated markets, on multilateral trading systems, with systematic internalizers or over the counter, including through block sales or purchases (with no limit on the proportion of the share repurchase plan that may be implemented by this method), by public offers to purchase or exchange shares, or through the use of options or other forward financial instruments traded on regulated markets, multilateral trading systems, with systematic internalizers or over-the-counter or through delivery of shares following the issue of securities granting access to the Company's share capital by conversion, exchange, redemption, exercise of a warrant or otherwise. Transactions may be conducted either directly or indirectly through an investment services provider.

Shares may be purchased such that the number of shares purchased by the Company throughout the term of the repurchase plan does not exceed at any time whatsoever 10% of the shares comprising the Company's share capital, and such that the number of shares that the Company holds at any given time does not exceed 10% of the shares comprising the Company's share capital.

This authorization allows the Company to trade in its own shares with the following objectives: (i) implementing all Company stock option plans or any similar plan, (ii) granting or selling shares to employees in respect of their profit-sharing plan or the implementation of any company or Group savings plan (or equivalent plan), (iii) granting free shares, (iv) delivering shares on the exercise of rights attached to securities granting access to the share capital by redemption, conversion, exchange, presentation of a warrant or in any other way, (v) stimulating the secondary market for, or the liquidity of, Veolia Environnement shares through an investment services provider, as part of a liquidity contract that complies with the Ethics Charter recognized by the AMF, or (vi) cancelling all or some of the shares thus repurchased.

The Combined General Meeting of April 27, 2023 set the maximum share purchase price at €36 per share and set the maximum amount that the Company may allocate to the share repurchase plan at €1 billion. It granted full powers to the Board of Directors, with the option of sub-delegation under the conditions laid down by law, to decide on and implement this authorization.

The authorization described above, which is in force as of the date of filing of this Universal Registration Document, will expire no later than eighteen months from the date of the Combined General Meeting of April 27, 2023, i.e., on October 27, 2024, unless a new plan is authorized at the next General Shareholders' Meeting.

7.1.3.2 Summary of transactions completed by Veolia Environnement in its own securities in 2023

Percentage of the Company's share capital held as treasury shares as of December 31, 2023	1.43
Number of treasury shares held as of December 31, 2023	10,362,269
Carrying value of the portfolio as of December 31, 2023* *(in euros)*	289,343,966
Market value of the portfolio as of December 31, 2023** *(in euros)*	295,946,403
Number of shares canceled over the past 24 months	0

* *Carrying value excluding provisions.*
** *Based on the closing price as of December 31, 2023 (€28.56).*

On May 28, 2019, Veolia Environnement entrusted the implementation of a new liquidity contract to Kepler Cheuvreux, commencing June 1, 2019 for an initial period ending December 31, 2019 and automatically renewable for successive 12-month periods (unless terminated). An amount of €20 million was allocated to the operation of the new liquidity account, excluding all securities.

The table below details transactions by the Company in treasury shares during fiscal year 2022 under the program authorized by the Combined General Meetings of June 15, 2022 and April 27, 2023:

	Cumulated gross flows as of December 31,2023		Open positions as of December 31,2023			
	Purchases(1)	Sales/ Transfers(2)	Open buy positions		Open sell positions	
			Call options purchased	Forward purchases	Call options sold	Forward sales
Number of shares	9,685,607	11,942,508	N/A	N/A	N/A	N/A
Average transaction price *(in euros)*	27.88	27.61	N/A	N/A	N/A	N/A
Average strike price *(in euros)*	N/A	N/A	N/A	N/A	N/A	N/A
AMOUNT *(IN EUROS)*	**270,014,704**	**329,748,892**	**N/A**	**N/A**	**N/A**	**N/A**

N/A: not applicable.
(1) Purchases performed under the liquidity agreement.
(2) Sales performed under the liquidity agreement and the UK Share Incentive Plan and in remuneration for the 49% residual share capital of Veolia Holding Mexico, SA de CV (Mexican subsidiary already held 51% by Veolia Environnement prior to this transaction).

7.1.3.3 Objectives of transactions carried out in 2023 and allocation of treasury shares held

As of December 31, 2023, Veolia Environnement held a total of 10,362,269 treasury shares, representing 1.43% of the Company's share capital. No shares were held directly or indirectly by Veolia Environnement subsidiaries.

On this date, the portfolio of treasury shares was allocated as follows:

- 3,991,648 shares were allocated to cover stock option programs or other share grant programs for Group employees;
- 6,370,621 shares were allocated to external growth transactions.

As of December 31, 2023, Veolia Environnement held 162,970 shares under the current liquidity agreement.

7.1.3.4 Description of the program submitted to the Combined General Meeting of April 25, 2024 for authorization

The share repurchase authorization described in Section 7.1.3.1 above will expire on October 27, 2024 at the latest, unless the Combined General Meeting of April 25, 2024 adopts the resolution presented in accordance with the provisions of Articles L.22-10-62 et seq. of the French Commercial Code and Article L.225-210 et seq. of the same code, set out below.

This resolution, in consideration of the report by the Board of Directors, authorizes the Company to implement a new plan to repurchase shares under the following conditions:

- this authorization would be intended to allow the Company to trade in its own shares with the following objectives: (i) implementing all Company stock option plans within the scope of the provisions of Articles L.225-177 et seq. and L.22-10-56 et seq. of the French Commercial Code or any similar plan; (ii) granting or selling shares to employees in respect of their profit-sharing plan or the implementation of any company or group savings plan (or equivalent plan) under the conditions provided for by law and in particular Articles L.3332-1 et seq. of the French Labor Code; (iii) granting free shares under the provisions of Articles L.225-197-1 et seq. and L.22-10-59 and L.22-10-60 of the French Commercial Code; (iv) in general, honoring commitments relating to stock option plans or other plans involving shares awarded to employees of the issuer or affiliated companies; (v) delivering shares on the exercise of rights attached to securities granting access to the share capital by redemption, conversion, exchange, presentation of a warrant, or in any other way, (vi) canceling all or some of the securities thus repurchased, pursuant to the 26th resolution adopted by the Combined General Meeting of June 15, 2022 or any resolution of the same nature that may follow this resolution during the period of validity of the present authorization; (vii) delivering shares (by way of exchange, payment or other) within the scope of external growth transactions, mergers, spin-offs or contributions; (viii) stimulating the secondary market for Veolia Environnement shares through an investment services provider, as part of a liquidity contract that complies with market practices accepted by the French Financial Markets Authority (AMF);
- this program is also intended to allow the use of any market practice that might be accepted by the French Financial Markets Authority (AMF), and more generally, the completion of any other transaction in accordance with the regulations in force. In such a case, the Company will inform its shareholders by way of a press release;
- purchases of the Company's shares may relate to a number of shares such that:
  - at the date of each repurchase, the number of shares purchased by the Company since the beginning of the share repurchase plan (including the current repurchase) does not exceed 10% of the shares comprising the Company's share capital at that date (this percentage will apply to the share capital, as adjusted in light of transactions affecting it after this General Shareholders' Meeting), i.e. 72,541,166 shares as of the date of filing of this Universal Registration Document, it being specified that (i) the number of shares purchased for retention and subsequent delivery as part of a merger, spin-off or contribution may not exceed 5% of the share capital; and (ii) when shares are bought to increase liquidity under the conditions defined by the AMF's general regulations, the total number of shares taken into account for the calculation of the aforementioned limit of 10% is the number of shares purchased, after deduction of the number of shares sold during the period of the authorization,
  - the number of shares that the Company holds at any given time whatsoever does not exceed 10% of the shares comprising the Company's share capital on the date in question;
- shares may be purchased, sold or transferred at any time, within the limits authorized by prevailing legal and regulatory provisions, except during a public offer for the Company's shares, and by any means, particularly on regulated markets, multilateral trading systems, with systematic internalizers or over-the-counter, including by block purchases or sales, by public offers to purchase or exchange shares, or through the use of options or other forward financial instruments traded on regulated markets, multilateral trading systems, with systematic internalizers or over the counter or through delivery of shares following the issue of securities granting access to the Company's share capital by conversion, exchange, redemption, exercise of a warrant or otherwise. Transactions may be conducted either directly or indirectly through an investment services provider or by any other means (with no limit on the proportion of the share repurchase plan that may be implemented by any of these methods);
- the maximum purchase price of the shares under this resolution will be €40 per share (or the equivalent of this amount on the same date in any other currency); this maximum price is only applicable to acquisitions decided as from the date of the Combined General Meeting of April 25, 2024 and not to forward transactions concluded pursuant to an authorization granted by a previous General Shareholders' Meeting that provides for acquisitions of shares subsequent to the date of this meeting.

In the event of a change in the par value of shares, capital increase via capitalization of reserves, grant of free shares, division or regrouping of securities, distribution of reserves or of any other assets, redemption of capital or any other transaction concerning the share capital or shareholders' equity, the General Shareholders' Meeting delegates to the Board of Directors the power to adjust the maximum aforementioned purchase price in order to take account of the impact on the share value of these transactions.

The total amount allocated to the share repurchase program authorized above may not exceed €1 billion.

This authorization would, as from the date of the Combined General Meeting of April 25, 2024, cancel any as yet unused portion of any prior authorization granted to the Board of Directors to trade in the Company's shares. This authorization is granted for a period of eighteen months from the date of this Combined General Meeting.

The General Shareholders' Meeting would grant full powers to the Board of Directors, including the option of sub-delegation under the conditions provided for by law, to implement this authorization, to specify, if necessary, the terms and conditions thereof, to carry out the repurchase plan, and, in particular, to place all stock market orders, enter into all agreements, allocate or reallocate the shares acquired to the desired objectives under the applicable statutory and regulatory provisions, to determine the terms and conditions under which, if applicable, the rights of holders of securities or other rights granting access to the share capital will be protected, in compliance with legal and regulatory provisions and, where applicable, contractual provisions stipulating other types of adjustment, make all declarations to the AMF and to all competent authorities, carry out all other formalities and, in general, do whatever is necessary.

7.1.4 AUTHORIZED BUT UNISSUED SHARES

7.1.4.1 Authorizations proposed to the Combined General Meeting of June 15, 2022 (1)

Type of authorization	Securities/transactions concerned	Term of authorization and expiry date	Upper limit on the use of the authorization *(in € and/or as a percentage)*	Use in 2023
Share issues				
	Issuances with preferential subscription rights (PSR)* Issuance of all types of securities ***Except during a public offer period*** (Resolution 17)	26 months August 15, 2024	€1,049,587,899 (par value), representing **approximately 30% of the share capital** as of the date of the General Meeting (counting towards the overall maximum par value amount of €1,049,587,899, hereinafter the "overall cap")	None
	Issuances with no preferential subscription rights (PSR)* Issuance of all types of securities by public offer – mandatory priority subscription period ***Except during a public offer period*** (Resolution 18)	26 months August 15, 2024	€349,862,633 (par value) representing **approximately 10% of the share capital** as of the date of the General Meeting(counting towards the overall cap)	None
	Issuances with no preferential subscription rights (PSR)* Issuance of all types of securities, by way of private placement ***Except during a public offer period*** (Resolution 19)	26 months August 15, 2024	€349,862,633 (par value) representing **approximately 10% of the share capital** as of the date of the General Meeting (counting towards the par value upper limit of €349,862,633 for share capital increases without PSR and towards the overall cap)	None
	Issuances of securities as payment for contributions in kind* ***Except during a public offer period*** (Resolution 20)	26 months August 15, 2024	€349,862,633 (par value) representing **approximately 10% of the share capital** as of the date of the General Meeting (counting towards the overall maximum par value amount of €349,862,633 for capital increases with no PSR and the overall cap)	None
	Increase in the number of securities in the event of share capital increases with or without preferential subscription rights (green shoe option)* ***Except during a public offer period*** (Resolution 21)	26 months August 15, 2024	**Extension by no more than 15% of the share capital** increase performed with or without PSR (additional issue counting towards the upper limit of the relevant resolution with or without PSR and towards the overall cap, and where applicable, towards the par value upper limit of €349,862,633 for share capital increases without PSR)	None
	Increase of capital through the incorporation of premiums, reserves, profits or other* ***Except during a public offer period*** (Resolution 22)	26 months August 15, 2024	€400 million (par value) representing **approximately 11.4% of the share capital** as of the date of the General Meeting (counting towards the overall cap)	None
Share capital reduction by cancellation of shares				
	Cancellation of treasury shares (Resolution 26)	26 months August 15, 2024	**10% of the share capital** within any 24-month period	None

(1) Only authorizations still in effect at the date of this Universal Registration Document are listed.

* *The total par value amount of share capital increases that may be carried out pursuant to this resolution will count towards the overall cap of €1,049,587,899 set forth in the 17th resolution presented to the Combined General Meeting of June 15, 2022.*

** *Share capital increase reserved for (i) employees and corporate officers of affiliated companies as provided under Article L. 225-180 of the French Commercial Code and Articles L. 3341-1 and L. 3344-2 of the French Labor Code and/or (ii) share ownership funds (UCITS or similar) invested in the Company's shares and whose share capital is held by the employees and corporate officers referred to in (i), and/or (iii) any financial institution (or subsidiary of such an institution) acting at the request of Veolia Environnement to set up a structured offering of shares to employees and corporate officers of affiliated companies having their registered office in countries where, for regulatory reasons or otherwise, employees may not participate in the usual employee shareholding mechanisms (issues reserved for employees who are members of savings plans).*

7.1.4.2 Authorizations proposed to the Combined General Meeting of April 27, 2023 [(1)]

Type of authorization	Securities/transactions concerned	Term of authorization and expiry date	Upper limit on the use of the authorization *(in € and/or as a percentage)*	Use in 2023
Share repurchases				
	Share repurchase program *Except during a public offering period* (Resolution 18)	18 months October 27, 2024	**€36 per share, up to a limit of 71,457,436 shares and €1 billion**; the Company may not hold more than 10% of its share capital	**Treasury shares** As of December 31, 2023, the Company held 10,362,269 shares, valued on the basis of the closing price as of December 31, 2023 (€28.56) representing a a market value of €295,946,403. **Movements in the liquidity contract** 9,685,607 shares purchased and 11,942,508 shares sold. As of December 31, 2023, the Company held 162,970 shares under the current liquidity contract (see Section 7.1.3 above)
Share issues reserved for Group employees and executives				
	Issuances reserved for members of employee savings plans with cancellation of preferential subscription rights* Share capital increase by issuing shares or securities granting access to the Company's share capital (Resolution 19)	26 months June 27, 2025	**2% of the share capital** as of the date of the General Meeting (counting towards the overall cap)	Capital increase reserved for employees (employee saving plans): issue on December 13, 2023 of 8,713,564 new shares, i.e. **approximately 1.2% of the share capital** at that date
	Issuances reserved for employees with cancellation of preferential subscription rights*/** Share capital increase reserved for a category of beneficiaries (Resolution 20)	18 months October 27, 2024	**0.6% of the share capital** as of the date of the General Meeting (counting towards the overall cap)	Capital increase reserved fro employees (employee saving plans): issue on December 13, 2023 of 1,314, 228 new shares, i.e. **approximately 0.2% of the share capital** at that date
	Authorization granted to the Board of Directors to grant free shares, existing or to be issued, to employees of the Group and corporate officers of the Company, with waiver by shareholders of their preferential subscription rights (Resolution 21)	26 months June 27, 2025	**0.35% of the share capital** as of the date of the General Meeting	At its meeting of May 3, 2023, the Board of Directors decided to grant, 1,030,848 performance shares to approximately 550 beneficiaries, i.e. **approximately 0.2% of the share capital** at that date.

(1) Only authorizations still in effect at the date of this Universal Registration Document are listed.

* *The total par value amount of share capital increases that may be carried out pursuant to this resolution will count towards the overall cap of €1,049,587,899 set forth in the 17th resolution adopted by the Combined General Meeting of June 15, 2022.*

** *Share capital increase reserved for (i) employees and corporate officers of affiliated companies as provided under Article L. 225-180 of the French Commercial Code and Articles L.3341-1 and L.3344-2 of the French Labor Code and/or (ii) share ownership funds (UCITS or similar) invested in the Company's shares and whose share capital is held by the employees and corporate officers referred to in (i), and/or (iii) any credit institution (or subsidiary of such an institution) acting at the request of Veolia Environnement to set up a structured offering of shares to employees and corporate officers of affiliated companies having their registered office in countries where, for regulatory reasons or otherwise, employees may not participate in the usual employee shareholding mechanisms (issues reserved for employees who are members of savings plans).*

7.1.4.3 Authorization submitted to the combined general meeting of April 25, 2024

Type of authorization	Securities/transactions concerned	Term of authorization and expiry date	Upper limit on the use of the authorization *(in € and/or as a percentage)*
Share repurchases			
	Share repurchase program ***Except during a public offer period*** (Resolution 16)	18 months October 25, 2025	**€40 per share, up to a limit of 72,541,667 shares and €1 billion;** the Company may not hold more than 10% of its share capital
Share issues			
	Issuances with preferential subscription rights (PSR)* Issuance of all types of securities **Except during a public offering period** (Resolution 17)	26 months June 25, 2026	**30% of the share capital** as of the date of the General Meeting, *i.e.* €1,088,117,500 (par value)(counting towards the overall maximum par value amount of €1,088,117,500, hereinafter the overall cap)
	Issuances with no preferential subscription rights (PSR)* Issuance of all types of securities by public offer – mandatory priority subscription period **Except during a public offering period** (Resolution 18)	26 months June 25, 2026	**10% of the share capital** as of the date of the General Meeting, *i.e.* €362,705,833 (par value)(counting towards the overall cap)
	Issuances with no preferential subscription rights (PSR)* Issuance of all types of securities, by way of private placement **Except during a public offering period** (Resolution 19)	26 months June 25, 2026	**10% of the share capital** as of the date of the General Meeting, *i.e.* €362,705,833 (par value)(counting towards the par value upper limit of €362,705,833 for share capital increases without PSR and towards the overall cap)
	Issuances of securities as payment for contributions in kind* **Except during a public offering period** (Resolution 20)	26 months June 25, 2026	**10% of the share capital** as of the date of the General Meeting, *i.e.* €362,705,833 (par value)(counting towards the par value upper limit of €362,705,833 for share capital increases without PSR and towards the overall cap)
	Increase in the number of securities in the event of share capital increases with or without preferential subscription rights (green shoe option)* **Except during a public offering period** (Resolution 21)	26 months June 25, 2026	**Extension by no more than 15%** of the share capital increase performed with or without PSR (additional issue counting towards the upper limit of the relevant resolution with or without PSR and towards the overall cap, and where applicable, towards the par value upper limit of €362,705,833 for share capital increases without PSR)
	Increase of capital through the incorporation of premiums, reserves, earnings or other* ***Except during a public offering period*** (Resolution 22)	26 months June 25, 2026	€400 million (par value) representing **approximately 11% of the share capital** as of the date of the General Meeting (counting towards the overall cap)
Share issues reserved for Group employees and executives			
	Issuances reserved for members of employee saving plans with cancellation of preferential subscription rights* Share capital increase by issuing shares or securities granting access to the Company's share capital (Resolution 23)	26 months June 25, 2026	**2% of the share capital** as of the date of the General Meeting (counting towards the overall cap)
	Issuances reserved for employees with cancellation of preferential subscription rights*/** Share capital increase reserved for a category of beneficiaries (Resolution 24)	18 months October 25, 2025	**0.6% of the share capital** as of the date of the General Meeting (counting towards the overall cap)
	Authorization to the Board of Directors to grant free shares, existing or to be issued, to employees of the Group and corporate officers of the Company, subject to performance conditions, with waiver by shareholders of their preferential subscription rights (Resolution 25)	26 months June 25, 2026	**0.35% of the share capital** as of the date of the General Meeting
Share capital reduction by cancellation of shares			
	Cancellation of treasury shares (Resolution 26)	26 months June 25, 2026	10% of the share capital within any 24-month period

* *The total par value amount of share capital increases that may be carried out pursuant to this resolution will count towards the overall cap of 30% of the share capital on the day of the Shareholders' Meeting, i.e. €1,088,117,500 (nominal), set forth in the 17th resolution of the Combined General Meeting of April 25, 2024.*

** *Share capital increase reserved for (i) employees and corporate officers of affiliated companies as provided under Article L.225-180 of the French Commercial Code and Articles L. 3341-1 and L. 3344-2 of the French Labor Code and/or (ii) share ownership funds (UCITS or similar) invested in the Company's shares and whose share capital is held by the employees and corporate officers referred to in (i), and/or (iii) any credit institution (or subsidiary of such an institution) acting at the request of Veolia Environnement to set up a structured offering of shares to employees and corporate officers of affiliated companies having their registered office in countries where, for regulatory reasons or otherwise, employees may not participate in the usual employee shareholding mechanisms (issues reserved for employees who are members of savings plans).*

7.1.5 OTHER SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

Potential dilutive effect of bonds convertible into and/or exchangeable for new and/or existing shares

See Section 7.1.7 below.

Potential dilutive effect of performance shares

In accordance with the Group's compensation policy and the authorization granted by the Company's Extraordinary General Meeting of April 22, 2021, the Board of Directors decided on May 4, 2021, at the recommendation of the Compensation Committee, to grant 937,182 performance shares, representing approximately 0.20% of the share capital at that date, to around 450 beneficiaries.

In addition, pursuant to the authorization granted by the Company's Extraordinary General Meeting of June 15, 2022, the Board of Directors decided on June 15, 2022, at the recommendation of the Compensation Committee, to grant 145,200 free shares, representing approximately 0.02% of the share capital at this date, to certain employees of the Group to reward their exceptional contribution to the acquisition of the Suez group, finalized at the beginning of 2022.

In addition, pursuant to the aforementioned authorization granted by the Company's Extraordinary General Meeting of June 15, 2022, the Board of Directors decided on August 2, 2022, at the recommendation of the Compensation Committee, to grant 1,461,971 performance shares, representing approximately 0.21% of the share capital at this date, to a group of around 550 beneficiaries, including former Suez employees.

Finally, pursuant to the authorization granted by the Company's Extraordinary General Meeting of April 27, 2023, the Board of Directors decided on May 3, 2023, at the recommendation of the Compensation Committee, to grant 1,006,109 performance shares, representing approximately 0.14% of the share capital at this date, to around 510 beneficiaries.

The scheduled issue date is May 2024 for the 2021 performance shares, June 2025 for the 2022 free shares, August 2025 for the 2022 performance shares and May 2026 for the 2023 performance shares. If all these shares were issued, this would represent a dilution of 0.49%, based on 725,411,667 shares outstanding as of December 31, 2023.

See Chapter 3, Section 3.4.3.1 above.

7.1.6 CHANGES IN SHARE CAPITAL OVER THE PAST FIVE FISCAL YEARS

The table below shows the changes in the Veolia Environnement share capital since the start of fiscal year 2019:

Meeting date	Transaction	Transaction date	Number of shares issued	Par value of the shares *(in euros)*	Par value amount of the hare capital increase *(in euros)*	Additional paid-in capital *(in euros)*	Total share capital *(in euros)*	Total number of shares
18/04/2019	Share capital increase reserved for employees (Group savings plan)	11/15/2019 (recorded by the Chairman and Chief Executive Officer)	1,440,918	5	7,204,590	17,925,020	2,836,332,695	567,266,539
22/04/2020	Share capital increase reserved for employees (Group savings plan)	12/17/2020 (recorded by the Chairman and Chief Executive Officer)	11,344,823	5	56,724,115	100,855,476	2,893,056,810	578,611,362
19/04/2018	Share capital increase following the vesting of 700 free shares to executives and high potential employees of the Group	05/03/2021 (recorded by the Chairman and Chief Executive Officer)	971,827	5	4,859,135	-	2,897,915,945	579,583,189
22/04/2021	Share capital increase with preferential subscription rights in the context of the financing of the Public Tender Offer by the Company for Suez shares	10/08/2021 (recorded by the Chairman and Chief Executive Officer)	110,396,796	5	551,983,980	1,954,023,289	3,449,829,925	689,979,985
22/04/2021	Share capital increase reserved for employees (Group savings plan)	12/08/2021 (recorded by the Chairman and Chief Executive Officer)	9,745,281	5	48,726,405	167,618,833	3,498,626,330	699,725,266
4/18/2019	Share capital increase following the vesting of free shares to 380 employees	05/02/2022 (recorded by the Chairman and Chief Executive Officer)	846,450	5	4,232,250	-	3,502,858,580	700,571,716
6/15/2022	Share capital increase reserved for employees (Group savings plan)	12/14/2022 (recorded by the Chief Executive Officer)	14,002,651	5	70,013,255	173,632,872.40	3,572,871,835	714,574,367
04/22/2020	Share capital increase following the vesting of free shares to 450 employees	05/09/2023 (recorded by the Chief Executive Officer)	809,508	5	4,047,540.00	-	3,576,919,375	715,383,875
04/27/2023	Share capital increase reserved for employees (Group savings plan)	12/13/2023 (recorded by the Chief Executive Officer)	10,027,792	5	50,138,960.00	171,776,076.96	3,627,058,335	725,411,667

7.1.7 NON-EQUITY SECURITIES

EMTN program

In June 2001, a Euro Medium Term Note (EMTN) program was set-up for a maximum amount of €4 billion. This maximum amount was raised to €16 billion on July 13, 2009, and then to €18 billion on October 28, 2022.

The main outstanding bond issues performed under the EMTN program as of December 31, 2023 are as follows:

Issue date	Currency	Nominal issue amount (in millions of currency units)	Additional drawdowns/partial repurchases	Nominal amount outstanding as of December 31, 2023 (in millions of currency units)	Interest rate	Maturity
November 25, 2003	EUR	700		700	6.125 %	November 25, 2033
January 7, 2008	GBP	150				
October 19, 2022	GBP		-35			
October 24, 2022	GBP		-3	112	6.125 %	October 29, 2037
March 30, 2012	EUR	750		750	4.625 %	March 30, 2027
April 9, 2015	EUR	500		500	1.590 %	January 10, 2028
October 4, 2016	EUR	500		500	0.927 %	January 4, 2029
March 30, 2017	EUR	650		650	1.496 %	November 30, 2026
December 5, 2018	EUR	750		750	1.940 %	January 7, 2030
January 14, 2019	EUR	750		750	0.892 %	January 14, 2024
January 15, 2020	EUR	500		500	0.664 %	January 15, 2031
April 15, 2020	EUR	700		700	1.250 %	April 15, 2028
June 15, 2020	EUR	500		500	0.800 %	January 15, 2032
January 14, 2021	EUR	700		700	0.000 %	January 14, 2027
July 22, 2009	EUR	461		461	5.500 %	July 22, 2024
April 3, 2017	EUR	500		500	1.000 %	April 3, 2025
September 10, 2015	EUR	500		500	1.750 %	September 10, 2025
March 9, 2021	EUR	750		750	0.000 %	June 9, 2026
April 2, 2020	EUR	850		850	1.250 %	April 2, 2027
June 8, 2009	EUR	250		250	1.904 %	June 8, 2027
May 19, 2016	EUR	500				
April 16, 2020	EUR		300	800	1.250 %	May 19, 2028
April 3, 2017	EUR	700		700	1.500 %	April 3, 2029
May 21, 2014	EUR	75		75	2.000 %	May 21, 2029
November 22, 2023	EUR	600		600	5.993 %	February 22, 2029
June 30, 2015	EUR	50		50	2.250 %	July 1, 2030
September 17, 2018	EUR	500		500	1.625 %	September 17, 2030
December 2, 2011	GBP	250		250	5.375 %	December 2, 2030
October 14, 2019	EUR	700		700	0.500 %	October 14, 2031
September 21, 2017	EUR	540		540	1.625 %	September 21, 2032
March 25, 2013	EUR	100		100	3.385 %	March 25, 2033
May 14, 2020	EUR	750		750	1.250 %	May 14, 2035

As of December 31, 2023, the total nominal outstanding amount of the EMTN program was €14,332 million, maturing in more than one year.

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

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

As of December 31, 2023, the total nominal outstanding amount was approximately €700 million, maturing in more than one year.

Public issue on the US market

On November 23, 2022, Veolia performed a second partial redemption in the amount of US$111.2 million of the US$400 million bond line paying interest at 6.75% and maturing in June 2038, issued in 2008 on the American market.

As of December 31, 2023, the total nominal outstanding amount was US$188.8 million (€171 million euro-equivalent), maturing in more than one year.

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

On March 2, 2023, Veolia Environnement filed a base prospectus for a two-year issue program for debt financing instruments with the National Association of Financial Market Institutional Investors (NAFMII).

The two bond issues of a total amount of CNY1.5 billion issued by Veolia Environnement on June 24, 2020 by private placement with Chinese and international investors matured on June 24, 2023. Similarly, the two bond issues of a total amount of CNY1.5 billion issued on December 16, 2020 matured on December 16, 2023.

As of December 31, 2023, there were therefore no longer any bond issues on the domestic Chinese market.

Issue of deeply-subordinated securities

On November 22, 2023, Veolia performed a new €600 million issue of deeply-subordinated securities bearing a coupon of 6% until the first reset date in February 2029.

Commercial paper

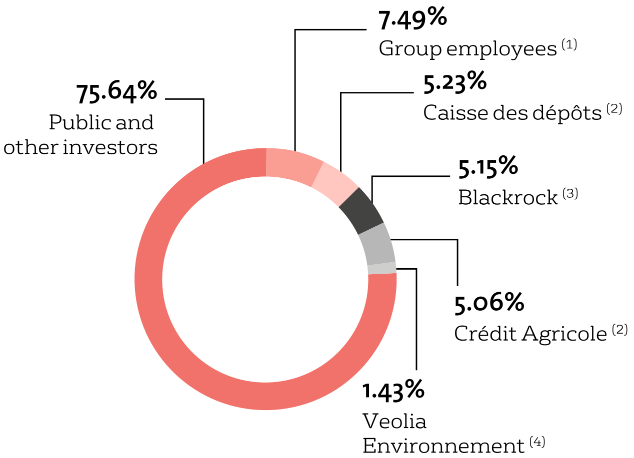
Veolia Environnement has a short-term financing program comprising Negotiable European Commercial Paper (NEU CP) capped at €6 billion. The financial documentation for this program was updated with the Bank of France on June 9, 2023.

As of December 31, 2023, the total outstanding amount of negotiable commercial paper issued by the Company was €4,668 million.

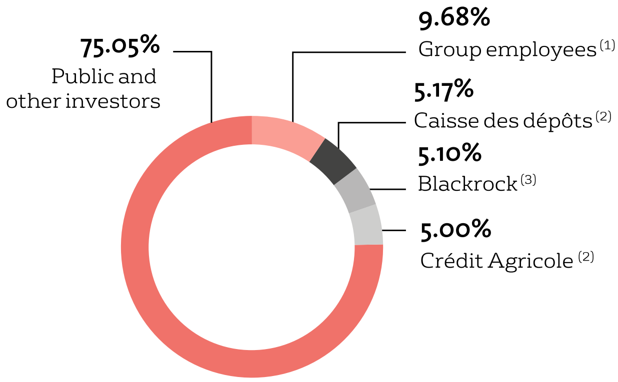
7.2 Veolia Environnement shareholders

7.2.1 BREAKDOWN OF SHAREHOLDERS AS OF DECEMBER 31, 2023

Breakdown of shareholders (number of shares)



Breakdown of shareholders (voting rights available for exercise)



(1) Direct and indirect shareholdings, including through financial investment vehicles. In accordance with the provisions of Article L.225-102 of the French Commercial Code, employee share ownership stood at 7.49% of the share capital and 9.68% of voting rights as of December 31, 2023.
(2) According to the company share ownership review as of December 31, 2023.
(3) According to the notification by BlackRock that it had crossed a legal threshold on December 27, 2023 (AMF Decisions and Information no.223C2137 of December 28, 2023).
(4) Treasury shares without voting rights.

7.2.2 CHANGES IN THE COMPANY'S PRINCIPAL SHAREHOLDERS DURING THE PAST THREE FISCAL YEARS

The table below presents the number of shares and the corresponding percentage of share capital and voting rights held as of December 31, 2023 by Veolia Environnement's principal known shareholders, and changes in the Company's principal shareholders (holding more than 4% of the Company's share capital, directly or indirectly), during the past three years.

A double voting right was introduced on April 3, 2016 for shares held in registered form by the same shareholder for at least two years, in accordance with the Florange law of March 29, 2014 (see Chapter 8, Section 8.1.4, below).

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

Shareholder	Position as of December 31, 2023					Position as of December 31, 2022					Position as of December 31, 2021		
	Number of shares	% of share capital	Theoretical number of voting rights	Number of voting rights that may be exercised*	% of voting rights that may be exercised**	Number of shares	% of share capital	Theoretical number of voting rights	Number of voting rights that may be exercised*	% of voting rights that may be exercised**	Number of shares	% of share capital	% of voting rights that may be exercised**
Employees [(1)]	54,336,482	7.49 %	70,989,945	70,989,945	9.68 %	46,267,094	6.47 %	65,188,057	65,188,057	9.06 %	32,693,820	4.67 %	5.58 %
Caisse des Dépôts [(2)]	37,928,214	5.23 %	37,928,214	37,928,214	5.17 %	45,130,866	6.31 %	45,130,866	45,130,866	6.27 %	42,278,706	6.04 %	9.40 %
BlackRock [(3)]	37,350,887	5.15 %	37,350,887	37,350,887	5.10 %	34,995,230	4.90 %	34,995,230	34,995,230	4.86 %	40,072,824	5.73 %	5.51 %
Crédit Agricole [(4)]	36,681,765	5.06 %	36,681,765	36,681,765	5.00 %	40,220,035	5.63 %	43,697,035	43,697,035	6.07 %	-	-	-
Veolia Environnement [(5)]	10,362,269	1.43 %	10,362,269	-	-	12,619,170	1.77 %	12,619,170	-	-	12,396,872	1.77 %	-
Public and other investors	548,752,050	75.64 %	550,109,561	550,109,561	75.05 %	535,341,972	74.92 %	530,760,977	530,760,977	73.74 %	572,283,044	81.79 %	79.51 %
TOTAL	725,411,667	100.00 %	743,422,641	733,060,372	100.00 %	714,574,367	100.00 %	732,391,335	719,772,165	100.00 %	699,725,266	100.00 %	100.00 %

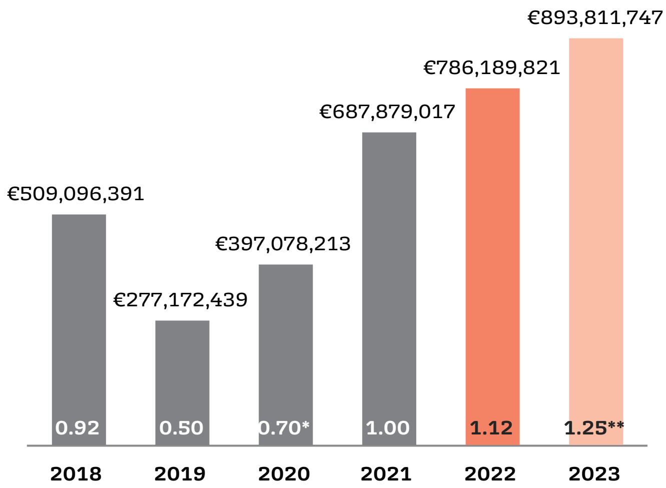
** As of December 31, 2023, Veolia Environnement held 10,362,269 treasury shares (Veolia Environnement treasury shares do not exercise voting rights).*
*** Percentage of voting rights as a proportion of effective voting rights (Veolia Environnement treasury shares do not exercise voting rights).*
(1) Direct and indirect shareholdings, including through financial investment vehicles.
(2) According to the company share ownership review as of December 31, 2023. On February 28, 2024, Caisse des dépôts et consignations declared that on February 26, 2024 the Caisse des Dépôts group had crossed below the legal and bylaws threshold of 5% of the Company's voting rights and on February 27, 2024 the legal and bylaws threshold of 5% of the Company's share capital and held, directly and indirectly, through the companies CNP Assurances and LBP Prévoyance, 36,085,906 shares representing the same number of voting rights, that is 4.97% of the share capital and 4.92% of voting rights of the Company at this date (see AMF Decision and Information no. 224C0325).
(3) According to the notification on December 27, 2023 by BlackRock that it had crossed above the legal threshold of 5% of share capital and/or voting rights (see AMF Decisions and Information no. 223C2137). To the Company's knowledge, during the year ended December 31, 2023, BlackRock filed several notifications that it had crossed, upwards or downwards, the legal 5% share capital and/or voting rights thresholds (see AMF Decisions and Information no. 223C0008, no. 223C0015, no. 223C2102, no. 223C2122, no. 223C2125 and no. 223C2137). Between January 1, 2024 and March 20, 2024, BlackRock filed several notifications that it had crossed, upwards or downwards, the legal threshold of 5% of the share capital and/or voting rights (see AMF Decisions and Information no. 224C0127, no. 224C0138, no. 224C0145 and no. 224C0149). At the date of the most recent notification on January 26, 2024, BlackRock held, directly and indirectly, 37,641,958 shares representing the same number of voting rights, that is 5.19% of the share capital and 5.13% of the voting rights of Veolia Environnement.
(4) According to the company share ownership review as of December 31, 2023.
(5) Treasury shares without voting rights. This information is included in the monthly report of transactions carried out by Veolia Environnement in its own shares that was filed with the French Financial Markets Authority (AMF) on January 3, 2024.

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

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

7.3 Dividend policy

7.3.1 DIVIDEND PER SHARE AND TOTAL AMOUNTS PAID DURING THE PAST FIVE FISCAL YEARS



A dividend payment of €1.12 per share for each of the Company's outstanding shares carrying dividend rights as of January 1, 2023 was approved by the Combined General Meeting of April 27, 2023. The ex-dividend date was set at May 9, 2023 and the dividend was paid from May 11, 2023. As of December 31, 2022, the share capital comprised 714,571,367 shares, including 12,619,170 treasury shares. The total dividend distribution was adjusted to take account of the number of treasury shares held by Veolia Environnement at the payment date, as treasury shares are stripped of dividend rights.

A dividend of €1.25 per share for 2023, payable in cash, will be proposed to the General Shareholders' Meeting of April 25, 2024. The ex-dividend date has been set at May 8, 2024 and the 2023 dividend will be paid from May 10, 2024.

For individual shareholders who are French tax residents, a mandatory flat-rate levy of 12.8% will be deducted as payment on account for income tax due in 2024 on 2023 income. This levy will however not be applied to taxpayers whose reference taxable income for the year before last is less than €50,000 for a single person or €75,000 for couples, if they request exemption in advance.

Social security contributions on dividends paid to private individual shareholders tax resident in France are subject to withholding tax deducted by the paying agent at a rate of 17.2%.

The definitive tax liability for dividends paid by Veolia Environnement will be determined based on information reported in the income tax return filed by the taxpayer in the year following receipt of the dividends.

Whether paid in cash or shares, dividends[1] are liable to a flat-rate tax of 12.8% (giving a total tax rate of 30% including social security contributions). Social security contributions are not deductible from income tax.

A taxpayer may make a global election to include dividends in income taxable at the progressive income tax scale. They will therefore be taxed after a 40% deduction. Under this option, social security contributions are deductible from taxable income in the amount of 6.8%.

For beneficiaries who are not tax residents in France, dividends are subject to withholding tax at a rate dependent on the country of tax residence.

7.3.2 DIVIDEND POLICY

The Company's dividend policy is determined by the Board of Directors which may consider a number of factors, such as net income and financial position, as well as the dividends paid by the Company's other French and international companies in the same sector.

7.3.3 PERIOD DURING WHICH DIVIDEND PAYMENTS MUST BE CLAIMED

Dividends that are not claimed within five years from the date on which they are made available for payment revert to the French government.

[1] *The dividend is eligible for a 40% tax rebate.*

* *The Board of Directors, during its extraordinary meeting of April 1, 2020, given the circumstances related to the Covid-19 epidemic and to protect the interests of all the Group's stakeholders in a spirit of solidarity, decided to set the dividend for fiscal year 2019 at €0.50 instead of €1.*

** *Subject to approval of the General Shareholders' Meeting of April 25, 2024. The total dividend is calculated based on 725,411,667 shares outstanding as of December 31, 2023, less 10,362,269 treasury shares held as of this date, i.e.715,049,398 shares, and may change depending on movements in the number of shares conferring entitlement to dividends up to the ex-dividend date.*

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8

ADDITIONAL INFORMATION

Information from the Annual Financial Report is clearly identified in the table of contents by the pictogram AFR

8.1 Main provisions pursuant to the law and the Articles of Association concerning Veolia Environnement

8.1.1 CORPORATE NAME, REGISTERED OFFICE, ADMINISTRATIVE HEADQUARTERS, WEBSITE, LEGAL FORM, APPLICABLE LAW, FISCAL YEAR, DATE OF INCORPORATION AND TERM, TRADE AND COMPANIES REGISTRY, LEGAL ENTITY IDENTIFIER AND CORPORATE PURPOSE

Corporate name	Veolia Environnement since April 30, 2003		
Abbreviated corporate name	VE		
Registered office	21, rue La Boétie – 75008 Paris – France		
Administrative headquarters	30, rue Madeleine Vionnet – 93300 Aubervilliers – France		
Website	www.veolia.com [1]	**Telephone**	+33 (0) 1 85 57 70 00

Legal form	*Société anonyme à conseil d'administration* (public limited company with a Board of Directors)
Applicable law	French law
Corporate purpose	Pursuant to Article 3 of the Company's Articles of Association, Veolia Environnement's corporate purpose, directly and indirectly, in France and in all other countries, involves: • conducting all service activities, for private, professional and public customers, that are related to the environment, in particular, water, wastewater, energy, transportation and waste management…; • the acquisition, use and exploitation of all patents, licenses, trademarks, models that are directly or indirectly related to corporate activities; • the acquisition of all equity investments, in the form of subscriptions, purchases, contributions, exchanges or by any other means, and the acquisition of shares, bonds and all other securities in existing or future enterprises, groupings or companies, and the option of disposing of such interests; • in general, all commercial, industrial, financial or non-trading transactions, whether in personal or real property, that are directly or indirectly related to the aforementioned corporate purpose, and, in particular, the issue of all guarantees, first-demand guarantees, sureties and other security interests, in particular for the benefit of all groupings, enterprises or companies in which the Company holds an equity investment within the scope of its business activities, as well as the financing or refinancing of its business activities.
Fiscal year	From January 1 to December 31 of each year

Date of incorporation	November 24, 1995
Term	99 years
Statutory end date	December 18, 2094

Registration	403 210 032 RCS Paris
APE Code	7010Z
LEI – Legal Entity Identifier	969500LENY69X51 OOT31

(1) *The information on the website is not part of this Universal Registration Document.*

8.1.2 APPROPRIATION OF NET INCOME UNDER THE ARTICLES OF ASSOCIATION

Each share grants entitlement to an amount of the profit in proportion to the percentage of the capital that such share represents.

The distributable earnings are made up of the net income for the fiscal year, minus any accumulated losses and the various deductions provided for by law, plus any retained earnings.

The General Shareholders' Meeting may decide to distribute amounts drawn from the reserves of which it may freely dispose, by expressly stating the reserve items from which the amounts are drawn.

After approving the financial statements and recording the existence of amounts that are eligible for distribution (including the distributable earnings and, if any, the amounts drawn from reserves referred to above), the General Shareholders' Meeting may decide to distribute all or part of such amounts to the shareholders as dividends, to allocate them to reserve items, or to carry them forward.

The General Shareholders' Meeting has the option of granting shareholders, for all or part of the dividends paid out or interim dividends, an option of payment in cash or payment in shares under the conditions laid down by the law. Furthermore, the General Shareholders' Meeting may decide, for all or part of the dividend, interim dividends, distributed reserves or premiums, or for any capital reduction, that such distribution or such capital reduction will be carried out in kind by delivery of Company assets.

The Board of Directors has the option of distributing interim dividends prior to the approval of the annual financial statements pursuant to the terms and conditions provided for by law.

8.1.3 GENERAL SHAREHOLDERS' MEETINGS

8.1.3.1 Notice of meetings

General Shareholders' Meetings are convened and deliberate under the terms and conditions provided for by law. Meetings are held at the Company's registered office or at any other location stated in the notice.

Shareholders' decisions are made at ordinary, extraordinary, special or combined meetings, depending on the nature of the decisions that shareholders are called upon to make.

8.1.3.2 Participation in and attendance at Meetings

Conditions

All shareholders, regardless of the number of shares they hold, are entitled to attend meetings in accordance with the laws and regulations in force, either by attending them in person, by being represented at them, by voting pursuant to the ballot-by-mail process, (also known as "by mail"), or by giving a proxy to the Chairman of the meeting.

In accordance with Article R.22-10-28 of the French Commercial Code, the only shareholders permitted to attend meetings are those who can provide proof of their legal status through the recording of the securities in their name, or in the name of the intermediary registered as acting on their behalf, no later than the second business day prior to the meeting at midnight, Paris time (hereafter, D-2), either in registered securities accounts, or in bearer securities accounts held by their authorized intermediary.

For registered shareholders, this accounting recognition in the registered securities accounts on D-2 is sufficient for them to be able to attend.

For holders of bearer shares, it is the responsibility of the authorized intermediaries that hold the bearer securities accounts to provide proof of the legal status as shareholder of their clients to the clearing institution for the meeting appointed by Veolia Environnement, by providing a certificate of shareholding which they append to the ballot-by-mail voting form or proxy form or to the admission card request drawn up in the name of the shareholder or on behalf of shareholders represented by the registered intermediary.

Procedures

Shareholders wishing to attend the General Shareholders' Meeting in person must apply for an admission card:

- registered shareholders should apply directly to the clearing institution for the meeting appointed by Veolia Environnement (hereinafter "the clearing institution");
- holders of bearer shares should apply to their financial intermediary.

If a holder of bearer shares wishing to attend the meeting in person has not received their admission card by D-2, they must submit a request to their financial intermediary to issue them with a certificate of shareholding enabling them to provide evidence of their position as a shareholder as of D-2 in order to be admitted.

A notice of the meeting, including a ballot-by-mail voting, proxy or admission card request form, is automatically sent to all registered shareholders. Holders of bearer shares must contact the financial intermediary with whom their shares are recorded in order to obtain the ballot-by-mail voting, proxy or admission card request form.

Remote voting

Shareholders who are unable to attend the General Shareholders' Meeting in person may choose from one of the following options:

- give a written proxy to another shareholder, to their spouse or partner or any other natural or legal person of their choice;
- give a proxy to the Chairman of the meeting;
- vote by mail;
- vote electronically prior to the General Shareholders' Meeting.

Shareholders can access a dedicated voting website provided by the Company prior to meetings (Votaccess). This site allows each shareholder to access meeting documents, submit voting instructions electronically or request an admission card.

Remote and proxy votes can only be taken into account if the forms, duly completed and signed (and accompanied by the certificate of shareholding for bearer shares) are received by the clearing institution no later than the third business day prior to the meeting.

In accordance with the provisions of Article R.225-79 and R.22-10-24 of the French Commercial Code, notification of the appointment and dismissal of a proxy holder may also be made by electronic means.

Only notifications of appointment to or dismissal from positions duly signed, completed and received no later than two days before the date of the meeting may be taken into account.

In accordance with the provisions of Article R.22-10-28 of the French Commercial Code, any shareholder who has already voted by mail, or sent a proxy or an admission card request is no longer able to choose another method of participation in the meeting, but may, nonetheless, sell all or some of their shares. However, if the sale takes place before D-2, the Company will cancel or amend accordingly, as appropriate, the remote vote cast, the proxy, the admission card or the certificate of shareholding. To this end, the authorized intermediary holding the account notifies the Company or its proxy holder of the sale and provides it with the necessary information. No sale or any other transaction made after D-2, regardless of the method used, is notified by the authorized intermediary holding the account or taken into consideration by the Company, notwithstanding any agreement to the contrary. It is noted that if a shareholder does not name a proxy holder in a proxy form, the Chairman of the General Shareholders' Meeting shall register a vote in favor of adopting draft resolutions submitted or approved by the Board of Directors, and shall register a vote against the adoption of all other draft resolutions. In order to issue any other vote, the shareholder must choose a proxy holder who agrees to vote as directed by the shareholder.

Under the terms of Article 22, paragraph 4 of the Company's Articles of Association, the Board of Directors may decide that shareholders may attend the General Shareholders' Meeting via videoconference or by telecommunication or electronic means, including via the Internet, under the conditions provided for by the applicable regulations at the time of use. In this case, the shareholders concerned will be deemed to be present for the purposes of calculating quorum and majority at the meeting in question. This option has not yet been used by the Company as of the date of filing of this Universal Registration Document.

8.1.3.3 Main powers and quorum required for General Shareholders' Meetings

Ordinary General Meetings

The Ordinary General Meeting is called to make all decisions that do not amend the Articles of Association. It is held at least once a year, within six months of the end of each fiscal year, in order to approve the accounts for that fiscal year. It may only proceed, when it is convened for the first time, if the shareholders present, represented or having voted remotely hold at least one-fifth of the shares with voting rights. When it is convened for the second time, no quorum is required. The decisions of the Ordinary General Meeting are made by a simple majority of the votes of the shareholders present, represented or having voted remotely.

Extraordinary General Meetings

The Extraordinary General Meeting is the only meeting authorized to amend the provisions of the Articles of Association. It may not, however, increase the commitments of shareholders, with the exception of reverse stock splits, duly and properly carried out. It may only proceed, when it is convened for the first time, if the shareholders present, represented or having voted remotely hold at least one-quarter, and, when it is convened for the second time, one-fifth of the shares with voting rights. The decisions of the Extraordinary General Meeting are made by a majority of two-thirds of the votes of the shareholders present, represented or having voted remotely.

8.1.3.4 Shareholders' rights

Inclusion of points or draft resolutions on the agenda

Requests for the inclusion of points or draft resolutions on the agenda must reach 30, rue Madeleine Vionnet – 93300 Aubervilliers – France (Veolia Environnement, Office of the General Counsel) by registered letter with acknowledgement of receipt or by e-mail to: AGveolieaenvironnement.ve@veolia.com, no later than twenty-five days prior to the date of the meeting, and may not be sent more than 20 days after publication of the notice of the meeting in the "Bulletin des Annonces Légales et Obligatoires" (French Legal Gazette of Mandatory Legal Announcements).

The request for the inclusion of a point on the agenda must be justified. The request for the inclusion of draft resolutions must be accompanied by the text of the draft resolutions, which may include a brief explanatory statement. Such requests from shareholders must include a certificate providing proof of their legal status as shareholders, either in the registered securities accounts or in the bearer securities accounts held by a financial intermediary, as well as the percentage of share capital required by the regulations. Review of the point or draft resolution filed in line with the regulations is subject to the submission, by the authors of the request, of a new certificate evidencing the recording of the securities in the same accounts on D-2.

Written questions

In accordance with the provisions of Article R.225-84 of the French Commercial Code, any shareholder wishing to submit written questions must address them to the Chairman of the Board of Directors, 30, rue Madeleine Vionnet, 93300 Aubervilliers - France (Veolia Environnement, Office of the General Counsel) by registered letter with acknowledgment of receipt, no later than four business days prior to the meeting. Answers to written questions may be published directly on the Company's website (https://www.veolia.com/en/veolia-group/finance) in the "General Shareholders' Meetings" section.

Consultation of the documents made available

Documents and information relating to General Shareholders' Meetings are made available to shareholders in accordance with prevailing laws and regulations and, in particular, the information referred to in Article R.22-10-23 of the French Commercial Code is published on the Company's website: http://www.veolia.com/en/veolia-group/finance-area, in the "General Shareholders' Meetings" section, no later than twenty-one days prior to the meeting.

8.1.4 DOUBLE VOTING RIGHTS

The voting rights attached to shares are proportional to the percentage of share capital that such shares represent, and each share carries the right to cast one vote.

However, in accordance with the provisions of Articles L.225-123 and L.22-10-46 of the French Commercial Code, a double voting right[1] is granted to all fully paid-up shares registered in the name of the same shareholder for at least two years, as well as to new registered shares which would be granted without consideration to a shareholder in the event of a share capital increase by capitalization of reserves, profits or additional paid-up capital, in respect of shares enjoying this right.

In accordance with the provisions of Article L 225-124 of the French Commercial Code, double voting rights cease for all shares converted to bearer form or sold. Nonetheless, transfers as a result of succession, the liquidation of joint property between spouses or an inter vivos gift to a spouse or relative entitled to inherit, does not result in the loss of this right or interrupt the two-year vesting period. This also applies in the event of a transfer as a result of a merger or spin-off of a shareholder company.

The voting right attached to shares subject to beneficial ownership is exercised by the income beneficiary at Ordinary General Meetings and by the bare title owner at Extraordinary General Meetings.

8.1.5 IDENTIFICATION OF SHAREHOLDERS

When shares are fully paid up, they may be held in registered or bearer form, at the discretion of the shareholder, subject to provisions of the laws and regulations in force and the Company's Articles of Association. Until the shares are fully paid up, they must be held in registered form.

Company shares are registered in an account under the conditions and in accordance with the terms provided for by the laws and regulations in force. However, where the owner of the shares does not reside in France or French Overseas Territories, within the meaning of Article 102 of the French Civil Code, any intermediary may be registered on behalf of such owner, in accordance with the provisions of Article L.228-1 of the French Commercial Code.

Furthermore, the Company's Articles of Association provide that the Company may seek to identify all holders of securities that grant an immediate or deferred right to vote at its meetings, in accordance with the procedures set forth in Articles 228-2 *et seq.* of the French Commercial Code. Pursuant to these provisions, the Company reviews its share ownership four times per year on average.

Failure by the holders of securities or their intermediaries to comply with their data disclosure obligations set forth in Articles L.228-2 *et seq.* of the French Commercial Code results, pursuant to the conditions provided for by law, in the temporary loss of voting rights and, under certain circumstances, the suspension of the right to dividend payments attached to the shares.

8.1.6 CROSSING OF THRESHOLDS

In addition to the thresholds provided by the laws and regulations in force, the Company's Articles of Association provide that all individuals or legal entities, acting alone or in concert with others, that enter into possession of or that no longer hold, either directly or indirectly, a fraction of the share capital, voting rights or securities granting future access to the share capital equal to 1% or more of the Company's share capital, or any multiple thereof, must inform the Company, by registered letter with acknowledgment of receipt within a period of fifteen days from crossing this threshold, of his/her/its identity and any parties acting in concert with him/her/it, together with the total number of shares, voting rights, or securities granting future access to the share capital owned alone, either directly or indirectly, or in concert.

Failure to comply with the above provisions will be penalized by the loss of voting rights for the shares that exceed the threshold that should have been declared, for all General Shareholders' Meetings that are held until the expiry of a two-year period following the date on which the aforementioned notification is brought into compliance, if the application of this penalty is requested by one or more shareholders who together hold at least 1% of the Company's shares.

[1] *The Veolia Environnement Combined General Meeting of April 22, 2015 rejected resolution A (not approved by the Board of Directors) which sought to exclude the automatic acquisition of double voting rights introduced by the Florange law for all shares held in registered form for at least two years.*

8.1.7 BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Composition of the Board - Chairman and Vice-Chairman (Chairmen) of the Board: pursuant to Article 11 of the Articles of Association, the Board of Directors has a minimum of three and a maximum of 18 members, elected by General Shareholders' Meetings subject to exceptions provided by law. The Board of Directors elects a Chairman (see Section 3.2.1.5 above on the Chairman) and, where appropriate, one or two Vice-Chairmen (see Section 3.2.1.7 above on the Vice-Chairman), who must be individuals. The term of their duties cannot exceed their term of office as directors.

Employee representation: pursuant to the employment protection law of June 14, 2013, the Veolia Environnement Board of Directors includes two members representing employees, appointed in accordance with Article 11.2 of the Company's Articles of Association. In addition, the Board of Directors includes a member representing employee shareholders in accordance with Article 11.3 of the Company's Articles of Association.

Share ownership: Article 11.1 of the Articles of Association requires each member of the Board of Directors to own at least 750 registered shares in the Company throughout their term of office. This provision does not apply to employee shareholders and directors representing employees, appointed or designated in accordance with legislation (see Section 3.1.1.1 above).

Term of office - age limit applicable to directors and the Chairman: except for directors representing employees, members of the Board of Directors are appointed individually by Ordinary General Meetings for a period of four years, expiring at the end of the Ordinary General Meeting called to approve the financial statements for the year then ended and held in the year in which their term of office expires (see Section 3.2.1.2 above). Directors may be reappointed, it being noted that:

- at the end of each Annual General Meeting, the number of directors aged over 70 years of age may not exceed one-third of the total number of directors in office;
- Article 12 of the Articles of Association states that the Chairman's duties expire, at the latest, at the end of the Ordinary General Meeting called to approve the financial statements for the year then ended, held during the year in which the Chairman reaches 70 years of age.

Powers: the powers of the Board of Directors (see Article 15 of the Articles of Association) are detailed in Sections 3.2.1.4 and 3.3.2 above.

Executive Management: pursuant to Article 19 of the Articles of Association, the Company's Executive Management is assumed, under its responsibility, either by the Chairman of the Board of Directors or by another individual, who may or may not be a director, appointed by the Board of Directors and with the title of Chief Executive Officer. The decisions of the Board of Directors regarding the choice between these two methods of exercising Executive Management are made in accordance with the Articles of Association. Shareholders and third parties are informed of this choice in accordance with legal provisions (see Section 3.3.1 above).

The Chief Executive Officer has the widest powers to act in all circumstances in the Company's name, within the limits of the corporate purpose and subject to:

- powers expressly conferred on shareholders' meetings and the Board of Directors by prevailing legal and regulatory provisions; and
- powers reserved for and prior authorizations required from the Board of Directors in accordance with the internal regulations of the Board of Directors (see Section 3.3.2 above).

The duration of the Chief Executive Officer's duties and her compensation are set by the Board of Directors. Pursuant to Article 19 of the Articles of Association, the duties of Chief Executive Officer expire, at the latest, at the end of the Ordinary General Meeting called to approve the financial statements for the year then ended, held during the year in which the Chief Executive Officer reaches 70 years of age.

Deputy Chief Executive Officer: pursuant to Article 20 of the Articles of Association and at the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more individuals to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer. The maximum number of Deputy Chief Executive Officers is set at five.

In agreement with the Chief Executive Officer, the Board of Directors sets the scope and duration of the powers conferred on each Deputy Chief Executive Officer, who have the same powers as the Chief Executive Officer with regard to third parties. The age limit on the exercise of the duties of Deputy Chief Executive Officer is 70 years of age.

8.1.8 AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND CHANGES TO THE SHARE CAPITAL AND RIGHTS ATTACHED TO SHARES

All amendments to the Articles of Association and changes to the share capital or the voting rights attached to the securities that make up the share capital must comply with applicable law, since the Articles of Association do not contain any specific provisions relating thereto.

The text of the Company's Articles of Association is available and can be consulted on the Company's website (see Section 8.5 below).

8.2 Litigation and arbitration

The most significant legal proceedings involving the Company or its subsidiaries are described hereinafter. In addition, tax audits and disputes are described in chapter 6, section 6.1, note 11 of the consolidated financial statements.

The description of the most significant judicial, administrative or arbitral proceedings set forth in chapter 6, section 6.1, note 12 annexed to the consolidated financial statements is incorporated by reference within this chapter 8, section 8.2. The main updates concerning these disputes, which are set forth in note 14 and reflect significant changes that have occurred up to the registration date of this document, are also described in this chapter 8, section 8.2.

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

Consolidated reserves booked for all of the Group's disputes (see chapter 6, section 6.1, note 12 to the consolidated financial statements), including reserves for tax and labor law disputes, represent together a large number of disputes for amounts that are individually immaterial. These reserves include all probable losses relating to the various disputes that the Group encounters in conducting its business.

NORTH AMERICA

United States - Flint

See chapter 6, section 6.1, note 12 of the consolidated financial statements above.

United States – WASCO and Aqua Alliance

Several current and former indirect subsidiaries of Veolia Eau in the United States[2] are defendants in lawsuits in the United States, in which the plaintiffs seek recovery for personal injuries and other damages allegedly due to exposure to asbestos, silica and other potentially hazardous substances. With respect to the lawsuits against Veolia Eau's former subsidiaries, certain of Veolia Eau's current subsidiaries retain liability and in certain cases manage the defense of the lawsuits. In addition, in certain instances, the acquirers of the former subsidiaries benefit from indemnification obligations provided by Veolia Eau or the Company in respect of these lawsuits. These lawsuits typically allege that the plaintiffs' injuries resulted from the use of products manufactured or sold by Veolia Eau's current or former subsidiaries or their predecessors. There are generally numerous other defendants, in addition to Veolia Eau's current or former subsidiaries, which are accused of having contributed to the injuries alleged.

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

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

During the ten-year period ended December 31, 2023, the average annual costs that the Group has incurred with respect to these claims, including amounts paid to plaintiffs, legal fees and expenses, have been $982,698 after reimbursements by insurance companies.

8

CENTRAL AND EASTERN EUROPE

Lithuania

See chap*ter 6, section 6.1, note 12 of the consolidated financial statements above.*

ITALY AFRICA MIDDLE EAST

Veolia Propreté v. Italian Republic

See chapter 6, section 6.1, note 12 of the consolidated financial statements above.

WATER TECHNOLOGIES

VWT v. K+S Potash

See chapter 6, section 6.1, note 12 of the consolidated financial statements above.

VWT v. Antero

See chapter 6, section 6.1, note 12 of the consolidated financial statements above.

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

8.3 Change in control and major contracts AFR

In many countries, including France, local authorities can terminate contracts entered into with Group companies (see Chapter 2, Section 2.2.2.4 above).

The takeover of Veolia Environnement could also affect the validity of contracts entered into by Group companies that include a change in control clause.

8.4 Main financial flows between Veolia Environnement and the main subsidiaries of the geographic structure (Business Units)

The main financial flows between Veolia Environnement and the main subsidiaries of the geographic structure (Business Units) are disclosed in the notes to the Veolia Environnement financial statements set forth in Chapter 6, Section 6.2 above.

Veolia Environnement primarily finances its Business Units through loans and current accounts (net position of €7 billion as of December 31, 2023) and through equity. As a result, it received €908 million in interest and €281 million in dividends in 2023. The Company has set up a cash pooling system in the main countries in which it operates and uses hedging, mainly at Group level, in accordance with defined management rules (see Chapter 6, Section 6.1, Note 10 to the consolidated financial statements above).

The main operating flows between Veolia Environnement and the Business Units comprise amounts rebilled by Veolia Environnement to the Business Units totaling €674 million, primarily in respect of the provision of services and brand royalties and temporary out-placement of personnel. In addition, in connection with contractual commitments relating to the financial management of repair and maintenance work at facilities made available by delegating authorities, the Company received indemnities of €80 million in full and final settlement from Water France Business Unit subsidiaries and paid €96 million to Water France Business Unit subsidiaries in 2023.

As part of its operating activities, Veolia Environnement has granted financial and operating guarantees totaling €2,820 million as of December 31, 2023.

The table below details certain balance sheet line items (non-current assets, debt, net cash), net cash flows from operating activities and dividends paid in 2023 and attributable to the Company as of December 31, 2023, broken down between Veolia Environnement and its Business Units.

Impact on the consolidated financial statements *(€ million)*	France & special waste Europe	Europe excluding France	Rest of the World	Water technologies	Other	Veolia Environnement	Consolidated total
Non-current assets	6,132.7	15,556.5	18,508.2	4,275.9	(39.9)	231.2	44,664.6
Non-Group debt (1)	388.7	2,178.9	4,797.9	296.8	(123.7)	20,847.4	28,386.0
Net cash per the balance sheet (2)	346.0	(3,363.2)	(86.9)	(1,114.9)	(668.4)	13,204.4	8,317.0
Net cash flows from operating activities	655.2	2,232.1	1,524.5	543.4	-268.0	340.1	5,027.3
Impact on the financial statements of VE SA *(€ million)*							
Dividends paid during the period and attributable to Veolia Environnement	126.3	0,0	0,0	0.0	155.1		

(1) Non-current borrowings + current borrowings +/- fair value remeasurement of cash instruments.
(2) Cash and cash equivalents less bank overdrafts and other cash position items.

8.5 Documents available to the public

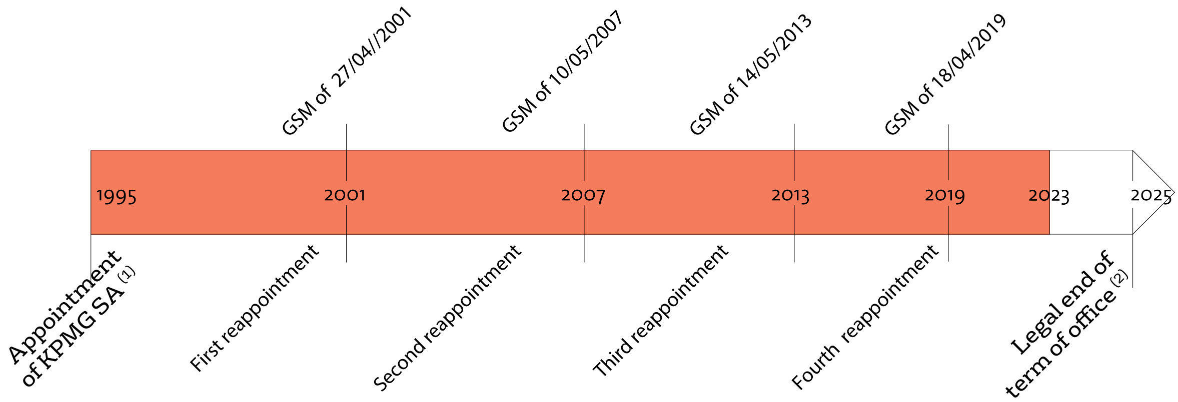
Type of document	Accessibility
• Company press releases	www.veolia.com/en/veolia-group/finance/regulated-information
• Annual Registration Documents and Universal Registration Documents (including notably historical financial information relating to the Company and the Group) filed with the AMF and any related updates	30, rue Madeleine Vionnet – 93300 Aubervilliers
• Information disclosed to the public by the Company during the preceding twelve months in France or other EU member states, pursuant to any securities regulations applicable to the Company	www.veolia.com/en/veolia-group/finance/regulated-information AMF website
• Regulated information published by the Company, pursuant to Article 221-1 et seq. of the AMF's general regulations	www.veolia.com/en/veolia-group/finance/regulated-information
• Company's Articles of Association	https://www.veolia.com/en/governance
• Minutes of General Shareholders' Meetings, Statutory Auditors' reports and all other corporate documents	30, rue Madeleine Vionnet – 93300 Aubervilliers

8.6 Persons responsible for auditing the financial statements

KPMG SA

Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre (Versailles and Center Regional Auditors' Association).

Represented by Mr. Éric Jacquet and Mr. Baudouin Griton.
2, avenue Gambetta Tour Eqho – 92066 Paris La Défense Cedex.

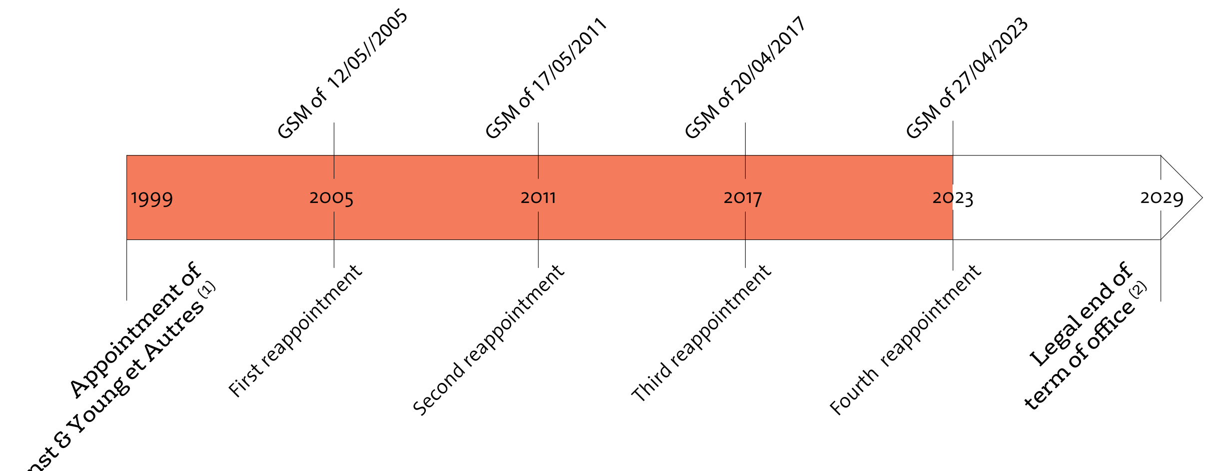


(1) KPMG SA was appointed by the Combined General Meeting of May 10, 2007 to replace Salustro Reydel (a member of KPMG International) which was appointed on December 18, 1995 and whose term of office was renewed by the General Shareholders' Meeting of April 27, 2001.
(2) Term of office expiring at the end of the General Shareholders' Meeting called to approve the financial statement for the year ending December 31, 2024.

ERNST & YOUNG ET AUTRES

Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre (Versailles and Center Regional Auditors' Association).

Represented by Mr. Jean-Yves Jégourel and Mr. Quentin Séné.
1-2, place des Saisons – Paris – La Défense 1 – 92400 Courbevoie.



(1) Formerly known as Barbier Frinault et Cie and then Barbier Frinault et Autres.
(2) Term of office expiring at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2028.

Following the call for tenders conducted in 2021 in accordance with prevailing regulations by the Group Finance Department, with the support of the Purchasing Department and in conjunction with the Group Legal Department, Compliance Department and Audit and Internal Control Department, the Board of Directors decided, at the recommendation of the Accounts and Audit Committee, among the options presented, to propose in particular the appointment of Deloitte & Associés to replace KPMG SA, whose term of office will expire in 2025 during the General Shareholders' Meeting called to approve the financial statements for the year ended December 31, 2024 and cannot be renewed as the maximum term of office defined by prevailing regulation has been reached.

8.7 Financial information included by reference

Pursuant to Commission Regulation (EU) no. 2017/1129, the following information is incorporated by reference in the Universal Registration Document:

- the operating and financial review, the consolidated financial statements and the parent company financial statements for fiscal year 2022 and the corresponding Statutory Auditors' reports, included in Chapter 5 and Chapter 6, Sections 6.1 and 6.2, respectively, of the Veolia Environnement Universal Registration Document for fiscal year 20212 filed with the AMF on March 22, 2023 under the number D.23-0131;
- the operating and financial review, the consolidated financial statements and the parent company financial statements for fiscal year 2021 and the corresponding Statutory Auditors' reports, included in Chapter 5 and Chapter 6, Sections 6.1 and 6.2, respectively, of the Veolia Environnement Universal Registration Document for fiscal year 2021, filed with the AMF on April 21, 2022 under the number D.22-0328.

8.8 Persons assuming responsibility for the Universal Registration Document and the Annual Financial Report

AFR

8.8.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

Mrs. Estelle Brachlianoff, Chief Executive Officer of Veolia Environnement.

8.8.2 STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE ANNUAL FINANCIAL REPORT

I hereby certify, that to the best of my knowledge, the information contained in this Universal Registration Document is true and fair and does not contain any omission likely to affect its import.

I hereby certify that, to the best of my knowledge, the financial statements have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and results of the Company and all consolidated companies, and that the management report contained in this document provides a fair review of the development and performance of the business, results and financial position of the Company and all consolidated companies, and describes the principal risks and uncertainties they face.

Aubervilliers,

March 21, 2024

Chief Executive Officer

Estelle Brachlianoff

8.9 Cross-reference tables

To facilitate the reading of this document, the following cross-reference tables identify:

- the main sections detailed in Annexes 1 and 2 of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019, supplementing the provisions of Commission Regulation (EU) 2017/1129 of June 14, 2017;
- the information comprising the annual financial report required by Article L.451-1-2 of the French Monetary and Financial Code and Article 222-3 of the general regulations of the French Financial Markets Authority (Autorité des Marchés Financiers);
- the information comprising the Board of Directors' management report, including notably the corporate governance report, provided for in the French Commercial Code.

8.9.1 UNIVERSAL REGISTRATION DOCUMENT

The following cross-reference table identifies the main sections detailed in Annexes 1 and 2 of Commission Delegated Regulation (EU) 2019/980 of March 14, 2019, supplementing Commission Regulation (EU) 2017/1129 of June 14, 2017, and refers to the pages of this Universal Registration Document where the information for each section can be found.

Heading in Annexes 1 and 2 of the Delegated Regulation of March 14, 2019		Chapters/sections
1	**Persons responsible, third party information, experts' reports and competent authority approval**	
1.1	Persons responsible for the information	8.8
1.2	Statement by those responsible for the information	8.8
1.3	Statement or expert report	N/A
1.4	Third-party confirmation	N/A
1.5	Statement without prior approval	page 1
2	**Persons responsible for auditing the financial statements**	8.6
3	**Risk factors**	intro of 2, 2.2 and 5.4.5
4	**Information about the issuer**	
4.1	Legal and commercial name	8.1.1
4.2	Place of registration, registration number and legal entity identifier (LEI)	8.1.1
4.3	Date of incorporation and length of life of the issuer	1.1.1 and 8.1.1
4.4	Domicile and legal form of the issuer, the legislation under which it operates, its country of incorporation, the address and telephone number of the registered office and the website	8.1.1
5	**Business overview**	
5.1	Main activities	1.1.3, 1.3.1 and 1.3.2
5.2	Main markets	1.3.3, 1.3.4 and 1.5
5.3	Important events in the development of the issuer's business	1.2, 5.1.1, 5.1.2, 5.1.3 and 6.1. 6 Note 3.2
5.4	Strategy and objectives	1.1, 1.2. 4.1 and 5.5.6
5.5	Extent to which the issuer is dependent on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes	1.5.3.1
5.6	Basis for any statements made by the issuer regarding its competitive position	1.3.4.2
5.7	Investments	
5.7.1	Material investments completed	5.3.2
5.7.2	Material investments in progress	5.1.3
5.7.3	Information relating to joint ventures and undertakings in which the issuer holds a portion of the capital	6.1.6 note 5.2.4
5.7.4	Environmental issues that may affect the issuer's utilization of property, plant and equipment	4.2
6	**Organizational structure**	
6.1	Brief description of the Group	1.5.1
6.2	List of issuer's significant subsidiaries	6.1.6 Note 15 and 6.2.5 Note 7.11

Heading in Annexes 1 and 2 of the Delegated Regulation of March 14, 2019		Chapters/sections
7	**Operating and financial review**	
7.1	Financial condition	
7.1.1	Development and performance of the businesses; Key performance and development indicators	Profile, 4.1, 5.1, 5.2.1, 5.2.2, 5.2.3, 5.4.1, 5.5 and 6.1.1 to 6.1.3
7.1.2	Likely future developments and activities in the field of research and development	1.4
7.2	Operating results	5.2.4.1, 5.2.4.4 and 6.1.6 Note 3.1.1 to 6.1.2
8	**Capital resources**	
8.1	Information on the issuer's capital resources	6.1.5 and 6.1.6 Note 9
8.2	Sources and amounts of cash flows	6.1.4, 6.1.6 Notes 5.3, 8.3.2 and 7.1.7, 8.4
8.3	Borrowing requirements and funding structure	5.3.1, 5.3.3, 5.3.4, 6.1.6 Notes 8.1 and 8.2
8.4	Restrictions on the use of capital resources that have materially affected the Group's operations	6.1.6 note 8.1.3
8.5	Anticipated sources of funds	N/A
9	**Regulatory environment**	1.6
10	**Trend information**	
10.1.a	Significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last fiscal year	1.3.2 and 5.5. 4
10.1.b	Description of any significant change in the financial performance of the Group	N/A
10.2	Known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects	1.2 and 5.4.6
11	**Profit forecasts or estimates**	
11.1	Profit forecasts or estimates	5.4.6
11.2	Statement setting out the principal assumptions underlying profit forecasts or estimates	5.4.6
11.3	Statement that profit forecasts or estimates are comparable with historical financial information and consistent with accounting policies	5.4.6
12	**Administrative, management and supervisory bodies and senior management**	
12.1	Information concerning members of the Board of Directors and Executive Management	3.1.1, 3.1.2 and 3.1.3
12.2	Administrative and management bodies and senior management conflicts of interests	3.1.3
13	**Compensation and benefits**	
13.1	Compensation paid and benefits in kind granted	3.4.1, 3.4.3 and 3.4.4
13.2	Total amounts set aside or accrued to provide for pension, retirement or similar benefits for corporate officers	6.1.6 Note 6.3 and 3.4.2
14	**Board practices**	
14.1	Date of expiration of current terms of office	3.1.1 and 3.1. 2
14.2	Service contracts between members of the administrative or management bodies and the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate statement to the effect that no such benefits exist	6.1.6 Note 13, 3.1.3 and 3.6
14.3	Information on the Audit and Compensation Committees	3.2.2.1 and 3.2.2.3
14.4	Statement regarding corporate governance	3.2.1.1
14.5	Potential material impacts on corporate governance	3.1.2, 3.2.1.2, 3.2.2
15	**Employees**	
15.1	Number of employees and breakdown by main category	Profile/Key figures and 4.4.2
15.2	Shareholdings and stock options held by corporate officers	3.1.1.2, 3.4.1.1.2, 3.4.3, 3.4.4 and 3.5.1
15.3	Arrangements providing for employee involvement in the share capital	4.4.4.4 and 5.1.5
16	**Major shareholders**	
16.1	Shareholders holding more than 5% of the share capital and voting rights	7.2 and 8.1. 5
16.2	Existence of different voting rights	7.2 and 8.1.4
16.3	Control of the issuer	7.2.2
16.4	Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control	8.3

Heading in Annexes 1 and 2 of the Delegated Regulation of March 14, 2019		Chapters/sections
17	**Related party transactions**	3.6 and 6.1.6 Note 13
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**	
18.1	Historical financial information	Profile, 5.3.1, 6.1, 6.2 and 8.7
18.2	Interim and other financial information	N/A
18.3	Auditing of historical annual financial information	6.1.7 and 6.2.6
18.4	Pro forma financial information	N/A
18.5	Dividend policy	7.3 and 8.1.2
18.6	Legal and arbitration proceedings	6.1.6 Notes 12 and 8.2
18.7	Significant change in the issuer's financial position	5.4. 4 and 6.1.6 Note 14
19	**Additional information**	
19.1	Share capital	
19.1.1	Amount of issued share capital and authorized share capital	7.1.1, 7.1.2 and 7.1.4
19.1.2	Shares not representing capital	N/A
19.1.3	Shares held by the issuer or its subsidiaries	7.1.3
19.1.4	Convertible securities, exchangeable securities or securities with subscription warrants	7.1.5, 7.1.7 and 6.1.6 Note 8.1.1.1
19.1.5	Acquisition rights and/or obligations over authorized but unissued capital or an undertaking to increase the capital	7.1.4
19.1.6	Options over share capital of Group members	N/A
19.1.7	Share capital history	7.1.6
19.2	Memorandum and Articles of Association	
19.2.1	Issuer's objects and company register	8.1.1
19.2.2	Rights, preferences and restrictions attaching to shares	8.1.2 and 8.1.4 to 8.1.6
19.2.3	Provisions that could delay, defer or prevent a change in control of the issuer	N/A
20	**Material contracts**	8.3
21	**Documents available**	8.5

8

8.9.2 ANNUAL FINANCIAL REPORT

The following cross-reference table identifies, in this Universal Registration Document, the information comprising the annual financial report that must be published by listed companies pursuant to Article L.451-1-2 of the French Monetary and Financial Code and Article 222-3 of the general regulations of the French Financial Markets Authority (*Autorité des Marchés Financiers*).

Information required		Chapters/sections
1	Company financial statements	6.2
2	Consolidated financial statements	6.1
3	Management report (minimum information within the meaning of Article 222-3 of the AMF general regulations)	See Management Report cross-reference table below
4	Statement by the person responsible for the annual financial report	8.8
5	Statutory Auditors' reports on the consolidated financial statements and the Company financial statements	6.1.7 and 6.2.6

8.9.3 MANAGEMENT REPORT (INCLUDING THE REPORT ON CORPORATE GOVERNANCE AND THE NON-FINANCIAL PERFORMANCE STATEMENT)

The cross-reference table identifies the information that must be published in the management report pursuant to the provisions of the French Commercial Code applicable to public limited companies with a Board of Directors, as well as the specific section of the management report on corporate governance.

	Reference texts	Chapters/sections
1 – Position and activities of the Group		
Company position during the past fiscal year and objective and comprehensive analysis of trends in business, results and the financial position of the Company and the Group, specifically, its debt position in terms of business volume and complexity	L.225-100-1,I.,1°, L.232-1,II, L.233-6, L.233-26 of the French Commercial Code	1.1.2, 1.1.3, 1.2, 1.3, 1.4, 1.5.2 and 4.4.3.5
Financial key performance indicators	L. 225-100-1,I.,2° of the French Commercial Code	Profile and 1.2.2
Non-financial key performance indicators relating to the specific activities of the Company and the group, specifically information relating to environmental and employee issues	L. 225-100-1,I.,2° of the French Commercial Code	Profile, 1.2.2, 4.2
Major events between the reporting date and the date the Management Report is prepared	L. 232-1, II and L. 233-26 of the French Commercial Code	5.4.4.
Identity of the principal shareholders and holders of voting rights at General Shareholders' Meetings and changes during the fiscal year	L. 233-13 of the French Commercial Code	7.2
Existing branches	L. 232-1, II of the French Commercial Code	6.2.7
Acquisitions of significant investments in companies whose registered office is in France	L. 233-6 para. 1 of the French Commercial Code	5.1.3.2, 6.1.6 Notes 3.2 and 15 and 6.2.5 Note 7.11
Transfers or disposals of shares in cross-shareholdings	L. 233-29, 233- 30 and R. 233-19 of the French Commercial Code	N/A
Foreseeable developments in the position of the Company/Group and future outlook	L. 232-1, II and L. 233-26 of the French Commercial Code	5.4.6
Research and development activities	L. 232-1, II and L. 233-26 of the French Commercial Code	1.4
Table presenting the results of the Company for the past five years	R. 225-102 of the French Commercial Code	6.2.7
Information on supplier and customer payment periods	D. 441-4 of the French Commercial Code	6.2.7
Amount of inter-company loans granted and statement by the statutory auditors	L. 511-6 and R. 511-2-3 of the French Monetary and Financial Code	N/A
2 – Internal control and risk management		
Description of the main risks and uncertainties facing the Company	L. 225-100-1,I., 3° of the French Commercial Code	Intro of 2 and 2.2.
Indications on financial risks relating to the impact of climate change and presentation of measures taken by the Company to mitigate these risks by implementing a low-carbon strategy in all aspects of its activity	L. 22-10-35, 1° of the French Commercial Code	2.2.2.1 and 4.2.3
Principal characteristics of internal control and risk management procedures implemented by the Company and the group for the preparation and processing of accounting and financial information	L. 22-10-35, 2° of the French Commercial Code	2.1
Indications on the hedging objectives and policy for each main transaction category and exposure to price, credit, liquidity and treasury risks, including the use of financial instruments	L. 225-100-1,I., 4° of the French Commercial Code	2.2.2.3, 6.1.6 Note 8.3.1 and 6.2.5 Note 7.3
Anticorruption system	Law no. 2016-1691 of December 9, 2016, known as the Sapin 2 law	4.6.3
Vigilance plan and report on its effective implementation	L. 225-102- 4 of the French Commercial Code	4.7
3 – Report on corporate governance		
Information on compensation		
Compensation policy of corporate officers		
Compensation policy of corporate officers	Article L.22-10-8, I., paragraph 2 of the French Commercial Code, Article R.22-10-14 of the French Commercial Code	3.4.1, 3.4.2, 3.4.3, 3.4.4.1 and 3.4.4.2

	Reference texts	Chapters/sections
Compensation and benefits of all kinds paid during the fiscal year or awarded in respect of the fiscal year to each corporate officer	Article L.22-10-9, I., 1° of the French Commercial Code Article R.22-10-15 of the French Commercial Cod	3.4.1.1.1, 3.4.1.1.2, 3.4.4.1 and 3.4.4.2
Relative proportion of fixed and variable compensation	Article L.22-10-9, I., 2° of the French Commercial Code	3.4
Utilization of the possibility to request the repayment of variable compensation	Article L.22-10-9, I., 3° of the French Commercial Code	N/A
Commitments of all nature given by the Company in favor of corporate officers, corresponding to items of compensation, indemnities or benefits payable or likely to be payable on the start, termination or change in duties or subsequent thereto	Article L.22-10-9, I., 4° of the French Commercial Code	3.4.2
Compensation paid or awarded by a company included in the scope of consolidation within the meaning of Article L.233-16 of the French Commercial Code	Article L.22-10-9, I., 5° of the French Commercial Code	N/A
Ratios of the compensation of each executive corporate officer to the average and median compensation of Company employees	Article L.22-10-9, I., 6° of the French Commercial Code	3.4.1.1.3
Annual trends in compensation, Company performance, average compensation of Company employees and the aforementioned ratios over the past five years	Article L.22-10-9, I., 7° of the French Commercial Code	3.4.1.1.3
Explanation of how total compensation complies with the compensation policy adopted, including how it contributes to the long-term performance of the Company and the way in which performance criteria were applied	Article L.22-10-9, I., 8° of the French Commercial Code	3.4.1.1.3
Way in which the vote of the last Ordinary General Meeting provided for in Article L.22-10-34 I of the French Commercial Code was taken into account	Article L.22-10-9, I., 9° of the French Commercial Code	N/A
Difference compared with the compensation policy implemented and any derogations	Article L.22-10-9, I., 10° of the French Commercial Code	N/A
Application of the provisions of Article L.225-45, paragraph 2, of the French Commercial Code (suspension of payment of directors' compensation in the event of non-compliance with Board of Directors gender parity requirements)	Article L.22-10-9, I., 11° of the French Commercial Code	N/A
Grant to and retention by corporate officers of options	Article L.225-185 of the French Commercial Code, Article L.22-10-57 of the French Commercial Code	3.4.3.1
Grant to and retention by executive corporate officers of free shares	Articles L. 225-19 7-1 and L. 22-10-59 of the French Commercial Code	3.2.1.7, 3.4.1.1, 3.4.3.1 and 3.4.4
Information on governance		
List of offices and positions held in all companies by each corporate officer during the fiscal year	L. 225-37-4.1° of the French Commercial Code	3.1.1.3
Agreements between an executive or a major shareholder and a subsidiary	L. 225-37-4, 2° of the French Commercial Code	6.1.6 note 13
Summary table of current delegations granted by General Shareholders' Meetings in respect of share capital increases	L. 225-37-4, 3°of the French Commercial Code	7.1.4
Organization of executive management's powers	L. 225-37-4, 4° of the French Commercial Code	3.3.1
Composition and conditions of preparation and organization of Board of Directors' activities	L. 22-10-35, 1° of the French Commercial Code	3.1.1, 3.1.2 and 3.2
Application of the principle of balanced representation of men and women on the Board of Directors	L. 22-10-35, 2° of the French Commercial Code	3.1.1.1, 3.2.1.2 and 4.4.5.3
Any limits placed by the Board on the powers of the Chief Executive Officer	L. 22-10-35, 3° of the French Commercial Code	3.3.2
Reference to a corporate governance code and application of the "comply or explain" principle	L. 22-10-10, 4° of the French Commercial Code	3.2.1.1
Specific procedures governing the attendance of shareholders at General Shareholders' Meetings	L. 22-10-10, 5° of the French Commercial Code	8.1.3
Assessment procedure for everyday agreements - Implementation	L. 22-10-10, 6° of the French Commercial Code	3.2.1.9
Factors likely to have an impact in the event of a public offer to purchase or exchange shares:	L. 22-10-11 of the French Commercial Code	
• share capital structure of the Company;		7.1.1, 7.2.1 and 7.2.2

	Reference texts	Chapters/sections
• restrictions pursuant to the Articles of Association on the exercise of voting rights and the transfer of shares or agreement clauses brought to the attention of the Company pursuant to Article L.233-11 of the French Commercial Code;		N/A
• direct or indirect investments in the share capital of the Company of which it is aware pursuant to Articles L.233-7 and L.233-12 of the French Commercial Code;		7.2.1 and 7.2.2
• list of holders of any securities conferring special controlling rights and description thereof - control mechanisms provided in any employee share ownership system, when control rights are not exercised by this system;		7.2.1 and 7.2.2
• agreements between shareholders of which the Company is aware and which could lead to restrictions on the transfer of shares and the exercise of voting rights;		8.3
• rules applicable to the appointment and replacement of members of the Board of Directors, as well as amendments to the Articles of Association of the Company;		3.1.1, 8.1.3.3, 8.1.7 and 8.1.8
• powers of the Board of Directors, in particular regarding share issues and buybacks;		7.1.3 and 7.1.4
• agreements entered into by the Company that are amended or terminated in the event of a change in control of the Company, unless disclosure of such agreements would be detrimental to the Company's interests, except where legally required;		8.3
• agreements providing for compensation for members of the Board of Directors or employees in the event of resignation or dismissal without real and serious cause, or of termination of employment as a consequence of a public offer to purchase of exchange shares.		3.4.2.3
4 – Share capital and share ownership		
Structure, changes in the Company's share capital and crossing of thresholds	Article L. 233-13 of the French Commercial Code	7.2
Acquisition and sale of treasury shares by the Company	L. 225-211 and R. 225-160 of the French Commercial Code	6.1.6 note 9.2.2 and 7.1.3.1 to 7.1.3.3
Employee share ownership in the Company on the last day of the fiscal year (proportion of share capital represented)	Article L. 225-102, paragraph 1 of the French Commercial Code	4.4.4.4 and 7.2
Details of potential adjustments to securities granting access to share capital in the event of share buybacks or financial transactions	R. 228-90 and R. 228-91 of the French Commercial Code	7.1.3.4
Information on transactions by management and closely-related persons in the Company securities	L. 621-18-2 of the French Monetary and Financial Code	3.5.2
Dividends distributed in respect of the past three years	243a of the French General Tax Code	7.3.1
5 – Non-Financial Performance Statement (NFPS)		
Non-Financial Performance Statement	Articles L. 225-102-1, L . 22-10-36, R. 225-105 of the French Commercial Code	See cross-reference table
6 – Other disclosures		
Additional information	223 quater, 223 quinquies of the French General Tax Code	6.2.7
Injunctions or fines for anticompetitive practices	L. 462-2 of the French Commercial Code	N.A
Information on facilities classified as “at risk”		
• technological accident risk prevention policy rolled out by the Company	Article L. 225-102-2 of the French Commercial Code	2.1.6.3 and 2.2.2.2
• the Company's ability to guarantee insurance coverage for its civil liability towards property and individuals due to the operation of such facilities	Article L. 225-102-2 of the French Commercial Code	2.1.6.3 and 2.2.2.2
• means implemented by the Company to manage compensation for victims in the event of a technological accident for which the Company is liable	Article L. 225-102-2 of the French Commercial Code	2.1.6.3 and 2.2.2.2

8.10 Appendices

8.10.1 PROGRESS WITH THE INDIVIDUAL COMMITMENTS GIVEN BY VEOLIA UNDER THE ACT4NATURE INITIATIVE

Area of action	Related commitments	Objectives and indicators	Target year of attainment	Scope	2020 partial outcomes	2021 outcomes	2022 outcomes	2023 outcomes	Comments	Communication /sources
Environments and biodiversity	1-3-5	Measure the environmental and biodiversity footprint of our sensitive sites and **deploy at least 75% of the corresponding action plans** pro forma 2019-2020	By 2023	Global	1,7 %	30 %	66%	85%	In 2023, the Group continued its support for sites identified as sensitive to accelerate the implementation of biodiversity footprints and their roll-out of their action plans, with increased exchange of best practices. The objective was thereby exceeded.	Verified as part of the NFPS
	1	Implement ecological management on 75% of sites [1] with more than 1 ha of green space pro forma 2019-2020		Global	23 %	36 %	53%	64%	The integration of the Green Spaces Charter in all subcontracts has been widely developed. This commitment will be maintained and strengthened in the Group's new international Act4Nature commitment, with an objective of 95%.	Verified as part of the NFPS
	1-5	Stop using phytosanitary products on **75% of our sites** [1] pro forma 2019-2020		Global	19 %	38 %	59%	65%	An updated version of the "Zero Phyto" Charter was distributed to the BUs in Se.ptember 2022. This commitment will be maintained and strengthened in the Group's new international Act4Nature commitment, with an objective of 95%	Verified as part of the NFPS
	2-8-9	Raise awareness of biodiversity issues among our internal and external stakeholders on **50% of our sites** [1] pro forma 2019-2020		Global	22 %	42 %	51µ	59%	In addition to the local awareness campaigns launched by the BUs, a biodiversity e-learning program has been developed and will be deployed throughout the Group in July 2022.	Verified as part of the NFPS
Climate change	1-4	Progress of the investment plan to convert coal-fired power plants in Europe by 2030 (30%)	By 2023	Global	8.1 %	17.1 %	30%	41.5%	In 2019, the Group defined a €1.274 billion investment program (revalued in 2023 to €1,584 billion) to transform its coal-fired facilities in Europe by 2030. This objective is well underway. 2023 was marked by the commissioning of new installations in Braunschweig in Germany, as well as Prerov and Kolin in the Czech Republic, resulting in an effective reduction in greenhouse gas emissions.	Verified as part of the NFPS
	1-4-5	Avoid the emission of 15 million metric tons of CO_2 eq. (value set in 2019 with the IEA 2013 emissions factors)		Europe	12.5 million metric tons of CO_2 eq	12.4 million metric tons of CO_2 eq.	14.1 million metric tons of CO_2 eq.	15.5 million metric tons of CO_2 eq.	At the end of 2023, waste recycling, material and energy recovery, heat and electricity cogeneration and renewable energy production activities continued to reduce the greenhouse gas emissions of Group customers.	Verified as part of the NFPS
	1-5	Supply the sites of our energy sector with biomass, with 98% of wood traced (94% in 2019) and 80% certified (66% in 2019)		Corporate	88% for traceability and 75% for certification	99% for traceability and 76% for certification	99.5% for traceability and 76% for certification	97.6% traceability and 70% for certification	As part of its 2020-2023 Environment Plan, Veolia has decided to set targets for the traceability and certification of biomass energy to contribute to the zero deforestation objective. These objectives are ambitious, particularly outside the European Union. Traceability is being implemented throughout the entire perimeter. Certification is more dependent on the local context and the existence of certification organizations.	Verified as part of the NFPS

Area of action	Related commitments	Objectives and indicators	Target year of attainment	Scope	2020 partial outcomes	2021 outcomes	2022 outcomes	2023 outcomes	Comments	Communication /sources
Circular economy	1-4	Increase the volume of plastics recycled in Veolia's processing plants to 610,000 metric tons (in 2019, 350,000 metric tons)	By 2023	Corporate	391,345 metric tons	476,001 metric tons (2)	490,000 metric tons	465,000 metric tons	The results of this indicator reflects the fall in production, notably in Europe and China due to a massive inflow of virgin materials from Asia. The European regulation introducing a minimum requirement of 25% recycled PET for market launch will only enter into effect in 2025.	Verified as part of the NFPS
		Reaching **€6.3 billion in revenues in the circular economy** (in 2019, €5.2 billion)		Corporate	€5.2 billion	€6.0 billion	€8.4 billion	€9.2 billion	After a year of stability in 2021, revenue relating to the circular economy again increased and is ahead of the projected trajectory. The increase was due to the new energy contracts won and higher recyclate prices.	Verified as part of the NFPS
Water resources	1-5	Preserving water resources by improving the **efficiency rate of drinking water systems** (3) to 75% (in 2019, 72.5%).	By 2023	Corporate	73.4%	75.6%	76.3%	76.4%	The 2023 target of 75% was reached in 2021. Action plans undertaken by the Group (renewal work, break-up of networks into sectors, meter maintenance, leak detection) help consolidate or even improve this indicator.	Verified as part of the NFPS
	1-5	Carry out a diagnosis of water resources on **95% of our sites with high water stress**		Global	36%	57%	63%	63%	This commitment was revised as part of the action plan to adapt facilities operated by the Group to climate change.	Verified as part of the NFPS
Research and development	3-9	Build a tool to measure the footprint on "environments and biodiversity" specific to Veolia's activities	2020	Global	completed	action completed	action completed	action completed	The use of the biodiversity footprint tool developed by the Group and deployed at all of its 114 sites identified as sensitive in 2023.	
	3-9	Steering the European project MEDIPLAST on the sources and concentrations of micro-plastics in aquatic environments	Year ended December 31, 2022	Europe	revision of the sampling strategy	sampling performed and first results obtained	Project accomplished	Project accomplished	The objectives of the MEDIPLAST project are to identify the sources and concentrations of micro and nano-plastics in the sea and assess processes for the retention and reduction of plastics in water treatment systems. The project was completed as planned in early 2022.	https://www.eaurmc.fr/upload/docs/application/pdf/2021-03/ppt_veolia_gilles_baratto.pdf
Investment	1-3-9	Assessing the major risks to biodiversity for 100% of the projects submitted to the Group Commitment Committee (acquisition, investment, etc.).	2023	Corporate	action planned	ongoing	action accomplished	action accomplished	Provision integrated into the Investment Committee procedure updated in early 2023.	
Purchases	4	Evaluate 75% of the strategic suppliers with the highest environmental impact (Ecovadis)	2023	Corporate	action planned	action planned	ongoing	ongoing	The identification of strategic suppliers belonging to the purchasing categories that have the greatest potential impact on biodiversity has been completed. A detailed assessment of their biodiversity conservation strategies is planned for 2024.	
Business standards	3	Develop our "waste landfill" activity standard by including operating recommendations that promote biodiversity	Year ended December 31, 2022	Corporate	action planned	ongoing	action accomplished	action accomplished	New finalized version of the standard in November 2022.	
Co-construction with our stakeholders	2-7	Involve our external stakeholders in the construction of our biodiversity commitments (Raison d'être: review of objectives by the Comité des Critical friends, IUCN French Committee, etc.)	Ongoing	Corporate	ongoing	ongoing	ongoing	ongoing	Support of the Critical Friends in choosing and defining the Group's biodiversity objective for the Impact 2023 strategic plan. Since 2008, partnership with the French Committee of the IUCN to advise on the content and support the implementation of the Group's biodiversity strategy, including its Act4Nature International commitments.	

(1) Reporting scope: Waste business (all sites); Water business (wastewater treatment plants with a population equivalent capacity of over 100,000 and drinking water plants of over 60,000 m3/day); Energy business (energy production facilities selling over 100 GWh/year).
(2) Since 2021, this indicator includes plastic volumes recycled in Veolia transformation plants processing WEEE and volumes recycled in plants acquired or sold by Veolia during the year.
(3) For networks serving over 50,000 inhabitants. At constant scope 2019.
Link to Veolia's individual commitments to Act4Nature International https://www.act4nature.com/wp-content/uploads/2020/10/VEOLIA-VA.pdf

8.10.2 NEW INDIVIDUAL COMMITMENTS GIVEN BY VEOLIA UNDER THE ACT4NATURE INTERNATIONAL INITIATIVE FOR THE PERIOD 2024-2027

Act4Nature 24-27Pillar TNFD	Related commitments	Target year of attainment	Individual commitments and indicators	Scope
Governance	1	2024 to 2027	• Strengthen the consideration of biodiversity in the decision-making processes of the group's governance bodies via the annual review of Act4Nature commitments at the EXCOM. *GBF Target 21*	Corporate
	1-10	2024 to 2027	• Integrate into our Multifaceted Performance, objectives relating to 3 erosion factors on biodiversity : – Climate change: reducing GHG emissions (Scope 1 & 2) – Pollutions: Action plans on sensitive sites [1] – Resources: Volume of water saved *GBF Targets 3, 6, 7, 8, 12 and 16*	Corporate
	3	2024	• As a TNFD Early adopter, align information published in the URD with TNFD requirements as of 2024 (URD 2023). *GBF Target 15*	Corporate
Strategy	1-3-5-7	2025	• Design an on-site biodiversity management solution to be included in our commercial offers (assessment of the biodiversity footprint of our customers' sites and action plans to reduce impacts and restore biodiversity). *GBF Targets 3, 6, 7, 12 and 16* *Act4Nature 20-23: Measure the environmental and biodiversity footprint of our sensitive sites*	Global
	1	2024	• Design and test an invasive alien species treatment solution for our customers (treatment chain). *GBF Target 6*	France
	1-5-8	2024	• Create a biodiversity handbook of references and good practices shared by all Veolia activities. The objective of this handbook is to propose solutions for our customers to avoid, reduce and restore biodiversity *GBF Target 21*	Global
Managing our impacts and risks	2-5-6-7	From 2024	• Integrate nature-based solutions (NBS) into our commercial offering building on existing pilots. *GBF Targets 8 and 11*	Global
	4-9	2025	• Improve the integration of biodiversity in our purchasing criteria, in line with the identification of risks in our value chain as part of the TNFD and ideally include at least one biodiversity criteria for our strategic suppliers with the greatest potential impact. *GBF Target 21* *Act4Nature 20-23: Assess 75% of strategic suppliers with the highest environmental impact*	Global
Metrics and targets	5	2024 then 2027	• Define a target for renatured surface area by 2027 and 2030 on all of our landfill sites identified as sensitive sites [1] *GBF Target 2*	Global
	1-2-3-5	2027	• Continue to create biodiversity footprints and deploy action plans on 100% of our sensitive sites [1] with an updated scope [2] (estimated at 160 sites) and aim for an average action plan deployment rate of 85% for 2027. *GBF Targets 3, 6, 7, 12 and 16* *Act4Nature 20-23: Measure the environmental and biodiversity footprint of our sensitive sites*	Global
	1-5	2027	• Deploy ecological management on 95% of our sites with more than 1 ha of green space (updated scope). *GBF Targets 3, 6, 7, 12 and 16* *Act4Nature 20-23: Deploy ecological management at 75% of our sites with more than 1 ha of green space*	Global
	1-5	2027	• *Stop the use of phytosanitary products on 95% of our sites (updated scope).* *GBF Target 7* *Act4Nature 20-23: Stop the use of phytosanitary products at 75% of our sites*	Global
	2-4-5	2027	• Make a zero deforestation commitment, maintain 100% traceability of wood products in our energy sector and aim for 100% certified supplies in the operational control scope of our supply chain. *GBF Target 13* *Act4Nature 20-23: Supply the sites of our energy sector with biomass, with 98% of wood traced and 80% certified*	Global
	3	2027	• Save water resources with a target of 1.5 billion m3 of freshwater saved in 2027 through the reuse of treated water, desalination and leakage reduction.	Global

(1) Sites with the potential to have the most impact on environments and biodiversity (scored according to criteria established in partnership with IUCN including proximity to protected areas or areas of major biodiversity interest).
(2) Scope updated following the acquisition of Suez and the integration of new contracts since 2019.

8.10.3 DETAILED TABLES OF THE TAXONOMY

8.10.3.1 Revenue

8.10.3.1.1 Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	Turnover (M€) (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Solar Photovoltaïc electricity production	**CCM 4.01**	2.4	0,0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	Yes	Yes	Yes		N/A	N/A
Electricity generation from bioenergy	**CCM 4.08**	296.0	0,7%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,5%	N/A	N/A
Transmission and distribution of electricity	**CCM 4.09**	597.9	1,3%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	Yes	Yes	Yes	1,0%	E	N/A
Manufacture of biogas and biofuels for use in transport	**CCM 4.13**	54.3	0,1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	N/A
District heating/cooling distribution	**CCM 4.15**	3,146.4	6,9%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	5,6%	N/A	N/A
Cogeneration of heat/cool and power from bioenergy	**CCM 4.20**	301.1	0,7%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,6%	N/A	N/A
Production of heat/cool from bioenergy	**CCM 4.24**	69.0	0,2%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	N/A
Production of heat/cool using waste heat	**CCM 4.25**	67.0	0,1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	Yes	Yes	Yes	0,1%	N/A	N/A
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	**CCM 4.30**	90.4	0,2%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	T
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	**CCM 4.31**	151.6	0,3%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	T
Construction, extension and operation of water collection, treatment and supply systems	**CCM 5.01** WTR 2.01	3,793.7	8,4%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	No	No	Yes	Yes	8,2%	N/A	N/A
Renewal of water collection, treatment and supply systems	**CCM 5.02**	0.0	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	No	No	Yes	Yes	0,0%	N/A	N/A
Construction, extension and operation of wastewater collection and treatment	**CCM 5.03** WTR 2.02	1,366.9	3,0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	No	No	Yes	Yes	2,4%	N/A	N/A
Renewal of wastewater systems	**CCM 5.04**	0.0	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	No	No	Yes	Yes	0,0%	N/A	N/A
Collection and transport of non-hazardous waste in source segregated fractions	**CCM 5.05** CE 2.03	1,728.8	3,8%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	Yes	No	Yes	3,7%	N/A	N/A
Anaerobic digestion of sewage sludge	**CCM 5.06**	0.8	0,0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	N/A
Anaerobic digestion of separately collected bio-waste	**CCM 5.07**	1.5	0,0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	N/A
Composting of separately collected bio-waste	**CCM 5.08**	228.2	0,5%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	No	Yes	Yes	0,3%	N/A	N/A
Material recovery from separately collected non-hazardous waste	**CCM 5.09** CE 2.07	598.1	1,3%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	No	Yes	Yes	3,5%	N/A	N/A
Landfill gas capture and utilization	**CCM 5.10**	94.4	0,2%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	No	Yes	Yes	0,2%	N/A	N/A
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.05**	0	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	No	No	Yes		N/A	N/A
Renovation of existing buildings	**CCM 7.02**	8.6	0,0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	Yes	No	Yes	0,0%	N/A	T

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities [1]	Code [2]	Turnover (M€) [3]	Proportion of Turnover, year N [4]	Climate Change Mitigation [5]	Climate Change Adaptation [6]	Water [7]	Pollution [8]	Circular Economy [9]	Biodiversity [10]	Climate Change Mitigation [11]	Climate Change Adaptation [12]	Water [13]	Pollution [14]	Circular Economy [15]	Biodiversity [16]	Minimum Safeguards [17]	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 [18]	Category enabling activity [19]	Category transitional activity [20]
Installation, maintenance & repair of energy efficiency equipment	**CCM 7.03**	464.7	1.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	No	No	Yes	0,9%	E	N/A
Installation, maintenance & repair of charging stations for electric vehicles in buildings	**CCM 7.04**	0.3	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	No	No	Yes	0,0%	E	N/A
Installation, maintenance & repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	**CCM 7.05**	5.8	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	No	No	Yes	0,0%	E	N/A
Installation, maintenance & repair of renewable energy technologies	**CCM 7.06**	113	0.2%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	No	No	Yes	0,1%	E	N/A
Acquisition and ownership of buildings	**CCM 7.07**	0	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		No	No	No	No	No	Yes		N/A	N/A
Data driven solutions for GHG emissions reductions	**CCM 8.02**	359.3	0.8%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes	No	No	Yes	No	Yes	0,8%	E	N/A
Professional services related to energy performance of buildings	**CCM 9.03**	1,602.4	3.5	Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes	No	No	No	No	Yes	5,3%	E	N/A
Desalination	**CCA 5.13**	31.8	0.1%	N/EL	Yes	N/EL	N/EL	N/EL	N/EL	Yes		Yes	Yes	No	Yes	Yes		E	N/A
Software enabling climate risk management	**CCA 8.04**	0	0.0%	N/EL	Yes	N/EL	N/EL	N/EL	N/EL	No		No	No	No	No	Yes		N/A	N/A
Consultancy for climate risk management	**CCA 9.03**	0	0.0%	N/EL	Yes	N/EL	N/EL	N/EL	N/EL	No		No	No	No	No	Yes		N/A	N/A
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	**WTR 1.01**	45.9	0.1%	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	No	Yes		Yes	Yes	Yes	Yes		E	N/A
Water supply - operation of an existing water supply system	**WTR 2.01** CCM 5.05	51.2	0.1%	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	No	Yes		No	No	Yes	Yes		N/A	N/A
Urban Waste Water Treatment	**WTR 2.02** CCM 5.03	503.5	1.1%	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	Yes	Yes		Yes	No	Yes	Yes		N/A	N/A
Sustainable urban drainage systems (SUDS)	**WTR 2.03**	0	0.0%	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	No	Yes		Yes	No	Yes	Yes		N/A	N/A
Nature based solutions for floods and droughts risks prevention and protection	**WTR 3.01**	0	0.0%	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	Yes	Yes		Yes	Yes	Yes	Yes		N/A	N/A
Phosphorus recovery from waste water	**CE 2.01**	0	0.0%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	No	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Production of alternative water resources for purposes other than human consumption	**CE 2.02**	50.3	0.1%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	Yes	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Collection and transport of non-hazardous and hazardous waste (Circular economy)	**CE 2.03** CCM 5.05	41.0	0.1%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	Yes	Yes	Yes	Yes		No	Yes		N/A	N/A
Treatment of hazardous waste (circular economy)	**CE 2.04**	135.3	0.3%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	Yes	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Recovery of bio-waste by anaerobic digestion or composting	**CE 2.05**	9.8	0.0%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	Yes	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Sorting and material recovery of non-hazardous waste	**CE 2.07** CCM 5.09	663.0	1.5%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	No	Yes	Yes	Yes		Yes	Yes		N/A	N/A

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Economic Activities [1]	Code [2]	Turnover (M€) [3]	Proportion of Turnover, year N [4]	Substantial contribution criteria: Climate Change Mitigation [5]	Climate Change Adaptation [6]	Water [7]	Pollution [8]	Circular Economy [9]	Biodiversity [10]	DNSH criteria ("Does Not Significantly Harm"): Climate Change Mitigation [11]	Climate Change Adaptation [12]	Water [13]	Pollution [14]	Circular Economy [15]	Biodiversity [16]	Minimum Safeguards [17]	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 [18]	Category enabling activity [19]	Category transitional activity [20]
Collection and transport of hazardous waste (Pollution prevention & control)	**PPC 2.01**	508.7	1.1%	N/EL	N/EL	N/EL	Yes	N/EL	N/EL	No	Yes	Yes		Yes	Yes	Yes		N/A	N/A
Treatment of HW (pollution prevention)	**PPC 2.02**	857.1	1.9%	N/EL	N/EL	N/EL	Yes	N/EL	N/EL	No	Yes	Yes		No	Yes	Yes		N/A	N/A
Remediation of contaminated sites and areas	**PPC 2.04**	151.6	0.3%	N/EL	N/EL	N/EL	Yes	N/EL	N/EL	Yes	Yes	Yes		Yes	Yes	Yes		N/A	N/A
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**18,213.4**	**40.2%**	**33.4%**	**0.1%**	**1.3%**	**3.3%**	**2.0%**	**0.0%**								**33,1%**		
Of which enabling		**3,221.2**	**7.1%**	**6.9%**	**0.1%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**										
Of which transitional		**250.6**	**0.6%**	**0.6%**															
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Solar Photovoltaïc electricity production	**CCM 4.01**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Electricity generation from bioenergy	**CCM 4.08**	58.6	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,2%		
Transmission and distribution of electricity	**CCM 4.09**	998.8	2.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1,5%		
Manufacture of biogas and biofuels for use in transport	**CCM 4.13**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
District heating/cooling distribution	**CCM 4.15**	302.9	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,6%		
Cogeneration of heat/cool and power from bioenergy	**CCM 4.20**	43.7	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
Production of heat/cool from bioenergy	**CCM 4.24**	4.4	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Production of heat/cool using waste heat	**CCM 4.25**	1.9	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	**CCM 4.30**	627.4	1.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1,4%		
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	**CCM 4.31**	79.5	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,4%		
Construction, extension and operation of water collection, treatment and supply systems	**CCM 5.01** WTR 2.01	1,996.1	4.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3,6%		
Renewal of water collection, treatment and supply systems	**CCM 5.02**	6	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Construction, extension and operation of wastewater collection and treatment	**CCM 5.03** WTR 2.02	1,316.4	2.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5,4%		
Renewal of wastewater systems	**CCM 5.04**	3.3	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Collection and transport of non-hazardous waste in source segregated fractions	**CCM 5.05** CE 2.03	32.4	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
Anaerobic digestion of sewage sludge	**CCM 5.06**	2	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Anaerobic digestion of separately collected bio-waste	**CCM 5.07**	30.3	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
Composting of separately collected bio-waste	**CCM 5.08**	6.3	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
Material recovery from separately collected non-hazardous waste	**CCM 5.09** CE 2.07	35.8	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,6%		
Landfill gas capture and utilization	**CCM 5.10**	74	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.05**	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Renovation of existing buildings	**CCM 7.02**	0.2	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities [1]	Code [2]	Turnover (M€) [3]	Proportion of Turnover, year N [4]	Climate Change Mitigation [5]	Climate Change Adaptation [6]	Water [7]	Pollution [8]	Circular Economy [9]	Biodiversity [10]	Climate Change Mitigation [11]	Climate Change Adaptation [12]	Water [13]	Pollution [14]	Circular Economy [15]	Biodiversity [16]	Minimum Safeguards [17]	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 [18]	Category enabling activity [19]	Category transitional activity [20]
Installation, maintenance & repair of energy efficiency equipment	**CCM 7.03**	34.6	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
Installation, maintenance & repair of charging stations for electric vehicles in buildings	**CCM 7.04**	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Installation, maintenance & repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	**CCM 7.05**	2.7	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Installation, maintenance & repair of renewable energy technologies	**CCM 7.06**	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Acquisition and ownership of buildings	**CCM 7.07**	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Data driven solutions for GHG emissions reductions	**CCM 8.02**	0.3	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Professional services related to energy performance of buildings	**CCM 9.03**	627.5	1.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,2%		
Desalination	**CCA 5.13**	138.1	0.3%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Software enabling climate risk management	**CCA 8.04**	0	0.0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Consultancy for climate risk management	**CCA 9.03**	0	0.0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	**WTR 1.01**	0	0.0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Water supply - operation of an existing water supply system	**WTR 2.01** CCM 5.05	0	0.0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Urban Waste Water Treatment	**WTR 2.02** CCM 5.03	212.3	0.5%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Sustainable urban drainage systems (SUDS)	**WTR 2.03**	0	0.0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Nature based solutions for floods and droughts risks prevention and protection	**WTR 3.01**	0.7	0.0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Phosphorus recovery from waste water	**CE 2.01**	0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Production of alternative water resources for purposes other than human consumption	**CE 2.02**	20.2	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Collection and transport of non-hazardous and hazardous waste (Circular economy)	**CE 2.03** CCM 5.05	22.9	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Treatment of hazardous waste (circular economy)	**CE 2.04**	504.5	1.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Recovery of bio-waste by anaerobic digestion or composting	**CE 2.05**	15.6	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Depollution and dismantling of end-of-life products	**CE 2.06**	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										

Economic Activities [1]	Code [2]	Turnover (M€) [3]	Proportion of Turnover, year N [4]	Substantial contribution criteria: Climate Change Mitigation [5]	Climate Change Adaptation [6]	Water [7]	Pollution [8]	Circular Economy [9]	Biodiversity [10]	DNSH criteria ("Does Not Significantly Harm"): Climate Change Mitigation [11]	Climate Change Adaptation [12]	Water [13]	Pollution [14]	Circular Economy [15]	Biodiversity [16]	Minimum Safeguards [17]	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 [18]	Category enabling activity [19]	Category transitional activity [20]
Sorting and material recovery of non-hazardous waste	**CE 2.07** CCM 5.09	13.1	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Collection and transport of hazardous waste (Pollution prevention & control)	**PPC 2.01**	570.4	1.3%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Treatment of HW (pollution prevention)	**PPC 2.02**	183.7	0.4%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Remediation of contaminated sites and areas	**PPC 2.04**	58.1	0.1 %	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**8,024.4**	**17.7%**														**14,3%**		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**26,237.8**	**57.9%**														**47,4%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**19,113.4**	**42.1%**														**52.6%**		
Total (A + B)		**45,351.2**	**100.0%**														**100.0%**		

8.10.3.1.2 Multi-objective dashboard on revenue

Proportion of Turnover / Total Turnover	Taxonomy-aligned per objective	Eligible per objective
Climate Change Mitigation: CCM		50.4%
Climate Change Adaptation: CCA		0.4%
Water and Marine Resources: WTR		20.5%
Circular Economy: CE		4.7%
Pollution Prevention and Control: PPC		5.1%
Biodiversity and ecosystems: BIO		—%

8.10.3.2 OpEx

8.10.3.2.1 Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Economic Activities (1)	Code (2)	OpEx (M€) (3)	Proportion of OpEx, year N (4)	Substantial contribution criteria: Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	DNSH criteria ('Does Not Significantly Harm'): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Solar Photovoltaïc electricity production	**CCM 4.01**	0.9	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	Yes	Yes	Yes		N/A	N/A
Electricity generation from bioenergy	**CCM 4.08**	67.8	0.7%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,6%	N/A	N/A
Transmission and distribution of electricity	**CCM 4.09**	41.1	0.4%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	Yes	Yes	Yes	0,3%	E	N/A

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	OpEx (M€) (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Manufacture of biogas and biofuels for use in transport	**CCM 4.13**	18.0	0.2%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	N/A
District heating/cooling distribution	**CCM 4.15**	333.3	3.2%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	1,6%	N/A	N/A
Cogeneration of heat/cool and power from bioenergy	**CCM 4.20**	67.0	0.6%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,3%	N/A	N/A
Production of heat/cool from bioenergy	**CCM 4.24**	21.6	0.2%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	N/A
Production of heat/cool using waste heat	**CCM 4.25**	21.6	0.2%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	Yes	Yes	Yes	0,2%	N/A	N/A
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	**CCM 4.30**	25,9	0.2%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	T
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	**CCM 4.31**	50,6	0.5%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	T
Construction, extension and operation of water collection, treatment and supply systems	**CCM 5.01** WTR 2.01	574.0	5.5%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	No	No	Yes	Yes	4,8%	N/A	N/A
Renewal of water collection, treatment and supply systems	**CCM 5.02**	0.0	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	No	No	Yes	Yes	0,0%	N/A	N/A
Construction, extension and operation of wastewater collection and treatment	CCM 5.03 WTR 2.02	213.0	2.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	No	No	Yes	Yes	1,1%	N/A	N/A
Renewal of wastewater systems	**CCM 5.04**	0.0	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	No	No	Yes	Yes	0,0%	N/A	N/A
Collection and transport of non-hazardous waste in source segregated fractions	**CCM 5.05** CE 2.03	405.2	3.9%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	Yes	No	Yes	5,2%	N/A	N/A
Anaerobic digestion of sewage sludge	**CCM 5.06**	0.3	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	N/A
Anaerobic digestion of separately collected bio-waste	**CCM 5.07**	0.6	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	N/A
Composting of separately collected bio-waste	**CCM 5.08**	77.1	0.7%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	No	Yes	Yes	0,3%	N/A	N/A
Material recovery from separately collected non-hazardous waste	**CCM 5.09** CE 2.07	168.9	1.6%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	No	Yes	Yes	5,4%	N/A	N/A
Landfill gas capture and utilization	**CCM 5.10**	14.5	0.1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	No	Yes	Yes	0,2%	N/A	N/A
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.05**	0.0	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	No	No	Yes		N/A	N/A
Renovation of existing buildings	**CCM 7.02**	3.1	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	Yes	No	Yes	0,0%	N/A	T
Installation, maintenance & repair of energy efficiency equipment	**CCM 7.03**	135.3	1.3%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	No	No	Yes	1,0%	E	N/A
Installation, maintenance & repair of charging stations for electric vehicles in buildings	**CCM 7.04**	0.0	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	No	No	Yes	0,0%	E	N/A
Installation, maintenance & repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	**CCM 7.05**	1.8	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	No	No	Yes	0,0%	E	N/A
Installation, maintenance & repair of renewable energy technologies	**CCM 7.06**	37.7	0.4%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	No	No	Yes	0.1%	H	N/A
Acquisition and ownership of buildings	**CCM 7.07**	0.0	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		No	No	No	No	No	Yes		N/A	N/A
Data driven solutions for GHG emissions reductions	**CCM 8.02**	28.1	0.3%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes	No	No	Yes	No	Yes	0.1%	H	N/A
Professional services related to energy performance of buildings	**CCM 9.03**	385.1	3.7%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes	No	No	No	No	Yes	5.8%	H	N/A
Desalination	**CCA 5.13**	7.7	0.1%	N/EL	Yes	N/EL	N/EL	N/EL	N/EL	Yes		Yes	Yes	No	Yes	Yes		H	N/A

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				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	OpEx (M€) (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Software enabling climate risk management	**CCA 8.04**	0.0	0.0%	N/EL	Yes	N/EL	N/EL	N/EL	N/EL	No		No	No	No	No	Yes		N/A	N/A
Consultancy for climate risk management	**CCA 9.03**	0.0	0.0%	N/EL	Yes	N/EL	N/EL	N/EL	N/EL	No		No	No	No	No	Yes		N/A	N/A
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	**WTR 1.01**	15.5	0.1%	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	No	Yes		Yes	Yes	Yes	Yes		H	N/A
Water supply - operation of an existing water supply system	**WTR 2.01** CCM 5.05	15.0	0.1%	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	No	Yes		No	No	Yes	Yes		N/A	N/A
Urban Waste Water Treatment	**WTR 2.02** CCM 5.03	116.1	1.1%	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	Yes	Yes		Yes	No	Yes	Yes		N/A	N/A
Sustainable urban drainage systems (SUDS)	**WTR 2.03**	0.0	0.0%	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	No	Yes		Yes	No	Yes	Yes		N/A	N/A
Nature based solutions for floods and droughts risks prevention and protection	**WTR 3.01**	0.0	0.0%	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	Yes	Yes		Yes	Yes	Yes	Yes		N/A	N/A
Phosphorus recovery from waste water	**CE 2.01**	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	No	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Production of alternative water resources for purposes other than human consumption	**CE 2.02**	9.5	0.1%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	Yes	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Collection and transport of non-hazardous and hazardous waste (Circular economy)	**CE 2.03** CCM 5.05	10.7	0.1%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	No	Yes	Yes	Yes		No	Yes		N/A	N/A
Treatment of hazardous waste (circular economy)	**CE 2.04**	41.0	0.4%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	Yes	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Recovery of bio-waste by anaerobic digestion or composting	**CE 2.05**	3.4	0.0%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	Yes	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Depollution and dismantling of end-of-life products	**CE 2.06**	8.8	0.1%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	No	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Sorting and material recovery of non-hazardous waste	**CE 2.07** CCM 5.09	188.2	1.8%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	No	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Collection and transport of hazardous waste (Pollution prevention & control)	**PPC 2.01**	145.1	1.4%	N/EL	N/EL	N/EL	Yes	N/EL	N/EL	No	Yes	Yes		Yes	Yes	Yes		N/A	N/A
Treatment of HW (pollution prevention)	**PPC 2.02**	266.8	2.6%	N/EL	N/EL	N/EL	Yes	N/EL	N/EL	No	Yes	Yes		No	Yes	Yes		N/A	N/A
Remediation of contaminated sites and areas	**PPC 2.04**	53.0	0.5%	N/EL	N/EL	N/EL	Yes	N/EL	N/EL	Yes	Yes	Yes		Yes	Yes	Yes		N/A	N/A
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**3,573.4**	**34.3%**	**5.9**	**—**	**0.3**	**1.0**	**0.6**	**—**								**27.0%**		
Of which enabling		652.4	1.4%	6.0	0.1	0.1	—	—	—										
Of which transitional		79.6	0.2%	0.2															
A.2 Taxonomy-eligible but not environmentaly sustainable activities (not taxonomy-aligned activities)																			
Solar Photovoltaïc electricity production	**CCM 4.01**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Electricity generation from bioenergy	**CCM 4.08**	12.1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
Transmission and distribution of electricity	**CCM 4.09**	261.9	2.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,6%		
Manufacture of biogas and biofuels for use in transport	**CCM 4.13**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
District heating/cooling distribution	**CCM 4.15**	30.6	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,3%		
Cogeneration of heat/cool and power from bioenergy	**CCM 4.20**	9.7	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Production of heat/cool from bioenergy	**CCM 4.24**	0.6	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Production of heat/cool using waste heat	**CCM 4.25**	0.6	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	**CCM 4.30**	164.2	1.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	OpEx (M€) (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	**CCM 4.31**	25.8	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.01 WTR 2.01	425.8	4.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1,5%		
Renewal of water collection, treatment and supply systems	**CCM 5.02**	0.8	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
Construction, extension and operation of wastewater collection and treatment	**CCM 5.03** WTR 2.02	326.0	3.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								4,3%		
Renewal of wastewater systems	**CCM 5.04**	0.8	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Collection and transport of non-hazardous waste in source segregated fractions	**CCM 5.05** CE 2.03	8.2	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,2%		
Anaerobic digestion of sewage sludge	**CCM 5.06**	0.7	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Anaerobic digestion of separately collected bio-waste	**CCM 5.07**	9.1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Composting of separately collected bio-waste	**CCM 5.08**	2.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Material recovery from separately collected non-hazardous waste	**CCM 5.09** CE 2.07	12.8	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,9%		
Landfill gas capture and utilization	**CCM 5.10**	20.1	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.05**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Renovation of existing buildings	**CCM 7.02**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Installation, maintenance & repair of energy efficiency equipment	**CCM 7.03**	10.5	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
Installation, maintenance & repair of charging stations for electric vehicles in buildings	**CCM 7.04**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Installation, maintenance & repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	**CCM 7.05**	1.1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Installation, maintenance & repair of renewable energy technologies	**CCM 7.06**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Acquisition and ownership of buildings	**CCM 7.07**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Data driven solutions for GHG emissions reductions	**CCM 8.02**	0.2	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Professional services related to energy performance of buildings	**CCM 9.03**	146.1	1.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
Desalination	**CCA 5.13**	36.5	0.4%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Software enabling climate risk management	**CCA 8.04**	0.0	0.0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Consultancy for climate risk management	**CCA 9.03**	0.0	0.0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	**WTR 1.01**	0.0	0.0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Water supply - operation of an existing water supply system	**WTR 2.01** CCM 5.05	0.0	0.0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										

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Economic Activities (1)	Code (2)	OpEx (M€) (3)	Proportion of OpEx, year N (4)	Substantial contribution criteria: Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	DNSH criteria ('Does Not Significantly Harm'): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Urban Waste Water Treatment	**WTR 2.02** CCM 5.03	62.5	0.6%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Sustainable urban drainage systems (SUDS)	**WTR 2.03**	0.0	0.0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Nature based solutions for floods and droughts risks prevention and protection	**WTR 3.01**	0.1	0.0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Phosphorus recovery from waste water	**CE 2.01**	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Production of alternative water resources for purposes other than human consumption	**CE 2.02**	5.2	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Collection and transport of non-hazardous and hazardous waste (Circular economy)	**CE 2.03** CCM 5.05	10.5	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Treatment of hazardous waste (circular economy)	**CE 2.04**	94.7	0.9%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Recovery of bio-waste by anaerobic digestion or composting	**CE 2.05**	5.3	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Depollution and dismantling of end-of-life products	**CE 2.06**	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Sorting and material recovery of non-hazardous waste	**CE 2.07** CCM 5.09	13.3	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Collection and transport of hazardous waste (Pollution prevention & control)	**PPC 2.01**	145.4	1.4%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Treatment of HW (pollution prevention)	**PPC 2.02**	45.0	0.4%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Remediation of contaminated sites and areas	**PPC 2.04**	18.0	0.2%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,906.3**	**18.3%**														**8,4%**		
OpEx of Taxonomy eligible activities (A.1+A.2)		**5,479.8**	**52.6%**														**35,4%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**4,932.1**	**47.4%**														**+64.6%**		
Total (A + B)		**10,411.8**	**100.0%**														**+100.0%**		

8.10.3.2.2 Multi-objective dashboard on OpEx

Proportion of OPEX / Total OPEX	Taxonomy-aligned per objective	Eligible per objective
Climate Change Mitigation: CCM		43.8%
Climate Change Adaptation: CCA		0.4%
Water and Marine Resources: WTR		16.8%
Circular Economy: CE		5.5%
Pollution Prevention and Control: PPC		6.5%
Biodiversity and ecosystems: BIO		—%

8.10.3.3 CapEx

8.10.3.3.1 Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	CapEx (M€) (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Solar Photovoltaïc electricity production	**CCM 4.01**	2.3	0.1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	Yes	Yes	Yes		N/A	N/A
Electricity generation from bioenergy	**CCM 4.08**	41.2	0.9%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,1%	N/A	N/A
Transmission and distribution of electricity	**CCM 4.09**	28.0	0.6%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	Yes	Yes	Yes	0,2%	E	N/A
Manufacture of biogas and biofuels for use in transport	**CCM 4.13**	1.1	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	N/A
District heating/cooling distribution	**CCM 4.15**	220.7	5.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	2,1%	N/A	N/A
Cogeneration of heat/cool and power from bioenergy	**CCM 4.20**	28.3	0.6%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,4%	N/A	N/A
Production of heat/cool from bioenergy	**CCM 4.24**	28.3	0.6%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	N/A
Production of heat/cool using waste heat	**CCM 4.25**	30.9	0.7%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	Yes	Yes	Yes	0,0%	N/A	N/A
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	**CCM 4.30**	97.6	2.2%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,2%	N/A	T
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	**CCM 4.31**	4.9	0.1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	T
Construction, extension and operation of water collection, treatment and supply systems	**CCM 5.01** WTR 2.01	354.1	8.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	No	No	Yes	Yes	1,9%	N/A	N/A
Renewal of water collection, treatment and supply systems	**CCM 5.02**	0.0	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	No	No	Yes	Yes	0,0%	N/A	N/A
Construction, extension and operation of wastewater collection and treatment	**CCM 5.03** WTR 2.02	259.1	5.8%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	No	No	Yes	Yes	0,4%	N/A	N/A
Renewal of wastewater systems	**CCM 5.04**	0.0	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	No	No	Yes	Yes	0,0%	N/A	N/A
Collection and transport of non-hazardous waste in source segregated fractions	**CCM 5.05** CE 2.03	112.5	2.5%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	Yes	No	Yes	0,5%	N/A	N/A
Anaerobic digestion of sewage sludge	**CCM 5.06**	0.1	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	N/A
Anaerobic digestion of separately collected bio-waste	**CCM 5.07**	0.2	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	No	Yes	Yes	0,0%	N/A	N/A
Composting of separately collected bio-waste	**CCM 5.08**	24.9	0.6%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	No	Yes	Yes	0,1%	N/A	N/A
Material recovery from separately collected non-hazardous waste	**CCM 5.09** CE 2.07	180.9	4.1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	No	Yes	Yes	1,0%	N/A	N/A
Landfill gas capture and utilization	**CCM 5.10**	4.8	0.1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	No	Yes	Yes	0,1%	N/A	N/A
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.05**	12.9	0.3%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Non	Yes	Non	Non	Yes	0,0%	N/A	N/A
Renovation of existing buildings	**CCM 7.02**	0.1	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	Yes	Yes	Yes	No	Yes	0,0%	N/A	T
Installation, maintenance & repair of energy efficiency equipment	**CCM 7.03**	0.9	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	Yes	No	No	Yes	0,0%	E	N/A

Economic Activities (1)	Code (2)	CapEx (M€) (3)	Proportion of CapEx, year N (4)	Substantial contribution criteria: Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	DNSH criteria ("Does Not Significantly Harm"): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Installation, maintenance & repair of charging stations for electric vehicles in buildings	**CCM 7.04**	0.0	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	No	No	Yes	0,0%	E	N/A
Installation, maintenance & repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	**CCM 7.05**	0.0	0.0%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	No	No	Yes	0,0%	E	N/A
Installation, maintenance & repair of renewable energy technologies	**CCM 7.06**	2.5	0.1%	Yes	No	N/EL	N/EL	N/EL	N/EL		Yes	No	No	No	No	Yes	0,0%	E	N/A
Acquisition and ownership of buildings	**CCM 7.07**	15.7	0.4%	Yes	No	N/EL	N/EL	N/EL	N/EL		No	No	No	No	No	Yes	0,3%	N/A	N/A
Data driven solutions for GHG emissions reductions	**CCM 8.02**	1.0	0.0%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes	No	No	Yes	No	Yes	0,0%	E	N/A
Professional services related to energy performance of buildings	**CCM 9.03**	78.4	1.8%	Yes	N/EL	N/EL	N/EL	N/EL	N/EL		Yes	No	No	No	No	Yes	1,3%	E	N/A
Desalination	**CCA 5.13**	0.2	0.0%	N/EL	Yes	N/EL	N/EL	N/EL	N/EL	Yes		Yes	Yes	No	Yes	Yes		E	N/A
Software enabling climate risk management	**CCA 8.04**	0.0	0.0%	N/EL	Yes	N/EL	N/EL	N/EL	N/EL	No		No	No	No	No	Yes		N/A	N/A
Consultancy for climate risk management	**CCA 9.03**	0.0	0.0%	N/EL	Yes	N/EL	N/EL	N/EL	N/EL	No		No	No	No	No	Yes		N/A	N/A
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	**WTR 1.01**	3.4	0.1%	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	No	Yes		Yes	Yes	Yes	Yes		E	N/A
Water supply - operation of an existing water supply system	**WTR 2.01** CCM 5.05	0.6	0.0%	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	No	Yes		No	No	Yes	Yes		N/A	N/A
Urban Waste Water Treatment	**WTR 2.02** CCM 5.03	21.3	0.5%	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	Yes	Yes		Yes	No	Yes	Yes		N/A	N/A
Sustainable urban drainage systems (SUDS)	**WTR 2.03**	0.0	0.0%	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	No	Yes		Yes	No	Yes	Yes		N/A	N/A
Nature based solutions for floods and droughts risks prevention and protection	**WTR 3.01**	0.0	0.0%	N/EL	N/EL	Yes	N/EL	N/EL	N/EL	Yes	Yes		Yes	Yes	Yes	Yes		N/A	N/A
Phosphorus recovery from waste water	**CE 2.01**	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	No	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Production of alternative water resources for purposes other than human consumption	**CE 2.02**	3.8	0.1%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	Yes	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Collection and transport of non-hazardous and hazardous waste (Circular economy)	**CE 2.03** CCM 5.05	0.4	0.0%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	Yes	Yes	Yes	Yes		No	Yes		N/A	N/A
Treatment of hazardous waste (circular economy)	**CE 2.04**	63.3	1.4%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	Yes	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Recovery of bio-waste by anaerobic digestion or composting	**CE 2.05**	1.1	0.0%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	Yes	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Depollution and dismantling of end-of-life products	**CE 2.06**	0.7	0.0%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	No	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Sorting and material recovery of non-hazardous waste	**CE 2.07 CCM 5.09**	57.8	1.3%	N/EL	N/EL	N/EL	N/EL	Yes	N/EL	No	Yes	Yes	Yes		Yes	Yes		N/A	N/A
Collection and transport of hazardous waste (Pollution prevention & control)	**PPC 2.01**	40.4	0.9%	N/EL	N/EL	N/EL	Yes	N/EL	N/EL	No	Yes	Yes		Yes	Yes	Yes		N/A	N/A
Treatment of HW (pollution prevention)	**PPC 2.02**	249.3	5.6%	N/EL	N/EL	N/EL	Yes	N/EL	N/EL	No	Yes	Yes		No	Yes	Yes		N/A	N/A

Economic Activities (1)	Code (2)	CapEx (M€) (3)	Proportion of CapEx, year N (4)	Substantial contribution criteria: Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	DNSH criteria ("Does Not Significantly Harm"): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Remediation of contaminated sites and areas	**PPC 2.04**	7	0.2	N/EL	N/EL	N/EL	Yes	N/EL	N/EL	Yes	Yes	Yes		Yes	Yes	Yes		N/A	N/A
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,980.9**	**44.5%**	**3.4%**	**0.0%**	**0.1%**	**0.7%**	**0.3%**	**0.0%**								**8.5%**		
Of which enabling		**114.4**	**2.6%**	**2.5%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**										
Of which transitional		**102.6**	**2.3%**	**2.3%**															
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Solar Photovoltaïc electricity production	**CCM 4.01**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Electricity generation from bioenergy	**CCM 4.08**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Transmission and distribution of electricity	**CCM 4.09**	127.3	2.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
Manufacture of biogas and biofuels for use in transport	**CCM 4.13**	0.0	0.0%																
District heating/cooling distribution	**CCM 4.15**	24.6	0.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
Cogeneration of heat/cool and power from bioenergy	**CCM 4.20**	2.6	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
Production of heat/cool from bioenergy	**CCM 4.24**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Production of heat/cool using waste heat	**CCM 4.25**	16.4	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	**CCM 4.30**	11.0	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,1%		
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	**CCM 4.31**	2.1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Construction, extension and operation of water collection, treatment and supply systems	**CCM 5.01** WTR 2.01	532.5	12.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,5%		
Renewal of water collection, treatment and supply systems	**CCM 5.02**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Construction, extension and operation of wastewater collection and treatment	**CCM 5.03** WTR 2.02	102.6	2.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1,3%		
Renewal of wastewater systems	**CCM 5.04**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Collection and transport of non-hazardous waste in source segregated fractions	**CCM 5.05** CE 2.03	1.1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Anaerobic digestion of sewage sludge	**CCM 5.06**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Anaerobic digestion of separately collected bio-waste	**CCM 5.07**	0.2	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Composting of separately collected bio-waste	**CCM 5.08**	0.3	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Material recovery from separately collected non-hazardous waste	**CCM 5.09** CE 2.07	8.7	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Landfill gas capture and utilization	**CCM 5.10**	0.4	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Transport by motorbikes, passenger cars and light commercial vehicles	**CCM 6.05**	113.7	2.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1,3%		
Renovation of existing buildings	**CCM 7.02**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Installation, maintenance & repair of energy efficiency equipment	**CCM 7.03**	0.1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Installation, maintenance & repair of charging stations for electric vehicles in buildings	**CCM 7.04**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		

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Economic Activities (1)	Code (2)	CapEx (M€) (3)	Proportion of CapEx, year N (4)	Substantial contribution criteria: Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	DNSH criteria ("Does Not Significantly Harm"): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Installation, maintenance & repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	**CCM 7.05**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Installation, maintenance & repair of renewable energy technologies	**CCM 7.06**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Acquisition and ownership of buildings	**CCM 7.07**	235.8	5.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1,5%		
Data driven solutions for GHG emissions reductions	**CCM 8.02**	0.0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,0%		
Professional services related to energy performance of buildings	**CCM 9.03**	26.0	0.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,2%		
Desalination	**CCA 5.13**	1.0	0.0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Software enabling climate risk management	**CCA 8.04**	0.0	0.0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Consultancy for climate risk management	**CCA 9.03**	0.0	0.0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	**WTR 1.01**	0.0	0.0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Water supply - operation of an existing water supply system	**WTR 2.01** CCM 5.05	0.0	0.0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Urban Waste Water Treatment	**WTR 2.02** CCM 5.03	12.1	0.3%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Sustainable urban drainage systems (SUDS)	**WTR 2.03**	0.0	0.0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Nature based solutions for floods and droughts risks prevention and protection	**WTR 3.01**	0.1	0.0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL										
Phosphorus recovery from waste water	**CE 2.01**	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Production of alternative water resources for purposes other than human consumption	**CE 2.02**	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Collection and transport of non-hazardous and hazardous waste (Circular economy)	**CE 2.03** CCM 5.05	1.2	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Treatment of hazardous waste (circular economy)	**CE 2.04**	60.1	1.4%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Recovery of bio-waste by anaerobic digestion or composting	**CE 2.05**	0.1	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Depollution and dismantling of end-of-life products	**CE 2.06**	0.0	0.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Sorting and material recovery of non-hazardous waste	**CE 2.07** CCM 5.09	2.7	0.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										
Collection and transport of hazardous waste (Pollution prevention & control)	**PPC 2.01**	17.8	0.4%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Treatment of HW (pollution prevention)	**PPC 2.02**	58.8	1.3%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
Remediation of contaminated sites and areas	**PPC 2.04**	0.5	0.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,359.7**	**30.6%**														**5.2%**		
CapEx of Taxonomy-eligible activities (A.1+A.2)		**3,340.5**	**75.1%**														**13.7%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**1,108.6**	**24.9%**														**86.3%**		
Total (A + B)		**4,449.1**	**100.0%**														**100.0%**		

8.10.3.2.2 Multi-objective dashboard on CapEx

Proportion of CAPEX / Total CAPEX	Taxonomy-aligned per objective	Eligible per objective
Climate Change Mitigation: CCM		63.6 %
Climate Change Adaptation: CCA		- %
Water and Marine Resources: WTR		28.9 %
Circular Economy: CE		8.6 %
Pollution Prevention and Control: PPC		8.4 %
Biodiversity and ecosystems: BIO		- %

8.10.3.4 Taxonomic Information for Nuclear and Fossil Gas Activities

Template 1: Nuclear and fossil gas related activities

Line	**Nuclear energy related activities**	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Revenue

Template 2: Taxonomy-aligned economic activities (denominator)

		Amount and proportion *(in € million and %)*					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Line	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	90.4	0.2 %	90.4	0.2 %	0	NA
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	151.6	0.3 %	151.6	0.3 %	0	NA
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI (turnover)**	**17,971.4**	**39.6 %**	**17,971.4**	**39.6 %**	**0**	**NA**
8	**Total applicable KPI (turnover)**	**45,351.2**	**100.0 %**	**45,351.2**	**100.0 %**	**0**	**NA**

Template 3: Taxonomy-aligned economic activities (numerator)

		Amount and proportion *(in € million and %)*					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Line	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	NA		NA		NA	
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	NA		NA		NA	
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	NA		NA		NA	
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	NA		NA		NA	
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	90.4	0.5 %	90.4	0.5 %	0	NA
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	151.6	0.8 %	151.6	0.8 %	0	NA
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI (turnover)**	**17,971.4**	**9870.0 %**	**17,971.4**	**98.7 %**	**0**	**NA**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI (turnover)**	**18,213.4**	**100.0 %**	**18,213.4**	**100.0 %**	**0**	**NA**

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities

		Amount and proportion *(in € million and %)*					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Line	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.26of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
2	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KP	NA		NA		NA	
3	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
4	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
5	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	627	1.4%	627	1.4%	0	NA
6	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	79	0.2%	79	0.2%	0	NA
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI (turnover)**	**7,318**	**16.1%**	**7,318**	**16.1%**	**0**	**NA**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI (turnover)**	**8,024**	**17.7%**	**8,024**	**17.7%**	**0**	**NA**

Template 5: Taxonomy non-eligible economic activities

Line	Economic activities	Amount	%
1	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA	
2	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA	
3	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA	
4	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA	
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI (turnover)**	**19,113**	**42.1%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI' (turnover)**	**19,113**	**42.1%**

Opex

Template 2: Taxonomy-aligned economic activities (denominator)

Line	Economic activities	CCM + CCA Amount	CCM + CCA %	Climate change mitigation (CCM) Amount	Climate change mitigation (CCM) %	Climate change adaptation (CCA) Amount	Climate change adaptation (CCA) %
		Amount and proportion *(in € million and %)*					
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	25.9	0.2%	25.9	0.2%	0.0	NA
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	50.6	0.5%	50.6	0.5%	0.0	NA
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI (opex)**	**3,497.0**	**33.6%**	**3,497.0**	**33.6%**	**0.0**	**NA**
8	**Total applicable KPI (opex)**	**10,411.8**	**100.0%**	**10,411.8**	**100.0%**	**0.0**	**NA**

Template 3: Taxonomy-aligned economic activities (numerator)

Line	Economic activities	CCM + CCA Amount	CCM + CCA %	Climate change mitigation (CCM) Amount	Climate change mitigation (CCM) %	Climate change adaptation (CCA) Amount	Climate change adaptation (CCA) %
		Amount and proportion *(in € million and %)*					
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	NA		NA		NA	
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	NA		NA		NA	
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	NA		NA		NA	
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	NA		NA		NA	
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	25.9	0.7%	25.9	0.7%	0	NA
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	50.6	1.4%	50.6	1.4%	0	NA
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI (opex)**	**3,497.0**	**97.9%**	**3,497.0**	**97.9%**	**0**	**NA**
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI (opex)**	**3,573.4**	**100.0%**	**3,573.4**	**100.0%**	**0**	**NA**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

		Amount and proportion *(in € million and %)*					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Line	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	164	1.6%	164	1.6%	0	NA
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	26	0.2%	26	0.2%	0	NA
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1.716**	**16.5%**	**1.716**	**16.5%**	**0**	**NA**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**1.906**	**18.3%**	**1.906**	**18.3%**	**0**	**NA**

8

Template 5 Taxonomy non-eligible economic activities

Line	Economic activities	Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA	
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA	
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA	
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA	
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**4.932**	**47.4%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**4.932**	**47.4%**

Capex

Template 2 Taxonomy-aligned economic activities (denominator)

Line	Economic activities	Amount and proportion *(in € million and %)*					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	97.6	2.2%	97.6	2.2%	0	NA
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4.9	0.1%	4.9	0.1%	0	NA
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1,878.3**	**42.2%**	**1,878.3**	**42.2%**	**0**	**NA**
8	Total applicable KPI	4,449.1	100.0%	4,449.1	100.0%	0	NA

Template 3 Taxonomy-aligned economic activities (numerator)

Line	Economic activities	Amount and proportion *(in € million and %)*					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	97.6	4.9%	97.6	4.9%	0	NA
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4.9	0.2%	4.9	0.2%	0	NA
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,878.3**	**94.8%**	**1,878.3**	**94.8%**	**0**	**NA**
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	1,980.9	100.0%	1,980.9	100.0%	0	NA

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

		Amount and proportion *(in € million and %)*					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Line	Economic activities	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA		NA		NA	
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11	0.2%	11	0.2%	0	NA
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2	0.0%	2	0.0%	0	NA
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1.347**	**30.3%**	**1.347**	**30.3%**	**0**	**NA**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**1.360**	**30.6%**	**1.360**	**30.6%**	**0**	**NA**

8

Template 5 Taxonomy non-eligible economic activities

Line	Economic activities	Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA	
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA	
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA	
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	NA	
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**1.109**	**24.9%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**1.109**	**24.9%**

8.10.4 ESG KEY PERFORMANCE INDICATORS

Environmental INDICATORS	Unit	2019	2020	2021	2022	2023	GRI	SASB
Management								
Deployment of an internal EMS	% of revenue	90	94.9	98.9	98.2	99.2	2-25	N/A
ISO 14001 certification	% of revenue covered	67.7	68.8	69.3	64.5	59.7	2-25	N/A
ISO 50001 certification	% of revenue covered	32.3	33.3	33.8	32.5	33.6	2-25	N/A
Climate								
Direct GHG emissions (Scope 1)	Mt CO_2 eq.	26.3	25	26.80[1]	28.6	27.9	305-1	(water) N/A (waste) IF-WM-110a.1 (electricity) IF-EU-110a.1
Heat and electricity production – Energy activity	%	49	59	53	45	42	305-1	IF-EU-110a.1
Waste landfill - Methane emissions	%	30	21	26	33	33	305-1	IF-WM-110a.1
Waste incineration	%	18	17	18	18	20	305-1	IF-WM-110a.1
Municipal and industrial waste collection	%	2	2	1	3	3	305-1	IF-WM-110a.1
Other activities	%	1	1	1	2	2	305-1	(water) N/A (waste) IF-WM-110a.2 (electricity) IF-EU-110a.2
Indirect GHG emissions (Scope 2)	Mt CO_2 eq.	5.2	5	3.7	4.9	5.7	305-2	IF-EU-110a.2
Energy activity (including grid losses)	%	0	29	33	30	41	305-2	N/A
Production and distribution of drinking water	%	0	38	44	41	34	305-2	N/A
Wastewater treatment	%	0	29	17	27	17	305-2	N/A
Waste incineration	%	0	2	2	2	2	305-2	IF-WM-110a.2
Other	%	0	3	5	0	5	305-2	N/A
Biogenic carbon emissions	Mt CO_2 eq.	10.6	12	11.2	12	13.2	305-1	(water) N/A (waste) IF-WM-110a.1 (electricity) IF-EU-110a.1
Scope 3-3 Energy activities not included in scopes 1 and 2 – emissions	Mt CO_2 eq.	0	4.58	4.98	5.35	14.75	305-3	N/A
Scope 3-11 Use of sold products	Mt CO_2 eq.	0	7.9	8.58	9.2	9.16	305-3	N/A
Scope 3-1 Purchased goods and services	Mt CO_2 eq.	0	2.72	3.29	3.91	7.23	305-3	N/A
Methane capture rate from landfills	%	53.9	56.5	56.3	55.6	58.5	N/A	IF-WM-110a.2
Avoided GHG emissions	Mt CO_2 eq.	12.1	12.5	12.4	14.1	15.5	305-5	N/A
Energy								
Total energy consumed (electric and thermal)	Millions MWh	109.645	113.594	118.551	121.674	124.135	302-1	(water) IF-WU-130a.1 (waste) N/A (electricity) N/A
o/w electric energy	Millions MWh	11.361	10.968	10.529	14.425	14.35	302-1	(water) IF-WU-130a.1
o/w thermal energy	Millions MWh	98.284	102.625	108.022	107.249	109.784	302-1	N/A
o/w renewable energy consumed	Millions MWh	31.556	34.884	32.948	38.488	40.239	302-1	N/A
Energy generated (thermal and electrical)	Millions MWh	51.616	52.997	58.113	55.756	54.69	N/A	IF-EU-000.B
o/w thermal energy generated	Millions MWh	35.753	36.415	39.792	37.67	36.566	N/A	N/A
o/w electric energy generated	Millions MWh	15.864	16.582	18.321	18.087	18.124	N/A	IF-EU-000.B
o/w cooling	Millions MWh	1	1	1	1	1	N/A	N/A
Renewable energy generated	Millions MWh	11.206	11.795	11.548	13.091	13.803	N/A	IF-EU-000.D
Share of renewable and recovered energy generated	%	31.3	31.8	29.1	33.5	36.5	N/A	N/A

Environmental INDICATORS	Unit	2019	2020	2021	2022	2023	GRI	SASB
Share of biomass in energy consumed by production plants	%	19	23	19	24	25	302-1	N/A
Share of traceable biomass (wood) for energy generation	%	93.7	88	99.5	99.5	97.6	N/A	N/A
Share of certified biomass (wood) for energy generation	%	65.8	74.6	76.4	74.2	70	N/A	N/A
Energy performance of cogenerated energy	%	73	74.2	74.8	74.4	74.2	302-3	N/A
Circular economy								
Volume of treated waste	Mt	49.8	47.3	48.4	61.3	62.6	306-2	IF-WM-000.D
Material recovery rate from treated waste	%	17	17	18	17	16	306-4	IF-WM-420a.3
Energy recovery rate from treated waste	%	28	30	29	24	27	306-4	IF-WM-420a.3
Bottom ash recovery rate (waste incineration residue)	%	92	94	89	93	91	306-4	IF-WM-420a.3
Combustion residue recovery rate in the Energy business	%	74	70	72	71	77	306-4	IF-WM-420a.3
Wastewater treatment sludge recovery rate	%	64	66	75	73	74	306-4	IF-WM-420a.3
Abatement rate for hazardous waste treated	%	86	82	84	86	84	306-5	IF-WM-420a.1
Volume of plastics recycled in Veolia's processing plants	kt	350	391	476[2]	490	465	306-4	IF-WM-420a.3
Nature and biodiversity								
Progress rate of action plans aimed at improving the environment and biodiversity footprint of sensitive sites	%	0	2	30	65	85	304-3	N/A
Percentage of sites with zero use of phytosanitary products	%	16	20	39	58	65	304-3	N/A
Ecological management implementation rate at sites > 1 ha green spaces	%	18	23	35	52	64	304-3	N/A
Percentage of sites having raised awareness internally or externally of environments and biodiversity protection issues	%	21	22	43	50	59	304-3	N/A
Air								
Incineration emissions: NOx	mg/Nm^3	125	121	121	120	129	305-7	IF-WM-120a.1
Incineration emissions: SOx	mg/Nm^3	12	13	16	13	13	305-7	IF-WM-120a.1
Incineration emissions: dust	mg/Nm^3	2	2	2	2	2	305-7	IF-WM-120a.1
NOx emissions of thermal plants selling over 100 GWh/year	g/MWh	280	233	216	201	182	305-7	IF-EU-120a.1
SOx emissions of thermal plants selling over 100 GWh/year	g/MWh	196	171	147	136	120	305-7	IF-EU-120a.1
Dust emissions of thermal plants selling over 100 GWh/year	g/MWh	12	12	11	11	10	305-7	IF-EU-120a.1
Energy generation emissions (per MWh of energy consumed): mercury (plants selling over100 GWh/year)	mg/MWh	1.6	1.2	1.2	2.2	2.8	305-7	IF-EU-120a.1
Water and aquatic environments								
Total water sourced	m^3 billion	10096	9337	7627	11199	11039	303-3	IF-WU-000.B
Number of people supplied with drinking water	million	98	95	79	118	113	45445	IF-WU-000.A
Number of people connected to sanitation systems	million	67	62	61	152	103	45445	IF-WU-000.A
Deployment rate of water diagnoses at sites with significant water stress issues	%	0	36	57	63	63	303-1	IF-WU-440a.3
Efficiency rate of drinking water networks (pro forma 2019-2023)	%	72.5	73.4	75.6	76.3	76.4	N/A	IF-WU-140a.2
Volume of water reused from collected and treated wastewater	m^3 billion	401	359	308	989	1144	303-2	IF-WU-440a.2
Percentage of customers with progressive rates	%	72	72	75	73	77	45445	IF-WU-240a.4
Number of smart meter solutions	million	5.82	6.35	6.32	9.54	10.11	303-1	N/A

Environmental INDICATORS	Unit	2019	2020	2021	2022	2023	GRI	SASB
Energy efficiency of wastewater treatment (pro forma 2019-2023)	Wh/m^3	326	324	320	330	328	302-3	IF-WU-130a.1
Energy efficiency of drinking water production (excluding seawater desalination) (pro forma 2019-2023)	Wh/m^3	256	235	234	232	241	302-3	IF-WU-130a.1
Compliance rate with local regulations and distributed water contractual requirements: bacteriological characteristics	%	99.8	99.8	98.8	99.8	99.8	306-5	N/A
Compliance rate with local regulations and distributed water contractual requirements: physicochemical characteristics	%	99.7	99.8	99.5	99.7	99.8	306-5	N/A
DBO5 treatment efficiency of wastewater treatment plants	%	96	95.9	95.3	95.6	95.6	303-2	N/A
DCO treatment efficiency of wastewater treatment plants	%	91.9	91.4	90.8	91.5	91.6	303-2	N/A

(1) Historical data vs. 31,1 pro forma data. Veolia's 2021 pro forma issues (35.5Mt) are the sum of Veolia scope issues published in 2021 and 2021 issues from the Suez scope acquired and retained as of the date of publication of this document. Pro forma 2021 is the baseline for reduction commitments as presented in GreenUp (-18% by 2027). See Section 4.2.3.3.1.
(2) Since 2021, this indicator includes plastic volumes recycled in Veolia transformation plants processing WEEE and volumes recycled in plants acquired or sold by Veolia during the year. In the case of non-consolidated joint ventures, the indicator includes volumes of recycled plastics in proportion to Veolia's stake in these joint ventures.

Human Resources INDICATORS	Unit	2019	2020	2021	2022	2023	GRI	SASB
Headcount on December 31	Nb	178,780	178,894	176,488	213,684	218,288	2-7	N/A
Total annual FTE headcount	Nb	171,212	171,450	169,741	202,210	205,614	2-7	N/A
Workforce on permanent contracts – FTE	%	93.4	92.4	93.3	93.3	94.6	2-7	N/A
Workforce in non-management positions	%	87.8	86.7	85.6	83.2	82.4	2-7	N/A
Permanent employee turnover rate	%	12.9	11.6	14.4	14.7	14.3	2-7	N/A
Lost time injury frequency rate	number per million hours worked	8.12	6.60	6.65	5.61	4.95	403-9	(electricity) IF-EU-320a.1
Workplace accident severity rate	working days lost per thousand hours worked	0.45	0.43	0.43	0.39	0.34	403-9	(electricity) IF-EU-320a.1
Employees having participated in at least one training activity	%	79.5	82.3	86.2	91.0	94.5	2-24	N/A
Average hours of training per employee per year	Nb	18	17	21	26	29	2-24	N/A
Employee engagement rate	%	84	87	87	89	89	N/A	N/A
Manager engagement rate	%	92	94	94	91	91	N/A	N/A
Rate of coverage by a workforce dialogue body	%	88	86	87	85	86	2-30	(waste) IF-WM-310a.1
Female representation rate (general)	%	21.1	21.4	21.7	22.3	22.4	2-7	N/A
Female representation rate (management roles)	%	27.3	28.3	29.0	30.0	31.0	405-1	N/A
Percentage of employees with disabilities	%	2.6	2.5	2.4	2.4	2.4	N/A	N/A

Societal INDICATORS	Unit	2019	2020	2021	2022	2023	GRI	SASB
Number of people benefiting from inclusive mechanisms for accessing water or sanitation services as part of Veolia contracts	million	5.71	6.12	6.71	6.92	7.28	N/A	
People with new access to drinking water since 2015	million	5.1	5.6	6.7	7.1	8.5	N/A	N/A
People with new access to sanitation since 2015	million	1.9	2.0	2.4	8.0	9.8	N/A	N/A
Expenditure reinvested locally	%	86.3	87.3	90.5	90.9	90.2	N/A	N/A
Share of strategic suppliers evaluated in the past three years	%	61	70	75	81	77	414-1	N/A
Share of contracts including sustainable development clauses	%	71	76	88	93	89	308	N/A

Governance INDICATORS	Unit	2019	2020	2021	2022	2023	GRI	SASB
Auditable quantitative non-financial and financial proportion of the Chief Executive Officer's variable compensation	%	80	80	80	80	80	2-19	N/A
Quantitative non-financial proportion of variable compensation for executives, high-potential employees, and key contributors	%	50	50	50	50	50	2-19	N/A
Female representation on the Board of Directors	%	45.0	45.0	55.5	60.0	54.5	2-9	N/A
Non-French directors	%	23	23	18	23	28	2-9	N/A
Independent directors	%	72.7	72.7	77.7	70.0	82.0	2-9	N/A
Board of Directors average attendance rate	%	97	97	98	99	96	N/A	N/A
Number of staff trained on the anti-corruption code of conduct and anti-competitive practices	Nb	0	0	25,000	29,700	36,232	N/A	N/A
Rate of certification by an SMS (ISO 45001, ILO OSH 2001 or equivalent)	% of revenue covered	60,8 (OHSAS 18001)	62,1 (OHSAS 18001)	63	62	58	403-1	N/A
Accidental event management: staff covered by the PaTHS (Prevention & Training on Health & Safety) program	%	0.0	0.0	51.3	62.0	75.0	403-5	N/A
Purchasers and compliance officers trained on "Compliance and CSR in Purchasing"	Nb	418	0	0	989	0	N/A	N/A
Rate of positive answers to this question in the engagement survey: "Veolia's values and ethics are put into practice within my entity"	%	0	83	84	85	88	N/A	N/A

2024
FINANCIAL REPORTING SCHEDULE

February 29
2023 Annual Result

April 25
General Shareholders' Meeting

May 14
Key figures for the period ending March 31, 2024

August 1st
2024 First Half Results

This document is printed in compliance with ISO 14001.2018 for an environmental management system.

Covers design: **HAVAS PARIS/© Médiathèque VEOLIA** : Boby/Fisheye

Designed **&** published by LABRADOR +33 (0)1 53 06 30 80

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