AMENDMENT TO THE 2019 UNIVERSAL REGISTRATION DOCUMENT
Half-yearly financial report 2020

VEOLIA

AUTORITÉ DES MARCHÉS FINANCIERS AMF

This update to the 2019 Universal Registration Document was filed on August 3, 2020 with the Autorité des Marchés Financiers (AMF, the French Financial Markets Authority), as the competent authority pursuant to Regulation (EU) no. 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. These documents are approved as a whole by the AMF in accordance with Regulation (EU) no. 2017/1129.

This amendment updates and must be read in conjunction with the 2019 Universal Registration Document filed with the AMF on March 17, 2020 under number D.20-0136.

A cross-reference table is presented in this update [Section 8.5], to facilitate the identification of information incorporated by reference and information updated or amended.

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KEY FIGURES – SELECTED FINANCIAL INFORMATION

(in € million)	06/30/2020	12/31/2019	06/30/2019	12/31/2018[5]
Revenue	12,412.0	27,188.7	13,323.9	25,951.3
EBITDA	1,599.0	4,021.8	2,001.9	3,842.9
Current EBIT	437.5	1,730.4	857.3	1,643.7
Current net income - Group share	7.4	759.8	352.4	672.0
Operating Cash flow before changes in working capital	1,326.4	3,255.0	1,660.2	3,122.9
Operating income [1]	292.5	1,464.8	796.4	1,459.3
Net income - Group share	-137.6	624.9	331.4	440.6
Dividends paid [2]	-277.1	509.1	-509.1	-462.6
dividend per share paid during the fiscal year (in euros)	0.50	1.00	0.92	0.92
Total Assets	42,162.4	41,018.8	38,928.6	39,294.2
Net financial debt	-11,850	-10,680	-12,478	-11,564
Industrial investments (including new operating financial assets) [3]	-961.5	-2,364	-1,005	-2,268
Net Free Cash Flow [4]	-515	868	-473	536

(1) Operating income after share of net income of equity-accounted entities does not include capital gains or losses on financial divestitures, booked in other financial income and expenses.

(2) Dividends paid by the parent company.

(3) Gross industrial investments (excluding discontinued operations).

(4) 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.

(5) 2018 adjustments concern the application of IFRS 16 and the inclusion of the Lithuania accounts previously presented in discontinued operation (Registration Document 2018 of the Company).

2

SHARE CAPITAL AND OWNERSHIP

(CHAPTER 2 OF THE 2019 UNIVERSAL REGISTRATION DOCUMENT)

2.1 Information on the share capital and stock market data

2.1.1 SHARE CAPITAL

As of June 30, 2020, Veolia Environnement's share capital was €2,836,332,695, divided into 567,266,539 fully paid-up shares, all of the same class, with a par value of €5 each.

As of the date of filing of this amendment ti the 2019 Universal Registration Document, the Company's share capital is unchanged.

2.1.2 MARKET FOR THE COMPANY'S SHARES

The Company's shares have been admitted to trading on the Euronext Paris regulated market (Compartment A) since July 20, 2000, under ISIN code FR 0000124141-VIE, Reuters code VIE.PA and Bloomberg code VIE.FP. Veolia Environnement securities are eligible for deferred settlement (Service de Règlement Différé or "SRD").

The Company's shares have been included in the CAC 40, the main share index published by NYSE Euronext Paris, since August 8, 2001.

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

Euronext Paris

	Share price (in euros)		
Year (month)	High	Low	Trading volume
2020			
June	22.180	19.735	43,762,392
May	20.100	17.820	36,686,927
April	20.640	17.500	44,855,741
March	28.680	16.015	95,375,115
February	29.090	25.590	50,566,702
January	26.990	23.230	36,961,422
2019			
December	24.100	22.570	28,759,394
November	23.670	22.540	29,501,985
October	23.610	22.050	34,267,802
September	23.280	21.190	43,719,824
August	22.960	21.300	37,657,025
July	23.220	21.400	36,350,913
June	21.780	20.560	33,726,521
May	21.630	19.745	41,271,947
April	21.350	19.910	34,214,733
March	20.350	19.200	32,500,981
February	20.080	18.225	40,168,917
January	18.440	17.500	34,217,888

Source : Bloomberg.

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

2.1.3 NON-EQUITY SECURITIES

EMTN program

In June 2001, a Euro Medium Term Note (EMTN) program was set-up for a maximum amount of €4 billion.

This maximum amount was raised to €16 billion on July 13, 2009.

The main outstanding bond issues performed under the EMTN program as of June 30, 2020 are as follows:

Issue date	Currency	Nominal issue amount *(in millions of currency units)*	Additional drawdowns/partial repurchases	Nominal amount outstanding as of June 30, 2020 *(in millions of currency units)*	Interest rate	Maturity
November 25, 2003	EUR	700		700	6.125%	November 25, 2033
December 12, 2005	EUR	600				
June 2013	EUR		(109)			
December 2013	EUR		(60)	431	4.375%	December 11, 2020
May 24, 2007	EUR	1,000				
December 2013	EUR		(150)			
April 2015	EUR		(205)	645	5.125%	May 24, 2022
October 29, 2007	GBP	500				
January 7, 2008	GBP		150	650	6.125%	October 29, 2037
July 6, 2010	EUR	834				
April 2015	EUR		(196)	638	4.247%	January 6, 2021
March 30, 2012	EUR	750		750	4.625%	March 30, 2027
April 9, 2015	EUR	500		500	1.59%	January 10, 2028
October 4, 2016	EUR	600		600	0.314%	October 4, 2023
October 4, 2016	EUR	500		500	0.927%	January 4, 2029
March 30, 2017	EUR	650		650	0.672%	March 30, 2022
March 30, 2017	EUR	650		650	1.496%	November 30, 2026
November 21, 2017	EUR	500		500	0%	November 23, 2020
December 5, 2018	EUR	750		750	1.94%	January 7, 2030
January 14, 2019	EUR	750		750	0.892%	January 14, 2024
January 15, 2020	EUR	500		500	0.664%	January 15, 2031
April 15, 2020	EUR	700		700	1.25%	April 15, 2028
June 15, 2020	EUR	500		500	0.80%	January 15, 2032

As of June 30, 2020, the total nominal outstanding amount of the EMTN program was €8,907 million, maturing in more than one year.

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

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

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

As of June 30, 2020, the total nominal outstanding amount was approximately €700 million, maturing in more than one year.

Public issue on the US market

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

As of June 30, 2020, the total nominal outstanding amount was US$300 million (€268 million euro-equivalent), maturing in more than one year.

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

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

On December 17, 2019, Veolia Environnement performed two bond issues under this new program for a total amount of 1.5 billion renminbi, through a private placement with Chinese and institutional investors. The bond issues mature on December 17, 2020 and pay a coupon of 3.7%.

On June 24, 2020, Veolia Environnement continued its program with two bond issues totaling 1.5 billion renminbi, maturing on June 24, 2023 and paying a coupon of 3.85%.

As of June 30, 2020, the total nominal outstanding amount of these bond issues was 3 billion renminbi (€378 million euro-equivalent), including €189 million maturing in less than one year.

Commercial paper

Veolia Environnement has a short-term financing program comprising negotiable commercial paper (Negotiable European Commercial Paper - NEU CP) capped at €5 billion. The financial documentation for this program was updated with the Bank of France on May 7, 2020.

As of June 30, 2020, the total outstanding amount of negotiable commercial paper issued by the Company was €4,592 million.

On May 18, 2020, Veolia Environnement set-up a commercial paper program capped at GBP 600 million with the Bank of England, under the bank's COVID Corporate Financing Facility assistance program.

This facility had not been used as of June 30, 2020.

2.2 Veolia Environnement shareholders

2.2.1 SHAREHOLDERS AS OF JUNE 30, 2020

The table below shows the number of shares and the corresponding percentages of share capital and voting rights held as of June 30, 2020 by Veolia Environnement's principal known shareholders.

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

To the best of the Company's knowledge, as of the date of filing of this amendment to the 2019 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.

Shareholders as of June 30, 2020	Number of shares	% of share capital	Theoretical number of voting rights	Number of voting rights that may be exercised	% of voting rights that may be exercised(*)
Caisse des dépôts[1]	33,837,962 (**)	5.97	59,874,081	59,874,081	10.15
Blackrock[2]	29,034,157	5.12	29,034,157	29,034,157	4.92
Franklin Resources[3]	10,584,682	1.87	10,584,682	10,584,682	1.79
Veolia Environnement[4]	12,729,998(***)	2.24	12,729,998 (**)	0 (*)	0 (*)
Public and other investors	481,079,740	84.80	490,513,437	490,513,437	83.14
Total	**567,266,539**	**100.00**	**602,736,355**	**590,006,357**	**100.00**

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

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

(***) As of June 30, 2020, Veolia Environnement held 12,729,998 treasury shares.

(1) According to the statement of registered shareholders as of June 30, 2020 prepared by Société Générale (the account manager), and according to the analysis of the Company's shareholders as of June 30, 2020. To the best of the Company's knowledge, the most recent declaration of legal threshold crossing of 10% of the share capital and/or voting rights, downwards, by Caisse des dépôts et consignations was filed on January 30, 2020 (AMF Decision and Information no. 220C0413 of January 30, 2020).

(2) According to the most recent declaration of legal threshold crossing by Blackrock filed on July 31, 2020 (AMF Decision and Information no. 220C2823 dated July 31, 2020). Between March 16, 2020 and July 31, 2020, Blackrock filed several notifications that it had crossed, upwards or downwards, the legal 5% share capital and/or voting rights threshold (AMF Decisions and Information no. 220C0966, no. 220C0989, no. 220C1005, no. 220C1071, no. 220C1241, no. 220C1276, no. 220C1341, no. 220C1354, no. 220C1427, no. 220C1597, no. 220C1624, no. 220C1685, no. 220C1730, n°220C2823).

(3) According to the notification to the Company on July 27, 2020 by Franklin Resources that it had crossed a bylaws reporting threshold. To the best of the Company's knowledge, the most recent notification by Franklin Resources that it had crossed a legal threshold was filed on February 25, 2020 (AMF Decision and Information no. 220C0739).

(4) Treasury shares without voting rights. This information is included in the monthly report of transactions carried out by Veolia Environnement in its own shares that was filed with the French Financial Markets Authority (AMF) on July 3, 2020.

To the best of the Company's knowledge, as of the date of filing of this update to this amendment to the Universal Registration Document, there are no agreements between one or more of the Company's shareholders and no shareholders' agreements or agreements to which the Company is a party, that could have a material impact on the Company's share price. Additionally, 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.

2.3 Dividend policy

2.3.1 DIVIDENDS PAID DURING THE LAST FIVE FISCAL YEARS

(in euros)	2015 Dividend	2016 Dividend	2017 Dividend	2018 Dividend	2019 Dividend[(1)]
Gross dividend per share	0.73	0.80	0.84	0.92	0.50
Net dividend per share	0.73[(*)]	0.80[(*)]	0.84[(*)]	0.92[(*)]	0.50[(*)]
TOTAL DIVIDEND DISTRIBUTION [(**)]	**401,183,799**	**439,772,185**	**462,685,249**	**509,096,391**	**277,172,439**

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

(**) Amount paid by the Company.

(1) Approval by the Combined General Meeting of April 22, 2020 (4th resolution) of a dividend for fiscal year 2019 of €0.50 instead of €1, as proposed by the Board of Directors on April 1, 2020 due to the COVID-19 epidemic and to protect the interests of all the Group's stakeholders in a spirit of solidarity.

3

OPERATING AND FINANCIAL REVIEW

(CHAPTER 3 OF THE 2019 UNIVERSAL REGISTRATION DOCUMENT)

3.1 Major events of the period

3.1.1 GENERAL CONTEXT AND THE COVID 19 HEALTH CRISIS

In response to the public health crisis facing the world in recent months, Veolia is fully mobilized to ensure continuity of service while protecting the health of its employees, the Group's two overriding priorities:

- implementation of business continuity plans, tailored to each country, that primarily aim to maintain the production and delivery of drinking water and the treatment of wastewater;
- continuation of waste processing activities and particularly waste collection and the operation of waste processing facilities;
- continuation of energy management businesses, both in its heating networks and at industrial and tertiary sites that continue to operate.

Thanks to the commitment, courage and exemplary dedication of our teams working on the ground, the Group is able to provide communities with essential services on a daily basis.

Until mid-March, the Group's activities outside Asia were not affected by the crisis.

Since then, the introduction of lockdown measures by countries, as a result of the spread of the epidemic have affected Veolia's activities to varying degrees: following a low point at the start of the second quarter, the gradually recovery of activity has been confirmed in June with a strong rebound in the majority of regions and activities where the Group operates.

In this context, on April 1, 2020 the Group announced the suspension of its 2020 objectives while launching a plan to reduce as far as possible the negative impact of the public health crisis on the Group's 2020 results:

- the reinforcing of the cost savings plan (Recover and Adapt) of €200 million increased to €250 million for the publication of the half year results 2020, with several lines of action focusing on reducing our non-committed discretionary expenses such as (i) the reduction of our general expenses, (ii) purchases including subcontracting (iii) maintenance costs through optimization and delaying expenditure where possible (iv) efforts on personnel costs, for example, through the use of furloughing and a reduction in temporary work. This new cost savings plan is in addition to the annual efficiency program of €250 million;
- the 2020 investment program will be reduced by €500 million, with increased selectivity, while preparing the Group for a post-crisis rebound; the investment program will therefore decrease from €2.5 billion to €2.0 billion representing a reduction of 20%: delay or cancellation of maintenance investments while giving priority as far as possible to maintaining our discretionary investments;
- finally the development of new commercial offers such as disinfection, the treatment of medical waste, digital offers or air quality.

In addition to this plan, the Group also participates in recovery plans and is preparing for all eventualities (including a second wave localized in certain geographies if this scenario materializes). Since mid-May, two additional priorities have been fixed: the first being to accommodate as many employees as possible at their workplace in a manner compatible with health regulations and the second being to return to a normal level of activity for employees for the sectors that have been shut down or that have operated in a reduced way such as works, industrial and tertiary maintenance or sanitation maintenance.

Almost all of the Group's facilities or activities remained open at the height of the health crisis, although the impact on volumes varies between business lines:

- essential municipal services such as drinking water, wastewater, collection and treatment of municipal waste and district heating as well as energy services in hospitals were impacted little with a drop in their usual volumes;
- hazardous waste activities were moderately impacted with, notably a high rate of utilization of our incinerators in Europe;
- conversely, the industrial and commercial waste activity declined sharply in April following the compulsory closure of a large number of companies and tertiary activity centers such as shopping centers, but recovered strongly from the end of the various lockdowns decided by the different governments. Services on industrial sites and for buildings were also affected when those sites were closed.
- lastly, construction activities in France were at a standstill in March and April and slowed elsewhere to varying degrees depending on the region. Activity levels have since gradually increased and were back to normal in June.

As such during the second quarter, the Group's revenue was reduced overall by -11% compared to the second quarter of 2019 with an important reduction in France (-16.1%) and in global businesses (-20.8%) and with better resistance in Europe excluding France (-6.7%) and the rest of the world (-5.7%), our activities in industrial and commercial waste as well as in construction were strongly impacted. The activity in June saw a strong rebound with revenues representing approximately 97% of revenue for June 2019.

Overall in the first-half, the activity was marked by the impacts of the health crisis on the Group's operations, notably in China from January, then in Europe and in the other regions such as Latin America from the second-half of March, gradually and in line with the local developments of the pandemic. The performance over the first half confirms the resilient nature of our activities with a more pronounced impact on the industrial waste and works business and a strong recovery since late May / early June.

In this context, the first-half of 2020 was marked by:

- Revenue of €12,412 million, down -6.1% at constant exchange rates and -5.6% at constant scope and exchange rates. Revenue fell -11% in the second quarter versus -1.3% in the first quarter at constant exchange rates.
- EBITDA of €1,599 million down -19.2% at constant exchange rates and -17.3% at constant scope and exchange rates. EBITDA fell -33.9% in the second quarter and -5.3% in the first quarter at constant exchange rates. Measures to adapt to the health crisis (Recover and Adapt) for €120 million of costs savings at the end of June 2020.
- Current EBIT of €438 million, down -48.0% at current exchange rates and -43.1% at constant scope and exchange rates. Current EBIT fell -86.9% in the second quarter versus -18.0% in the first quarter at constant exchange rates.
- Current net income attributable to owners of the Company of €7 million, down -97.7% at current exchange rates; adjusted for changes in capital gains, current net income fell -98.3% at current exchange rates and -91.1% at constant scope and exchange rates. The second quarter fall was -178.2% at constant exchange rates compared with -36.3% in the first quarter.
- a resilient net Free Cash Flow of -€515 million (versus -€473 million at June 30, 2019). The reduction in the EBITDA being compensated for by net industrial investments down €96 million (€500 million reduction expected in industrial investments for the period 2020 vs. 2019) and a more favorable variation in working capital at -€683 million versus -€908 million for the first-half of 2019.
- a net financial debt of €11,850 million versus €12,478 million as of 30 June, 2019.

Update on the Group's liquidity

Faced with an unprecedented crisis, Veolia immediately prioritized the monitoring of its liquidity. This involved the daily monitoring of changes in its cash position and weekly forecasts by Business Unit covering a five week time frame, monitoring of Finance Back Office operations (invoicing, collection, payments, suppliers) and a daily financial market update at the Group level.

The Group's financing policy is therefore prudent and resilient. Pooled cash is mainly invested in liquid monetary assets, cash UCITS and liquid bank deposits.

The Group's liquidity position at June 30, 2020 is solid at €12.1 billion and mainly consists of the following:

- €6.7 billion of pooled cash (including commercial paper with an average residual maturity of 4.1 months totaling €4.6 billion, currently being refinanced)
- €1.2 billion of cash available in the subsidiaries;
- undrawn and available bilateral credit lines totaling €4.2 billion

3.1.2 CHANGES IN GROUP STRUCTURE

Major acquisitions

The Group's maintains its policy of development in order to support a return to a strong growth post-crisis.

Alcoa (United States)

Announced on December 20, 2019, the Group acquired, via its subsidiary Veolia North America, the hazardous waste processing site of Alcoa USA Corporation for €231 million in Q1 2020[(1)].

Nagpur (India)

In the second-half of 2020, the Group acquired Orange City Water and Orange City Hydraulic Works in Nagpur, India (population of 2 million people) through Veolia India, for a consideration of €113 million [(1)], thereby expanding its water distribution activity in the Indian sub-continent.

Significant Divestitures

The Group did not carry out any significant disposals in the first half of 2020.

3.1.3 GROUP FINANCING

In the first-half of 2020, the Group actively managed its debt by benefiting from satisfactory market conditions, the refinancing transactions carried out have permitted the stability of the maturity of gross debt.

Change in bonds

On January 8, 2020, Veolia issued a €500 million bond, with a January 2031 maturity. This bond bears a coupon of 0.664% and was issued at par. The over-subscription ratio was close to 5, enabling Veolia to materially improve the issuing rate and achieve a final pricing which was better than the secondary market.

On April 8, 2020 and June 8, 2020, in a context of highly volatile financial markets, and especially credit markets, Veolia took advantage of a constructive market window to issue, respectively, a €700 million bond at par, maturing April 2028 and bearing a coupon of 1.25% and a €500 million bond at par, maturing January 2032 and bearing a coupon of 0.80%.

These three bond issues intended for general group financing requirements, enabled Veolia to bring forward the refinancing of all bond payments scheduled for 2020 and 2021 totaling €1.6 billion.

Lastly, on June 22, 2020, Veolia Environnement successfully issued two bonds for a total nominal amount of 1.5 billion renminbi (€188 million euro-equivalent) on the Chinese domestic market (Panda Bonds). These bonds were issued via a private placement and bear a coupon of 3.85%, for a 3 year maturity. They were issued to Chinese and international investors. The proceeds of these bonds will be used to finance various Group projects in continental China. The conditions obtained show that Veolia's signature is viewed very favorably and demonstrated investor confidence in the Group's development in China.

Confirmation of the credit outlook

On May 18, 2020, Moody's confirmed Veolia Environnement's credit rating at P-2/Baa1 with a stable outlook. On June 10, 2020, S&P confirmed its rating at A-2 / BBB with a stable outlook.

Dividend payment

The Combined General Meeting of April 22, 2020 agreed to pay a dividend of €0.50 per share for fiscal year 2019. The Board of Directors - given the exceptional circumstances related to COVID-19 and to protect the interests of all the Group's stakeholders in a spirit of solidarity – decided on April 1, 2020 to half the dividend for fiscal year 2019 initially proposed at €1.00. The dividend therefore amounted to €277 million and was paid from May 14, 2020.

(1) Including shares and net financial debt of newly consolidated companies.

3.1.4 PERFORMANCE SHARE PLAN

Given the exceptional circumstances, the Board of Directors - at the recommendation of the Compensation Committee - decided with regard to the 2021 compensation policy to review the grant conditions for all beneficiaries of the 2018 performance share plan set-up on May 2, 2018 (expiring in 2021), concerning fiscal years 2018, 2019 and 2020.

This plan includes a performance condition based on average growth in Current net income attributable to owners of the Company per share of 10% annually (for the vesting of all performance shares granted), as recorded at the end of the plan period in 2021, based on results for the 2018, 2019 and 2020 fiscal years compared with the 2017 base year. If this average growth is less than 5%, no performance shares will vest. Between 5% and 10%, shares will vest on a proportional basis.

The Board of Directors decided to amend this performance objective, retaining it unchanged for fiscal years 2018 and 2019 of the reference period and reducing the initial number of performance shares granted by one third to take account of the “neutralization” of fiscal year 2020. The Plan maturity date is unchanged (May 2, 2021).

In addition, in the context of the Group’s remuneration policy and the authorization of the Combined General Meeting, the Board of directors decided on March 10, 2020 on the proposal of its Compensation Committee to attribute to around 450 beneficiaries including its senior executives, employees with a high potential and key contributors of the Group, performance shares (up to 0.5% of the capital). The definitive acquisition of these shares is subject to a condition of presence and performance, detailed in the section 7.4.3 page 446 of the 2019 Universal Registration Document.

Lastly, during the Combined General Meeting, the company reaffirmed its wish to associate the employees with the Group’s development and performance by launching a new employee share purchase program for 2020.

3.1.5 CHANGES IN GOVERNANCE

Veolia Environnement combined general meeting of April 22, 2020

As part of the annual renewal of the Board of Directors, the Board of Directors’ meeting of March 10, 2020 formally noted the expiration of the terms of office of four Directors (Mr. Jacques Aschenbroich, Mrs. Isabelle Courville, Mrs. Nathalie Rachou and Mr. Guillaume Texier) at the end of the Shareholders’ Meeting of April 22, 2020.

On the recommendation of the Nominations Committee, the Board of Directors decided on March 10, 2020 to propose at the Combined General Meeting of April 22, 2020, the renewal of the terms of office as Director of Mr. Jacques Aschenbroich, Mrs. Isabelle Courville, Mrs. Nathalie Rachou and Mr. Guillaume Texier for a period of four years expiring at the end of the 2024 Ordinary General Meeting called to approve the financial statements for the year ending December 31, 2023.

The Combined General Meeting of Veolia Environnement was held on April 22, 2020 at the Company's administrative headquarters under the chairmanship of Company Chairman and Chief Executive Officer, Mr. Antoine Frérot, without the physical presence of shareholders due to the COVID-19 epidemic health measures and pursuant to the emergency measures adopted by the French government. It approved all the resolutions on the agenda.

In particular, shareholders renewed the terms of office as Director of Mrs. Isabelle Courville and Mrs. Nathalie Rachou and Messrs. Jacques Aschenbroich and Guillaume Texier 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, 2023.

Furthermore, shareholders:

- approved the Company and consolidated financial statements for fiscal year 2019;
- set the cash dividend for fiscal year 2019 at €0.50 per share and decided that the shares would be ex-dividend on May 12, 2020 and the dividend would be paid from May 14, 2020;
- approved the fixed and variable components of total compensation and benefits of all kind paid or awarded to Mr. Antoine Frérot by virtue of his duties as Chairman and Chief Executive Officer, with respect to fiscal year 2019;
- approved the information relating to the 2019 compensation of the Directors (excluding the Chairman and Chief Executive Officer);
- approved the Chairman and Chief Executive Officer’s compensation policy in respect of fiscal year 2020;
- approved the Directors’ compensation policy (excluding the Chairman and Chief Executive Officer) in respect of fiscal year 2020;
- renewed all financial authorizations granted to the Board of Directors;
- authorized the Board of Directors to grant performance shares to corporate officers and employees of the Group and the Company;
- approved the harmonization of the Articles of Association of the Company with new legal and regulatory provisions in force.

After this Combined General Meeting, the Veolia Environnement Board of Directors remains unchanged and comprises thirteen directors, including two directors representing employees and five women (45.45%)(1):

- Mr. Antoine Frérot, Chairman and Chief Executive Officer;
- Mr. Louis Schweitzer, Vice-Chairman;
- Mrs. Maryse Aulagnon, Senior Independent Director;
- Mr. Jacques Aschenbroich;
- Caisse des dépôts et consignations, represented by Mr. Olivier Mareuse;
- Mrs. Isabelle Courville;
- Mrs. Clara Gaymard;
- Mrs. Marion Guillou;
- Mrs. Nathalie Rachou;
- Mr. Paolo Scaroni;
- Mr. Guillaume Texier;
- Mr. Pavel Páša, Director representing employees;
- Mr. Franck Le Roux, Director representing employees.

The four Board Committees also remain unchanged and are comprised as follows:

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

(1) Excluding Directors representing employees in accordance with Article L. 225-27-1 of the French Commercial Code (Code de commerce).

3.2 Accounting and financial information

3.2.1 KEY FIGURES

(in € million)	Half-year ended June 30, 2019 published	Half-year ended June 30, 2020	Change 2019 / 2020 Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
Revenue	13,324	12,412	-6.8%	-6.1%	-5.6%
EBITDA	2,002	1,599	-20.1%	-19.2%	-17.3%
EBITDA margin	15.0%	12.9%			
Current EBIT(1)	857	438	-49.0%	-48.0%	-43.1%
Current net income – Group share	352	7	-97.9%	-97.7%	-91.1%
Current net income – Group share, excluding capital gains and losses on financial divestitures net of tax	334	6	-98.3%	-98.0%	-85.9%
Net income (loss) – Group share	331	(138)	-141.5%		
Net industrial investments	(969)	(873)			
Net free cash flow(2)	(473)	(515)			
Net financial debt	(12,478)	(11,850)			

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

(2) The indicators are defined in Section 3.10.3 of the 2019 Universal Registration document.

The main foreign exchange impacts were as follows:

FX impacts for the half-year ended June 30, 2020 (vs. June 30, 2019 published)	%	(in € million)
Revenue	-0.8%	(106)
EBITDA	-0.9%	(19)
Current EBIT	-0.9%	(8)
Current net income - Group share	-0.2%	(1)
Net financial debt	1.5%	157

Group consolidated revenue

Group consolidated revenue for the half-year ended June 30, 2020 was €12,412.0 million, compared with €13,323.9 million for the same period in 2019, down -6.1% at constant exchange rates and -5.6% organically.

The change in revue by quarter is the following by segment for the second quarter of 2020:

(at constant exchange rates)	1st Quarter 2020	2nd Quarter 2020	Half-year ended June 30, 2020
France	-3.1%	-16.1%	-9.7%
Europe excluding France	1.1%	-6.7%	-2.5%
Rest of the world	-1.8%	-5.7%	-3.7%
Global businesses	-3.6%	-20.8%	-12.5%
Group	**-1.3%**	**-11.0%**	**-6.1%**

The second quarter of 2020 is marked by:

- In France by a resilience in the water activity with a limited impact of the crisis on volumes which remain stable over the first-half of 2020, prices increased by +1.5%, compensated by the drop in works activity; in the waste activity the volumes collected were down strongly in March and April and recovering since May to be close to the levels of June 2019 due to the treatment of waste stocked during the lockdown period;
- In Europe excluding France, by a reduction in the volumes of industrial waste in Germany, the Netherlands and the United Kingdom. An energy activity down in Southern Europe, Scandinavia and Belgium. Central and Eastern Europe are particularly resistant to the crisis (volumes down slightly in municipal water and energy);
- In the rest of the world by a moderate impact of the health crisis: North America revenue down -3.9% at constant scope and exchange rate, that if Latin America down -0.5% at constant exchange rates, that of the Pacific zone -2.6% at constant exchange rates, whilst Asia saw its revenue increase +2.4% at constant exchange rates;
- In Global businesses by a decrease due to the stoppage of works in France and the reduction in the volumes of hazardous waste. After having reached a low point of its activity at the end of April the hazardous waste activities recorded at the end of June an almost normal recovery (90%);

Overall, the change in revenue compared with the half-year ended June 30, 2019 breaks down as follows:

			Change 2019 / 2020		
(in € million)	Half-year ended June 30, 2019 published	Half-year ended June 30, 2020	Δ	Δ at constant exchange rates	Δ at constant scope and exchange rates
France	2,759.2	2,490.6	-9.7%	-9.7%	-9.7%
Europe excluding France	4,789.3	4,623.7	-3.5%	-2.5%	-2.8%
Rest of the world	3,495.9	3,308.0	-5.4%	-3.7%	-1.1%
Global businesses	2,275.7	1,988.5	-12.6%	-12.5%	-13.1%
Other	3.7	1.2	-68.0%	-	-
Group	**13,323.9**	**12,412.0**	**-6.8%**	**-6.1%**	**-5.6%**

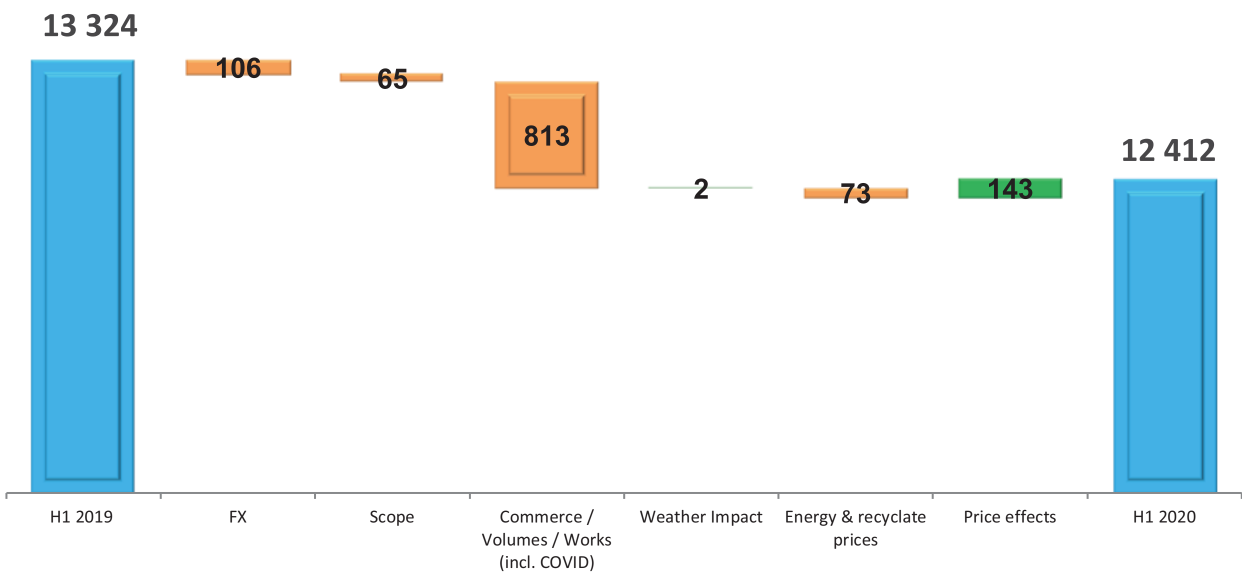
- Revenue decreased -9.7% in **France** at constant scope compared with the half-year ended June 30, 2019; Water revenue fell -6.4%, while Waste revenue dropped -13.4% at constant scope.
  - Water revenue is down -6.4% year-on-year, with a significant slowdown in construction activity (-3.7%, virtual stoppage during the lockdown period up until the recovery in June), with the activity slump generated by the health crisis partially offset by higher tariff indexation (+1.5% in 2020).
  - Waste revenue declined -13.4% at constant scope year-on-year, with a fall in the price of recycled materials (price effect of -€19 million and volume effect of -€16 million for paper and cardboard) and a drop in volumes linked to the health crisis in industrial waste collection (-18%), municipal collection (-6%) and landfill activity (-16%), partially offset by higher incineration volumes (+4%) and tariff rises in the first quarter.
- **Europe excluding France** declined -2.5% at constant exchange rates compared with the half-year ended June 30, 2019, with varying trends across the regions:
  - in the United Kingdom/Ireland, revenue fell -5.8% at constant exchange rates to €1,072.2 million following a drop in landfill volumes (-8%) compensated by a high rate of availability of the incinerators (95.7%), a downturn in municipal collection contracts (end of multiple contracts) and a slowdown in commercial activity in the second quarter.

- In Central and Eastern Europe, revenue totaled €1,677.3 million, up +0.7% at constant exchange rates year-on-year and +1% excluding the unfavorable weather impact of -€5.8 million. This growth was mainly driven by:
  - higher tariffs in Energy;
  - increased construction activity (+0.7%) in Romania (favorable weather conditions) and the Czech Republic (maintenance work on the Prague wastewater treatment plant);
  - in Water: higher tariffs in the Czech Republic (annual indexation) and Bulgaria, partially absorbed by lower volumes, particularly in the Czech Republic following a slowdown in tourism in Prague;
- In Northern Europe, revenue fell -4.9% at constant exchange rates compared with the half-year ended June 30, 2019 to €1,303.8 million, mainly due to:
  - a drop in industrial activity in Sweden (closure of Volvo sites due to the COVID-19 health crisis) and the Netherlands (lower plastic volumes), as well as reduced recycling activity across the region.
  - a -1.9% decline in revenue in Germany (main revenue contributor: €915 million for the half-year). In the Waste business, after a reduction at the end of the first quarter due to the lockdown a recovery in the volumes is observed at the end of the second quarter as well as an increase in prices which are unable to compensate for the strong decline in the sale price of paper.

- Decline of -3.7% year-on-year in the **Rest of the world** at constant exchange rates and of -1.1% at constant scope and exchange rates:
  - Revenue in Asia increased by +4.7% at constant exchange rates, mainly due to continued strong growth in China, Hong-Kong and Taiwan, where revenue increased to €568 million, driven:
    - in Hong-Kong (+51% at constant exchange rates), by the integration of Southa's activities (energy services for buildings, +€30.4 million) and the construction of an extension at the Green Valley landfill site;
    - in China (-1.6% at constant exchange rates year-on-year), by an increase in energy (impact of the 2019 acquisitions of Yibin and Kedong Heating, network extensions and higher heating tariffs for the Harbin network) and waste (Huafei plastic business) activities and a fall in industrial service activities;
    - in Japan (+8.8% at constant exchange rates), by an increase in Municipal Water revenue due to organic growth in O&M activities and a good performance in industrial EPC activity generated by the Lithium (+€13 million) and Hiroshima EPC projects.
  - Revenue fell -1.6% in North America at constant scope and exchange rates to €882 million (scope impact tied to the divestiture of heating networks in the United States of €184 million as of June 30, 2019), marked by lower waste volumes in Canada and a drop in industrial water activity, which offset the progression in the hazardous waste business.
  - The Pacific zone reported a -0.5% decline in revenue for the half-year ended June 30, 2020 at constant exchange rates, despite improved industrial services and hazardous waste activities and contract wins in New Zealand, that were unable to offset the decrease of the works activity in Australia in the water business.
  - Revenue growth in Latin America (+5.8% at constant exchange rates), driven mainly by tariff increases in Argentina (tied to inflation), the start-up of new contracts in Peru and scope impacts (Stericycle in Chile, Gadere in Ecuador and Entorno in Colombia - impact of +€3 million).
  - Africa/Middle East declined -1% at constant exchange rates: the decrease in volumes and construction work in Morocco (-7.1% at constant exchange rates) is offset by the impact of the South African activities acquired in 2019.

- **Global businesses**: revenue fell -12.5% at constant exchange rates compared to June 30, 2019:
  - Hazardous waste activities in Europe have been relatively resilient since the end of lockdown but report a drop of -12.8% at constant exchange rates at the end of June. Incineration activities were strong with volumes varying between sectors (the pharmaceutical, food and chemical sectors being less impacted by the health crisis), while positive commercial impacts which compensate a decrease in landfill volumes and decontamination, heavily impacted by the shutdown of construction and public works sites;
  - Veolia Water Technologies revenue declined -1.2% at constant exchange rates year-on-year following a slowdown in activity tied to the health crisis, offset by the ramp-up of desalination plant construction contracts won in 2019 (All Dur II, Um Al Quwain and Rabigh 3). The revenue of the Sade fell by -18.3% at constant exchange rates due to the near total stoppage of construction sites in France between March 17 and May 11. Over the month of June the activity rate of the Sade was recovered to 100%.

The increase in revenue between 2019 and 2020 breaks down **by main impact** as follows:



The **foreign exchange impact** on revenue was -€106 million (-0.8% of revenue) and mainly reflects fluctuations in the U.S. dollar (+€24.5 million), the Argentine peso (-€38.1 million), the Australian dollar (-€23.7 million), the Polish zloty (-€16.6 million), the Czech crown (-€13.3 million), the Hungarian forint (-€12.4 million) and the Brazilian real (-€15.5 million).

The **consolidation scope impact** of -€65 million mainly reflects:

- operations in 2019: sale of heating networks in the United States (-€184.3 million) and the acquisition of Southa in Hong Kong (+€30.4 million), sludge treatment assets in Germany (+€10.7 million), and Stericycle hazardous waste activities in Chile (+€10.9 million);
- operations in 2020, including the acquisition of Torrepet in Spain for €11.6 million and Alcoa assets (hazardous waste) in the United States for +€6.4 million.

Energy and recyclate prices had an impact of -€73 million, with notably a decrease in the price of recycled materials (-0.7%, or -€98 million of which -€63 million due to decrease in paper and cardboard prices) and an increase in energy process (principally in Central and Eastern Europe).

The Commerce effect (Volume/works) was -€813 million including notably the effect of Covid for all of the first-half of the year.

Favorable **price effects** (+€143 million) are tied to positive tariff indexation in water in France (+1.5%) and Central and Eastern Europe and in waste in France, the United Kingdom, Northern Europe and Latin America.

Revenue by business

(in € million)	Half-year ended June 30, 2019 published	Half-year ended June 30, 2020	Change 2019 / 2020 ∆ Current	∆ at constant exchange rates	∆ at constant scope and exchange rates
Water	5,342.1	5,095.8	-4.6%	-4.4%	-5.0%
of which Water Operations	*4,009.7*	*3,896.4*	*-2.8%*	*-2.7%*	*-3.3%*
of which Technology and Construction	*1,332.4*	*1,199.4*	*-10.0%*	*-9.6%*	*-10.2%*
Waste	5,036.7	4,667.8	-7.3%	-6.2%	-7.4%
Energy	2,945.1	2,648.4	-10.1%	-8.7%	-3.4%
Group	**13,323.9**	**12,412.0**	**-6.8%**	**-6.1%**	**-5.6%**

Water

Water Operations revenue decreased -2.7% at constant exchange rates compared with June 30, 2019, reflecting:

- In France: a -6.4% fall in revenue mainly due to construction site stoppages (-3.7%), stable volumes and increased tariff indexation (+1.5%);
- In Central and Eastern Europe: -2.4% reduction in volumes (Czech Republic due to reduced tourism in Prague) compensated by a favorable price indexation +2.6% (Czech Republic and Bulgaria);

Technology and Construction revenue declined -9.6% at constant exchange rates compared with June 30, 2019, this decrease is explained by:

- VWT revenue of €665 million (-1.2% at constant exchange rates), due to desalination projects won in 2019 and commenced in the first quarter of 2020;
  - a limited COVID-19;
  - a more resilient Technology & Services activity;
- Sade revenues of €534 million, down -18.3% at constant exchange rates, consequences of construction projects in France being at a standstill during the lockdown period.

Waste

Waste revenue is down -6.2% at constant exchange rates compared with June 30, 2019.

- A commerce and volume effect of -8.4%, strongly impacted by the effects of the health crisis on the second quarter primarily in France, Northern Europe and in Asia (notably on industrial and commercial waste activities);
- A positive price effect of +2.2% mainly in France, the UK, Northern Europe and Latin America, partially offset by the fall in recycled paper and cardboard prices (-1.9%).

Energy

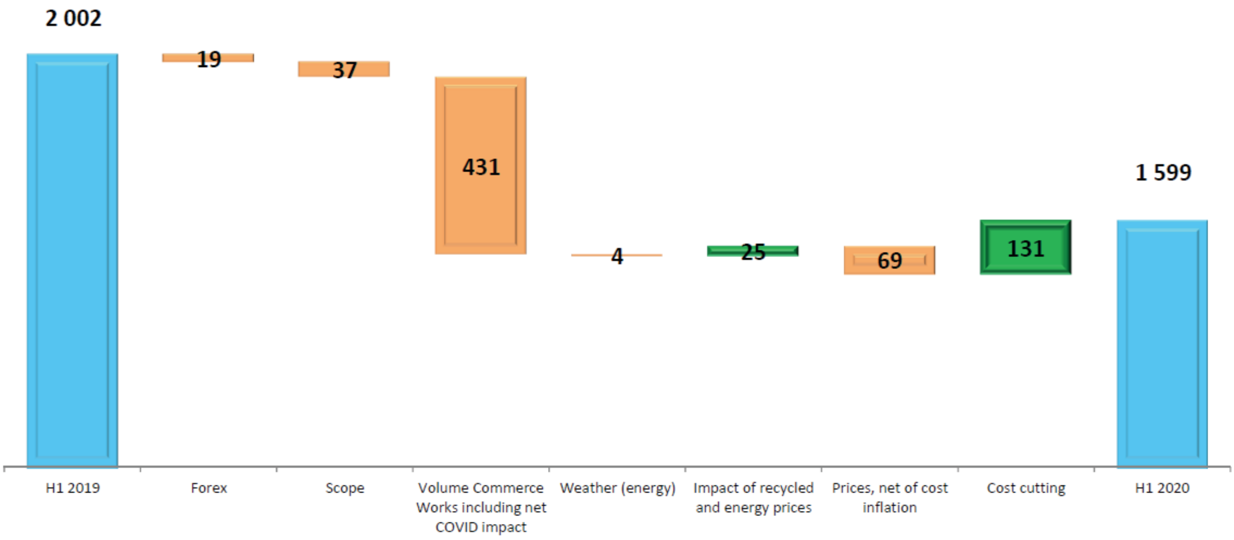
Energy revenue fell -8.7% at constant exchange rates compared with June 30, 2019 (-3.4% at constant scope and exchange rates), mainly due to:

- A scope effect of -€156 million mainly due to the disposal of heating network activities in the United States in 2019;
- A negative weather effect of -€3 million (-0.1%) notably in Central and Eastern Europe;
- A positive price effect of +1.0% with higher heat and electricity prices in Central and Eastern Europe.
- A reduction in volumes (-3.3%) principally in Central Europe, France, Spain and Italy.

EBITDA

Group consolidated EBITDA for the half-year ended June 30, 2020 was €1,599.0 million, down -19.2% at constant exchange rates compared with June 30, 2019. The margin rate was down to 12.9% in June 2020, compared with 15.0% as of June 30, 2019.

The decrease in EBITDA between 2019 and 2020 breaks down **by impact** as follows:



The **foreign exchange** impact on EBITDA was -€19 million and mainly reflects fluctuations in the U.S. Dollar (+€2.1 million), the Argentinian Peso (-€3.4 million), the Australian dollar (-€2.7 million), the Colombian peso

(-€2.3 million), the Hungarian forint (-€1.8 million) and the Japanese yen (+€0.9 million).

The consolidation scope impact of -€37 million mainly reflects operations completed in 2019 and particularly the divestiture of heating network activities in the United States (-€45.4 million) and the acquisition of Stericycle activities in Chile (+€2 million), as well as the acquisition of the Yibin (+€1.3 million) and Kedong (+€1 million) heating networks in China, but also some developments in 2020, including the integration of Torrepet assets in Spain (+€2.2 million).

Unfavorable **commerce and volume** impacts totaled -€431 million and include the Covid impacts partially offset by the introduction of a 'recover & adapt plan', the realization of which has made it possible to achieve additional savings to operating costs.

The **weather impact** was -€4 million (-€6 million at June 30, 2019), notably due to unfavorable weather conditions in Central and Eastern Europe and Asia.

Energy and recyclate prices had a positive impact on EBITDA and represent a marked improvement on 2019: +€25 million (versus -€14 million at June 30, 2019) including +€47 million in energy and -€22 million in recyclates, with a significant increase in the price of energy sold in Central and Eastern Europe (+€43 million mainly in Poland with higher heating prices), partially offset by a -€15 million drop in Italy resulting from the fall in the price of gas (-20%) and electricity (-18%) in connection with the health crisis.

The impact of **prices net of inflation** is -€69 million.

Cost savings plans contributed +€131 million, which integrates into an annual cost savings plan of €250 million for the period 2020. These savings mainly concern operating efficiency (56%) and purchasing (33%) and were achieved across all geographic zones: France (26%), Europe excluding France (34%), Rest of the world (27%), Global businesses (11%) and Corporate (2%).

Current EBIT

Group consolidated current EBIT for the half-year ended June 30, 2020 was €437.5 million, down -48.0% at constant exchange rates year-on-year.

EBITDA reconciles with Current EBIT for the half-years ended June 30, 2020 and June 30, 2019 as follows:

(in € million)	Half-year ended June 30, 2019 published	Half-year ended June 30, 2020
EBITDA	**2,001.9**	**1,599.0**
Renewal expenses(*)	(138.9)	(132.3)
Depreciation and amortization (**)	(1,073.3)	(1,053.7)
Provisions, fair value adjustments & other(*)	11.3	(15.6)
Share of current net income of joint ventures and associates	56.3	40.1
Current EBIT	**857.3**	**437.5**

(*) Including renewal expenses of €102.5 million and €29.8 million for provisions for contractual commitments.

(**) Including principal payments on operating financial assets (OFA) of -€66 million for the half-year ended June 30, 2020 (compared with -€76 million for the half-year ended June 30, 2019.)

The decline in the Current EBIT at constant exchange rates reflects:

- a decrease in EBITDA;
- slightly lower depreciation and amortization charges compared with June 2019;
- an increase in operating provisions;
- a decrease in the contribution of associates, notably the water concessions in China (-€9 million) as a result of the health crisis with an impact on volumes essentially on the first quarter.

The foreign exchange impact on Current EBIT was -€7.9 million and mainly reflects fluctuations in the Argentine peso (-€1.5 million), the Polish zloty (-€2.2 million), the Czech crown (-€1.8 million), the Hungarian forint (-€1.1 million) and the Colombian peso (-€1.1 million).

Selling, general and administrative expenses

Selling, general and administrative expenses impacting Current EBIT decreased 4% (current basis) from €1,392.6 million for the half-year ended June 30, 2019 to €1,336.7 million for the half-year ended June 30, 2020. The ratio of selling, general and administrative expenses to revenue increased slightly from 10.5% in the half-year ended June 30, 2019 re-presented to 10.8% in the half-year ended June 30, 2020 due to the marked drop in revenue (-6.8%).

Net financial expense

The **cost of net financial debt** is down and totaled -€215.6 million for the half-year ended June 30, 2020, compared with -€222.5 million for the half-year ended June 30, 2019 due to:

- a decrease in the total cost of debt tied to the more favorable financing conditions of the euro-denominated bond issues performed in 2019 and 2020,
- a decline in investment remuneration combined with higher average commercial paper volumes in Q1 2020 compared with the first-half of 2019.

The financing rate was therefore 4.36% at June 30, 2020, compared with 4.30% at June 30, 2019.

Other financial income and expenses totaled -€84.2 million for the half-year ended June 30, 2020, compared with -€90.6 million for the half-year ended June 30, 2019.

These expenses include mainly the interest on concession liabilities (IFRIC 12) of -€39.8 million, interest on the right of use (IFRS 16) of -€17.7 million and the unwinding of discounts on provisions of -€11.1 million.

Gains on financial divestitures recognized in the first-half of 2020 totaled +€0.2 million, compared with +€18.3 million for the half-year ended June 30, 2019.

Current income tax expense

The current income tax expense for the half-year ended June 30, 2020 amounted to -€63.4 million, compared with -€121 million for the half-year ended June 30, 2019.

The current income tax rate for the half-year ended June 30, 2020 increased to 64.9% (versus 23.9% in H1 2019).

(in € million)	Half-year ended June 30, 2019 published	Half-year ended June 30, 2020
Current income before tax (a)	**562.5**	**138.0**
of which share of net income of joint ventures & associates (b)	56.3	40.1
Re-presented current income before tax: (c)= (a)-(b)	**506.2**	**97.9**
Re-presented tax expense (d)	**(121.0)**	**(63.4)**
Re-presented tax rate on current income (d)/(c)	**23.9%**	**64.9%**

The change to the current tax rate is due to the geographical mix and the negative net income before tax in regions without recognition of deferred tax assets.

Current net income

Current net income attributable to owners of the Company was €7.4 million for the half-year ended June 30, 2020, compared with €352.4 million for the half-year ended June 30, 2019. Excluding capital gains and losses on financial divestitures net of tax and minority interests, current net income attributable to owners of the Company decreased from €333.7 million in H1 2019 to €5.6 million in H1 2020, due to the negative impact of COVID-19 on the Group's financial statements for the half-year ended June 30, 2020.

Net income

Net income attributable to owners of the Company was -€138 million for the half-year ended June 30, 2020, compared with €331 million for the half-year ended June 30, 2019.

Net income attributable to owners of the Company per share was -€0.25 (basic) and -€0.25 (diluted) for the half-year ended June 30, 2020, compared with €0.60 (basic) and €0.57 (diluted) for the half-year ended June 30, 2019.

Current net income (loss) / Net income (loss) attributable to owners of the Company

The share of net income attributable to non-controlling interests totaled €66.3 million for the half-year ended June 30, 2020, compared with €88.1 million for the half-year ended June 30, 2019.

Net income attributable to owners of the Company was -€138 million for the half-year ended June 30, 2020, compared with €331 million for the half-year ended June 30, 2019.

Current net income attributable to owners of the Company was €7 million for the half-year ended June 30, 2020, compared with €352 million for the half-year ended June 30, 2019.

Net income attributable to owners of the Company per share for the half-year ended June 30, 2020 was -€0.25 (basic) and -€0.25 (diluted) compared with €0.60 (basic) and €0.57 (diluted), for the half-year ended June 30, 2019. Current net income attributable to owners of the Company per share was €0.01 (basic) and €0.01 (diluted) for the half-year ended June 30, 2020, compared with €0.64 (basic) and €0.61 (diluted) for the half-year ended June 30, 2019.

As of June 30, 2020 the weighted average number of shares outstanding was 554,541,074. The instruments (principally related to the OCEANE convertible bonds issued on September 12, 2019) are excluded from the calculation of diluted net income per share as they are anti-dilutive.

Net income (loss) attributable to owners of the Company for the **half-year ended June 30, 2020** breaks down as follows:

(in € million)	Current	Non Current	Total
EBIT	437.5	(145.1)	292.5
Cost of net financial debt	(215.6)	-	(215.6)
Other financial income and expenses	(84.0)	-	(84.0)
Pre-tax net income (loss)	**138.0**	**(145.1)**	**(7.1)**
Income tax expense	(63.4)	8.3	(55.2)
Net income (loss) of other equity-accounted entities	-	-	-
Net income (loss) from discontinued operations	-	(9.0)	(9.0)
Net (income) loss attributable to non-controlling interests	(67.0)	0.8	(66.3)
Net income (loss) attributable to owners of the Company	**7.4**	**(145.0)**	**(137.6)**

Net income (loss) attributable to owners of the Company for the **half-year ended June 30, 2019** breaks down as follows:

(in € million)	Current	Non-current	Total
EBIT	857.3	(60.9)	796.4
Cost of net financial debt	(222.5)	-	(222.5)
Other financial income and expenses	(72.3)	32.7	(39.6)
Pre-tax net income (loss)	**562.5**	**(28.2)**	**534.3**
Income tax expense	(121.0)	22.2	(98.8)
Net income (loss) of other equity-accounted entities	-	-	-
Net income (loss) from discontinued operations	-	(15.9)	(15.9)
Net (income) loss attributable to non-controlling interests	(89.0)	0.9	(88.1)
Net income (loss) attributable to owners of the Company	**352.4**	**(21.0)**	**331.4**

Current EBIT reconciles with operating income, as shown in the income statement, as follows:

(in € million)	Half-year ended June 30, 2019 published	Half-year ended June 30, 2020
Current EBIT	**857.3**	**437.5**
Impairment losses on goodwill and negative goodwill	-	(44.2)
Net charges to non-current provisions	15.4	21.4
Restructuring costs	(20.9)	(23.4)
Non-current impairment losses on WCR	(0.2)	-
Personnel costs - share-based payments	(8.8)	(2.2)
Non-current provisions and impairment of property, plant and equipment, intangible assets, operating financial assets and other	(44.9)	(92.7)
Share acquisition costs, with or without acquisition of control	(1.6)	(4.0)
Total non-current items	**(60.9)**	**(145.1)**
Operating income after share of net income of equity-accounted entities	**796.4**	**292.5**

The impairment of goodwill principally concerns the non-current depreciation in Latin America for -€44.3 million.

Restructuring charges for the half-year ended June 30, 2020 mainly concern Veolia Water Technologies for -€11 million and France RVD for -€4 million. The impact of restructuring in Water France is €1.1 million at the operating income level, as incurred costs are partially offset by equivalent provision reversals.

The non-current provisions and impairments of property, plant and equipment, intangible assets, operating non-financial assets and other non-current expenses primarily concern:

- specific costs dedicated to the current health crisis beyond the usual costs of equipment and individual protection of our employees, not only by the extent of the consumption but also the unit costs of this equipment including logistical costs during the period of April and May (-€33 million).
- Non-current impairment of intangible assets (notably Africa / Middle-East and Latin America) for a total of -€53 million.

3.2.2 OTHER INCOME STATEMENT ITEMS

3.2.2.1 Share of net income (loss) of other equity-accounted entities and discontinued operations

Income from discontinued operations mainly consists of the residual impacts in 2020 of the income from discontinued operations of the EPC international business. See note 4.2.1 of the appendices to the consolidated accounts.

3.2.3 CHANGES IN FREE CASH FLOW AND NET FINANCIAL DEBT

Net free cash flow -€514.9 million for the half-year ended June 30, 2020 (versus -€472.6 million for the half-year ended June 30, 2019).

The change in net free cash flow compared with the half-year ended June 30, 2019 reflects:

- a decline in EBITDA
- lower net industrial investments, down -10% compared with June 30, 2019 and including:
  - net maintenance investments of €408 million (3.3% of revenue)
  - growth investments in the current portfolio of €337 million (€316 million in the first-half of 2019)
  - discretionary investments of €128 million versus €159 million for the first-half of 2019.
- A change in operating working capital of -€683.3 million, an improvement of €225 million for the first half 2019.

Overall, **net financial debt** amounted to €11,849.9 million, compared with €12,477.6 million versus June 30, 2019.

In addition to the change in net free cash flow, net financial debt comprises net financial investments (including acquisition costs and the net financial debt of new entities) of €370 million.

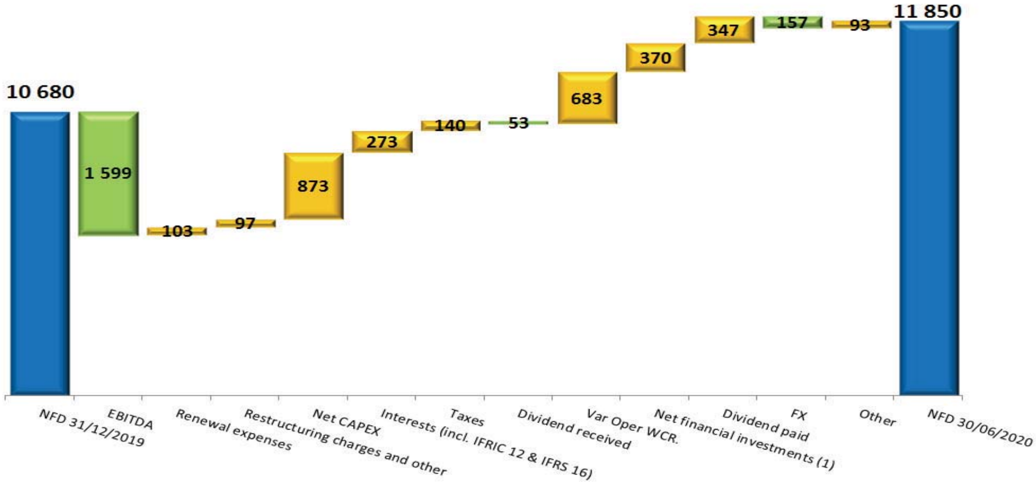
The following table summarizes the change in net financial debt and net free cash flow:

(in € million)	Year ended June 30, 2019	Year ended June 30, 2020
EBITDA	**2 002**	**1 599**
Net industrial investments	(969)	(873)
Change in operating WCR	(908)	(683)
Dividends received from equity-accounted entities and joint ventures	61	53
Renewal expenses	(139)	(103)
Other non-current expenses and restructuring charges	(73)	(97)
Interest on concession liabilities	(40)	(40)
Interest on IFRS 16 lease liabilities	(23)	(18)
Financial items (current cash financial expense, and operating cash flow from financing activities)	(242)	(213)
Taxes paid	(142)	(140)
Net free cash flow before dividend payment, financial investments and financial divestitures	**(473)**	**(515)**
Dividends paid	(620)	(347)
Net financial investments	(116)	(370)
Change in receivables and other financial assets	(45)	(68)
Issue / repayment of deeply subordinated securities	0	0
Proceeds on issue of shares	0	-6
Free cash-flow	**(1 022)**	**(1 306)**
Effect of foreign exchange rate movements and other	31	136
Change	**(991)**	**(1 170)**
Opening net financial debt	(11 487)	(10 680)
Closing net financial debt	**(12 478)**	**(11 850)**

Net free cash flow before dividend payments and net financial investments was -€514.9 million for the first half of year ended June 30, 2020 (versus -€472.6 million for the half-year ended June 30, 2019).

The evolution of the net free cash flow compared to June 30, 2019 essentially reflects the deterioration of the EBITDA, compensated by a more favorable variation in operating working capital and net investments down by 10% compared to the first half of 2019.

Net financial debt was also impacted by positive exchange rate fluctuations of €157 million as of June 30, 2020 compared with December 31, 2019, primarily in the Polish zloty (€36 million), the pound sterling (€32 million), the Australian dollar (€27 million), the Brazilian real (€22 million), the Chinese renminbi (€16 million) and the Czech crown (€12 million), offsetting the depreciation of the US dollar (-€18 million).



(1) Financial investment of -€368 million net of financial divestitures of -€2 million.

3.2.4 INDUSTRIAL AND FINANCIAL INVESTMENTS

3.2.4.1 Industrial investments

Total Group gross industrial investments, including new operating financial assets, amounted to -€962 million for the half-year ended June 30, 2020, compared with -€997 million for the half-year ended June 30, 2019.

Industrial investments, excluding discontinued operations, break down by **segment** as follows:

Half-year ended June 30, 2020 *(in € million)*	**Maintenance and contractual requirements** (1)	**Discretionary growth**	**Total gross industrial investments** (2)	**Industrial divestitures**	**Total net industrial investments**
France	194	19	213	(18)	195
Europe, excluding France	332	32	364	(32)	332
Rest of the world	211	71	282	(16)	266
Global businesses	84	6	90	(23)	67
Other	13	0	13	0	13
Group	**834**	**128**	**962**	**(89)**	**873**

(1) Including maintenance investments of €497 million (including IFRS16 leases) and contractual investments of €336 million.

(2) Including new OFA in the amount of -€60 million.

Half-year ended June 30, 2019 published *(in € million)*	**Maintenance and contractual requirements** (1)	**Discretionary growth**	**Total gross industrial investments** (2)	**Industrial divestitures**	**Total net industrial investments**
France	225	4	229	(22)	207
Europe, excluding France	279	51	330	(23)	307
Rest of the world	233	97	330	20	350
Global businesses	95	7	102	(11)	91
Other	14	0	14	(0)	14
Group	**846**	**159**	**1,005**	**(36)**	**969**

(1) Including maintenance investments of €530 million (including IFRS16 leases), and contractual investments of €316 million.

(2 Including new OFA in the amount of -€71 million.

3.2.4.2 Financial investments and divestitures

Financial investments amounted to -€368 million in the half-year ended June 30, 2020 (including acquisition costs and net financial debt of new entities) and mainly included the impacts of the acquisition of Alcoa assets in the United States (€231 million) and Nagpur minority interests in India (€113 million), as well as the acquisition of shares in Torrepet which specializes in plastic recycling in Spain (€26 million). At end-June 2019, financial investments amounted to -€264 million and included the impacts of the acquisition of Levice in Slovakia (€71 million) and Renascimento in Portugal (€38 million) as well as the acquisition of 66% of shares in Huafei which specializes in plastic recycling in China (€22 million).

Financial divestitures totaled -€2 million for the half-year ended June 30, 2020 (including disposal costs) and primarily concerned the sale of Foshan medical activities in China for €14 million. At end-June 2019, financial divestitures (€381 million) concerned the sale of Transdev Group for €334 million and the sale of the investment in Foshan's landfill site in China (€26 million).

3.2.5 OPERATING WORKING CAPITAL

The change in operating working capital requirements (excluding discontinued operations) was -€683 million for the half-year ended June 30, 2020, compared with re-presented -€908 million for the half-year ended June 30, 2019.

The change in operating working capital requirements compared with December 31, 2019 is mainly due to seasonal effects.

See Note 6.3 to the consolidated financial statements for the half-year ended June 30, 2020.

3.2.6 EXTERNAL FINANCING

3.2.6.1 Structure of net financial debt

As of June 30, 2020, net financial debt after hedging is entirely at fixed rates.

The average maturity of net financial debt was 7.5 years as of June 30, 2020, compared with 7.2 years as of June 30, 2019 and 6.9 years as of 31 December, 2019.

(in € million)	Note	As of June 30, 2019 published	As of June 30, 2020
Non-current borrowings	8.1.1	11,722	11,995
Current borrowings	8.1.1	4,753	7,580
Bank overdrafts and other cash position items	8.1.3	333	188
Sub-total borrowings		**16,808**	**19,763**
Cash and cash equivalents	8.1.3	(3,836)	(7,029)
Fair value gains (losses) on hedge derivatives	8.3.1	(29)	(59)
Liquid assets and financing-related assets	8.1.2	(467)	(825)
Net financial debt		**12,478**	**11,850**

3.2.6.2 Group liquidity position

Liquid assets of the Group as of June 30, 2020 break down as follows:

(in € million)	As of December 31, 2019	As of June 30, 2020
Veolia Environnement:		
Undrawn syndicated loan facility	3,000.0	3,000.0
Undrawn MT bilateral credit lines	1,000.0	1,000.0
Undrawn ST bilateral credit lines	100.0	100.0
Letters of credit facility	86.8	93.0
Cash and cash equivalents (1)	5,092.6	6,664.9
Subsidiaries:		
Cash and cash equivalents (1)	1,218.4	1,189.1
Total liquid assets	**10,497.8**	**12,047.0**
Current debt and bank overdrafts and other cash position items		
Current debt	5,909.5	7,580.0
Bank overdrafts and other cash position items	302.2	187.5
Total current debt and bank overdrafts and other cash position items	**6,211.7**	**7,767.5**
Total liquid assets net of current debt and bank overdrafts and other cash position items	**4,286.1**	**4,279.6**

(1) Including liquid assets and assets linked to financing included in net financial debt.

3.2.6.3 Bank covenants

See Note 8.1.1.2 to the consolidated financial statements for the half-year ended June 30, 2020.

3.3 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 12 to the consolidated financial statements for the half year-ended June 30, 2020).

3.4 Subsequent events

None

3.5 Risk factors

The main risk factors the Group could face are set out in Chapter 5 of the 2019 Universal Registration Document. However, certain of these risks are exacerbated in the current global situation. (See Chapter 5 below)

3.6 Outlook[1]

The initial 2020 objectives have been suspended due to the COVID outbreak.

Taking into consideration the progressive recovery of our activities since the end of the lockdown our objective is to recover 2019 operational performance in Q4 2020 and to begin 2021 having offset all the remaining COVID consequences.

The strategic choices included in Impact 2023 remain relevant. Due to the sanitary crisis, their implementation is delayed and the planning will be adapted.

(1) At constant exchange rates (as of December 2019) and in the absence of a second wave of sanitary crisis in H2 2020.

3.7 Appendices

3.7.1 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 3.2.1. 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 3.2.1.

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:

(in € million)	**Note**	**Half-year ended June 30, 2019 published**	**Half-year ended June 30, 2020**
Net cash from operating activities of continuing operations		***558.4***	***440.0***
Plus:		0.0	0.0
Industrial investments, net of grants		(672.6)	(604.1)
Proceeds on disposal of industrial assets		36.6	89.5
New operating financial assets		(70.5)	(59.8)
Principal payments on operating financial assets		102.2	65.7
New finance lease debt		(210.3)	(234.4)
Dividends received	Note 5.2.2	61.0	53.4
Net financial interest		(292.6)	(275.5)
Less:			
Acquisition and selling costs on securities, and other		15.1	10.3
Net free cash flow		**(472.7)**	***(514.9)***

The reconciliation of **Industrial investments, net of grants** (included in the Consolidated Cash Flow Statement) with **industrial investments** is as follows:

(in € million)	**Half-year ended June 30, 2019 published**	**Half-year ended June 30, 2020**
Industrial investments, net of grants	**(672.6)**	**(604.1)**
New finance debt	(210.3)	(234.4)
Change in concession working capital requirements	(51.8)	(63.2)
New operating financial assets	(70.5)	(59.8)
Industrial investments	**(1,005.2)**	**(961.5)**

3.7.2 DEFINITIONS

No modification has been made to the definitions of financial indicators used by the Group. See paragraph 3.10.3 of the 2019 Universal Registration Document.

3.8 Recent events since the filing of the Universal Registration Document

The following information is taken from press releases available on the Veolia website (www.veolia.com/en/veolia-group/finance/regulated-information/our-press-releases).

- On April 1, 2020, Veolia Environnement published two press releases:

  The first press release was on the holding of the Combined General Meeting of Shareholders of April 22, 2020, modifications to the draft resolutions presented to shareholders for vote and the availability and consultation of preparatory documents for this meeting:

  - holding of the Combined General Meeting at the administrative headquarters (30, rue Madeleine Vionnet, 93300 Aubervilliers) without the physical presence of shareholders.
  - concerning the 4th resolution (Appropriation of net income for fiscal year 2019 and payment of the dividend): setting of the dividend for fiscal year 2019 at €0.50 instead of €1.
  - concerning the 12th resolution (Vote on the Chairman and Chief Executive Officer's compensation policy in respect of fiscal year 2020 - "Ex-ante vote"): amendment of the Board of Director's report on the resolutions as well as that on corporate governance describing the components of the 2020 compensation policy, solely with regard to the Chairman and Chief Executive Officer's 2020 variable compensation.

  The second press release was on the measures taken to deal with the coronavirus crisis and its economic consequences:

  - supporting the living standards of Group employees, using job retention arrangements in countries where such measures are available, along with top-up compensation paid by the company;
  - taking a more selective approach to the 2020 CAPEX program while preparing the Group for the post-crisis recovery;
  - stepping up the cost-cutting program.
- On April 22, 2020, the Veolia Environnement Combined General Meeting held behind closed doors approved all the resolutions on the agenda with a quorum of 65.18%.
- On May 6, 2020, Veolia Environnement issued a press release on its results for the period ended March 31, 2020.
- On July 30, 2020, Veolia Environnement issued a press release presenting its 2020 half-year results.

4

FINANCIAL STATEMENTS

(CHAPTER 4 OF THE 2019 UNIVERSAL REGISTRATION DOCUMENT)

4.1 Condensed intermim financial statements for the half year ended June 30, 2020

4.1.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated statement of financial position - assets

(in € million)	Notes	As of December 31, 2019	As of June 30, 2020
Goodwill	Note 7.1	5,128.0	5,257.0
Concession intangible assets	Note 7.2.1	3,517.4	3,546.2
Other intangible assets	Note 7.2.2	1,372.6	1,319.7
Property, plant and equipment	Note 7.3	7,679.8	7,416.3
Right of use (net)	Note 7.4	1,664.6	1,578.5
Investments in joint ventures	Note 6.2	1,497.7	1,460.2
Investments in associates		382.5	351.3
Non-consolidated investments		52.4	52.1
Non-current operating financial assets	Note 6.4	1,431.2	1,332.9
Non-current derivative instruments - Assets		39.0	56.4
Other non-current financial assets	Note 8.1.4	374.6	459.2
Deferred tax assets	Note 11.2	952.9	968.3
Non-current assets		**24,092.7**	**23,798.1**
Inventories and work-in-progress	Note 6.3	792.0	800.0
Operating receivables	Note 6.3	9,341.7	9,112.4
Current operating financial assets	Note 6.4	86.0	86.3
Other current financial assets	Note 8.1.4	738.5	1,098.2
Current derivative instruments - Assets		91.5	133.2
Cash and cash equivalents	Note 8.1.5	5,843.3	7,028.9
Assets classified as held for sale	Note 4.2.2	33.3	105.3
Current assets		**16,926.3**	**18,364.3**
TOTAL ASSETS		**41,019.0**	**42,162.4**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Consolidated statement of financial position - equity and liabilities

(in € million)	Notes	As of December 31, 2019	As of June 30, 2020
Share capital	Note 8.1.1	2,836.3	2,836.3
Additional paid-in capital		7,197.9	7,197.9
Reserves and retained earnings attributable to owners of the Company		(4,100.5)	(4,741.4)
Total equity attributable to owners of the Company	***Note 8.1***	**5,933.7**	**5,297.8**
Total equity attributable to non-controlling interests	Note 8.2	1,144.7	1,108.9
Shareholders' equity		7,078.4	6,401.6
Non-current provisions	Note 9	1,848.7	1,837.9
Non-current borrowings	Note 7.1.1	9,366.8	10,640.7
Non-current lease debt (IFRS 16)	Note 7.1.2	1,417.9	1,354.4
Non-current derivative instruments - Liabilities	Note 7.2	52.4	61.9
Concession liabilities - non-current	Note 5.5	1,421.7	1,478.5
Deferred tax liabilities		984.4	961.5
Non-current liabilities		**15,091.9**	**16,335.0**
Operating payables	Note 5.3	11,753.6	10,774.8
Concession liabilities - current	Note.7.1.2	128.3	137.6
Current provisions	Note 5.5	539.1	568.2
Current borrowings	Note 9	5,443.7	7,167.9
Current lease debt (IFRS 16)	Note 7.1.1	465.7	412.1
Current derivative instruments - Liabilities	Note 7.2	197.8	113.7
Bank overdrafts and other cash position items	Note 7.1.4	302.2	187.5
Liabilities directly associated with assets classified as held for sale	Note 3.2	18.3	64.1
Current liabilities		**18,848.7**	**19,425.8**
TOTAL EQUITY AND LIABILITIES		**41,019.0**	**42,162.4**

The accompanying notes are an integral part of these condensed interim consolidated financial statements

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4.1.2 CONSOLIDATED INCOME STATEMENT

(in € million)	Notes	Half-year ended June 30, 2019	Half-year ended June 30, 2020
Revenue	**Note 6.1**	**13,323.9**	**12,412.0**
Cost of sales	Note 6.2	(11,134.5)	(10,717.8)
Selling costs	Note 6.2	(305.6)	(279.3)
General and administrative expenses	Note 6.2	(1,089.6)	(1,059.0)
Other operating revenue and expenses	Note 6.2	(54.1)	(103.5)
Operating income before share of net income (loss) of equity-accounted entities	**Note 6.2**	**740.1**	**252.3**
Share of net income (loss) of equity-accounted entities		**56.3**	**40.1**
o/w share of net income (loss) of joint ventures	Note 6.2.1	37.8	27.9
o/w share of net income (loss) of associates	Note 6.2.1	18.5	12.2
Operating income after share of net income (loss) of equity-accounted entities		**796.4**	**292.5**
Cost of net financial debt	Note 8.3.1	(222.5)	(215.6)
Other financial income and expenses	Note 8.3.2	(39.6)	(84.0)
Pre-tax net income (loss)		**534.3**	**(7.1)**
Income tax expense	Note 11.1	(98.9)	(55.2)
Share of net income (loss) of other equity-accounted entities		-	-
Net income (loss) from continuing operations		**435.4**	**(62.3)**
Net income (loss) from discontinued operations	Note 4.2.1	(15.9)	(9.0)
Net income (loss) for the period		**419.5**	**(71.3)**
Attributable to owners of the Company		**331.4**	**(137.6)**
Attributable to non-controlling interests	Note 9.2	88.1	66.3
NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE	Note 9.3		
Basic		0.60	(0.25)
Diluted		0.57	(0.25)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE	Note 9.3		
Basic		0.63	(0.23)
Diluted		0.60	(0.23)
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE	Note 9.3		
Basic		(0.03)	(0.02)
Diluted		(0.03)	(0.02)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

4.1.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € million)	Half-year ended June 30, 2019	Half-year ended June 30, 2020
Net income (loss) for the period	**419.5**	**(71.3)**
Actuarial gains or losses on pension obligations	(33.6)	6.3
Income tax expense	(1.8)	(1.0)
Amount net of tax	(35.4)	5.3
Other items of comprehensive income not subsequently released to net income	**(35.4)**	**5.3**
o/w attributable to joint ventures	**-**	**-**
o/w attributable to associates	**-**	**-**
Fair value adjustments on financial instruments at fair value through equity	4.7	(2.8)
Income tax expense	(1.4)	0.8
Amount net of tax	3.3	(2.0)
Fair value adjustments on hedging derivatives	(3.9)	(0.1)
Income tax expense	0.6	1.9
Amount net of tax	(3.3)	1.8
Foreign exchange gains and losses:		
• on the translation of the financial statements of subsidiaries drawn up in a foreign	34.5	(246.1)
Amount net of tax	34.5	(246.1)
• on the net financing of foreign operations	(7.3)	6.3
• income tax expense	(0.1)	-
Amount net of tax	(7.4)	6.3
Other items of comprehensive income subsequently released to net income	**27.1**	**(240.0)**
o/w attributable to joint ventures (1)	**12.2**	**(34.4)**
o/w attributable to associates	**2.9**	**(10.0)**
Total Other comprehensive income	**(2.2)**	**(234.7)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**411.2**	**(306.0)**
Attributable to owners of the Company	317.3	(348.4)
Attributable to non-controlling interests	93.9	42.4

(1) The share attributable to joint ventures mainly concerns the change in foreign exchange translation reserves of the Chinese concessions (-€26.1 million in the half-year ended June 30, 2020 and +€11.8 million in the half-year ended June 30, 2019).

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

4.1.4 CONSOLIDATED CASH-FLOW STATEMENT

(in € million)	Notes	Half-year ended June 30, 2019	Half-year ended June 30, 2020
Net income (loss) for the period		**419.5**	**(71.3)**
Net income (loss) from continuing operations		***435.4***	***(62.3)***
Net income (loss) from discontinued operations		***(15.9)***	***(9.0)***
Operating depreciation, amortization, provisions and impairment losses		943.3	1,078.3
Financial amortization and impairment losses		(0.3)	13.1
Gains (losses) on disposal of operating assets		(0.8)	3.0
Gains (losses) on disposal of financial assets		(59.1)	(16.0)
Share of net income (loss) of joint ventures	Note 6.2.1	(37.8)	(27.9)
Share of net income (loss) of associates	Note 6.2.1	(18.5)	(12.2)
Dividends received		(1.0)	(0.9)
Cost of net financial debt	Note 8.3.1	222.5	215.6
Income tax expense	Note 11	98.8	55.2
Other items		77.6	80.5
Operating cash flow before changes in working capital		**1,660.2**	**1,326.4**
Change in operating working capital requirements		(907.5)	(683.3)
Change in concession working capital requirements		(51.8)	(63.2)
Income taxes paid		(142.4)	(139.9)
Net cash from operating activities of continuing operations		***558.4***	***440.0***
Net cash from operating activities of discontinued operations		***(24.4)***	***(24.7)***
Net cash from operating activities		**534.1**	**415.3**
Industrial investments, net of grants		(672.6)	(604.1)
Proceeds on disposal of industrial assets		36.7	89.5
Purchases of investments	Note 4.1	(194.6)	(323.2)
Proceeds on disposal of financial assets	Note 4.1	377.7	(5.7)
Operating financial assets		-	-
New operating financial assets		(70.5)	(59.8)
Principal payments on operating financial assets		102.2	65.7
Dividends received (including dividends received from joint ventures and associates)		61.0	53.4
New non-current loans granted		(78.6)	(136.5)
Principal payments on non-current loans		55.5	80.3
Net decrease/increase in current loans		(21.9)	(11.9)
Net cash used in investing activities of continuing operations		***(405.1)***	***(852.3)***
Net cash used in investing activities of discontinued operations		***-***	***(0.6)***
Net cash used in investing activities		**(405.1)**	**(852.9)**
Net increase (decrease) in current borrowings	Note 8.1.1	(291.5)	1,097.8

(in € million)	Notes	Half-year ended June 30, 2019	Half-year ended June 30, 2020
Repayment of current lease debt (IFRS 16)		(226.2)	(243.7)
Other changes in non-current lease debt (IFRS 16)		(39.3)	(61.1)
New non-current borrowings and other debts	Note 8.1.1	830.5	1,996.8
Principal payments on non-current borrowings and other debts	Note 8.1.1	(30.0)	(29.2)
Change in liquid assets and financing financial assets		(273.8)	(359.1)
Proceeds on issue of shares	Note 9.1	2.1	1.0
Share capital reduction		-	-
Transactions with non-controlling interests: partial purchases		(2.5)	(3.8)
Transactions with non-controlling interests: partial sales		8.4	0.2
Proceeds on issue of deeply subordinated securities		-	-
Coupons on deeply subordinated securities		-	-
Purchases of/proceeds from treasury shares		(0.1)	(6.4)
Dividends paid		(620.4)	(346.4)
Interest paid		(229.8)	(218.0)
Interest on operating assets (IFRIC 12)		(40.3)	(39.8)
Interest on lease debt (IFRS 16)*		(22.8)	(17.8)
Net cash from (used in) financing activities of continuing operations		***(974.4)***	***1,770.5***
Net cash from (used in) financing activities of discontinued		***-***	***(2.0)***
Net cash from (used in) financing activities		**(974.4)**	**1,768.5**
Effect of foreign exchange rate changes and other		5.9	(27.0)
Increase (decrease) in external net cash of discontinued operations		**1.0**	**(3.6)**
NET CASH AT THE BEGINNING OF THE PERIOD		**4,340.8**	**5,541.1**
NET CASH AT THE END OF THE PERIOD		**3,502.3**	**6,841.4**
Cash and cash equivalents	Note 8.1.5	3,835.5	7,110.6
Bank overdrafts and other cash position items	Note 8.1.5	333.2	269.2
NET CASH AT THE END OF THE PERIOD		**3,502.3**	**6,841.4**

(*) 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 8.3.2).

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

4.1.5 STATEMENT OF CHANGES IN EQUITY

(in € 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 January 1, 2019 published	**565,593,341**	**2,828.0**	**7,182.5**	**17.6**	**(444.1)**	**(3,433.0)**	**(103.1)**	**(62.5)**	**5,985.4**	**1,158.9**	**7,144.3**
IFRS 16 impacts	0	-	-	-	-	(102.1)	0.9	-	**(101.2)**	**(6.8)**	**(108.0)**
Amount as of January 1, 2019 re-presented	**565,593,341**	**2,828.0**	**7,182.5**	**17.6**	**(444.1)**	**(3,535.1)**	**(102.2)**	**(62.5)**	**5,884.2**	**1,152.1**	**7,036.3**
Issues of share capital of the parent company	232,280	1.2	(1.2)	-	-	-	-	-	-	-	-
Parent company dividend distribution		-	-	-	-	(509.1)	-	-	(509.1)	-	(509.1)
Elimination of treasury shares		-	-	-	(0.1)	-	-	-	(0.1)	-	(0.1)
Share-based payments		-	-	-	-	8.8	-	-	8.8	-	8.8
Third party share in share capital increases of subsidiaries		-	-	-	-	-	-	-	-	2.2	2.2
Third party share in dividend distributions of subsidiaries		-	-	-	-	-	-	-	-	(111.3)	(111.3)
Transactions with non-controlling interests		-	-	-	-	11.7	-	-	11.7	(3.7)	8.0
Total transactions with non-controlling interests	**232,280**	**1.2**	**(1.2)**	-	**(0.1)**	**(488.6)**	-	-	**(488.7)**	**(112.8)**	**(601.5)**
Other comprehensive income		-	-	-	-	(35.4)	20.0	1.3	(14.1)	5.8	(8.3)
Net income for the period		-	-	-	-	331.4	-	-	331.4	88.1	419.5
Total comprehensive income for the period		-	-	-	-	**296.0**	**20.0**	**1.3**	**317.3**	**93.9**	**411.2**
Other movements		-	-	-	-	(90.0)	-	-	(90.0)	39.6	(50.4)
Amount as of June 30, 2019	**565,825,621**	**2,829.2**	**7,181.3**	**17.6**	**(444.2)**	**(3,817.7)**	**(82.2)**	**(61.2)**	**5,622.8**	**1,172.8**	**6,795.6**

(in € 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, 2019	**567,266,539**	**2,836.3**	**7,197.9**	**-**	**(442.4)**	**(3,508.4)**	**(92.6)**	**(57.1)**	**5,933.7**	**1,144.7**	**7,078.4**
Issues of share capital of the parent company	-	-	-	-	-	-	-	-	-	-	-
Redemption of OCEANE bonds	-	-	-	-	-	-	-	-	-	-	-
OCEANE equity component	-	-	-	-	-	-	-	-	-	-	-
Reclassification of coupons paid on hybrid debt / deeply subordinated securities	-	-	-	-	-	-	-	-	-	-	-
Coupon on deeply subordinated securities	-			-	-	-	-	-	-		-
Parent company dividend distribution	-	-	-	-	-	(277.1)	-	-	(277.1)	-	(277.1)
Elimination of treasury shares	-	-	-	-	(6.4)	-	-	-	(6.4)	-	(6.4)
Share-based payments	-	-	-	-	-	2.2	-	-	2.2	-	2.2
Third party share in share capital increases of subsidiaries	-	-	-	-	-	-	-	-	-	1.5	1.5
Third party share in dividend distributions of subsidiaries	-	-	-	-	-		-	-	-	(69.3)	(69.3)
Transactions with non-controlling interests	-	-	-	-	-	(0.2)	-	-	(0.2)	0.2	-
Total transactions with non-controlling interests	**-**	**0**	**0**	**-**	**(6.4)**	**(275.1)**	**0**	**0**	**(281.5)**	**(67.6)**	**(349.1)**
Other comprehensive income	-	-	-	-	-	**5.4**	**(214.9)**	**(1.3)**	(210.8)	(23.9)	(234.7)
Net income for the period	-	-	-	-	-	**(137.6)**	-	-	(137.6)	66.3	(71.3)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**(132.2)**	**(214.9)**	**(1.3)**	**(348.4)**	**42.4**	**(306.0)**
Other movements	-	-	-	-	-	(10.9)	-	-	(10.9)	(10.6)	(21.6)
Amount as of June 30, 2020	**567,266,539**	**2,836.3**	**7,197.9**	**-**	**(448.8)**	**(3,926.6)**	**(307.5)**	**(58.4)**	**5,292.7**	**1,108.9**	**6,401.6**

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A dividend per share of €0.50 was distributed in 2020, compared with €0.92 in 2019.

The total dividend paid recorded in the Consolidated Cash Flow Statement of €346.4 million and €620.4 million for the half-years ended June 30, 2020 and 2019, respectively, breaks down as follows:

(in € million)	**Half-year ended June 30, 2019**	**Half-year ended June 30, 2020**
Parent company dividend distribution	(509.1)	(277.1)
Third party share in dividend distributions of subsidiaries	(111.3)	(69.3)
Scrip dividend	-	-
TOTAL DIVIDEND PAID	**(620.4)**	**(346.4)**

4.1.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING PRINCIPLES AND METHODS

The Group's condensed interim consolidated financial statements for the half-year ended June 30, 2020 were prepared under the responsibility of the Board of Directors, which met on July 29, 2020.

1.1 ACCOUNTING STANDARDS FRAMEWORK

1.1.1 Basis underlying the preparation of the financial information

Pursuant to European Regulation no.1606/2002 of July 19, 2002, as amended by European Regulation 297/2008 of March 11, 2008, the condensed interim consolidated financial statements of Veolia Group (the "Group") for the half-year ended June 30, 2020 were prepared in accordance with IAS 34, Interim Financial Reporting.

As they are condensed financial statements, they do not include all the disclosures required under IFRS for annual financial statements and must be read in conjunction with the Group financial statements for the year ended December 31, 2019.

The accounting principles used for the preparation of the condensed interim consolidated financial statements are in accordance with the IFRS standards and interpretations as adopted by the European Union. These standards and interpretations may be consulted at the following European Union website:

http://ec.europa.eu/finance/company-reporting/standardsinterpretations/index_en.htm

These half-year financial statements have been drawn up in accordance with the principles used for the preparation of the 2019 consolidated financial statements, except for the items presented below and the specific requirements of IAS 34.

1.1.2 New standards and interpretations

The accounting policies and methods are presented in detail in the consolidated financial statements for the year ended December 31, 2019.

Texts of mandatory effect for the first time within the Group as of January 1, 2020 :

- **amendments to IAS 1 and IAS 8** regarding the definition of relative importance
- **amendment to IFRS 3,** regarding the definition of a business
- **amendments to references to the conceptual framework in IFRS**
- **amendments to IFRS 7 and IFRS 9**, relating to the interest rate benchmark reform. The Group considers that:
  - the index reform does not modify the benchmark rates to which contractual cash flows of hedged items and hedging instruments are indexed and does not call into question the prospective efficiency of hedging relationships with regard to the amount of cash flows from hedged items or hedging instruments, or the timing of these cash flows,
  - uncertainties will remain regarding the timing and amount of future cash flows from hedged items and hedging instruments, as long as the alternative benchmark rates and the replacement date are not known.

The impact of the first-time application of these texts is not material for the Group.

Texts which enter into mandatory effect after June 30, 2020 and not adopted early by the Group::

- **IFRS 17, Insurance contracts;**
- **IFRS annual improvement process (2018-2020 cycle);**
- **amendment to IFRS 16 regarding COVID-19-**related rent concessions**;**
- **other amendments regarding the following standards:**
  - IAS 1: classification of liabilities as current or non-current;
  - IAS 16: property, plant and equipment - proceeds before intended use;
  - IFRS 3: update of the reference to the Conceptual Framework;
  - IAS 37: costs to be considered when determining if a contract is onerous.

Subject to their definitive adoption by the European Union, these standards and standard amendments are of mandatory application for fiscal years beginning on or after January 1, 2020 or later. The Group is currently assessing the potential impact of the first-time application of these texts.

1.1.3 Seasonality of the Group's activities

The Group's activities are, by nature, subject to seasonal changes and climatic conditions. As such, in the Energy Services business, the majority of operating income is realized in the first and fourth quarters corresponding to heating periods in Europe. In the Water business, water consumption for domestic use and wastewater treatment are higher between May and September in the Northern hemisphere, where the Group conducts most of its activity.

Accordingly, the interim results of the Group for the half-year ended June 30, 2020 and certain key performance indicators such as working capital reflect the impact of these combined factors and therefore may not be extrapolated over the whole year.

1.2 TRANSLATION OF FOREIGN SUBSIDIARIES' FINANCIAL STATEMENTS

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)	As of June 30, 2019	As of June 30, 2019	As of December 31, 2019
U.S. dollar	0.8787	0.8930	0.8902
Pound Sterling	1.1154	1.0960	1.1754
Chinese renminbi	0.1280	0.1259	0.1283
Australian dollar	0.6156	0.6118	0.6252
Polish zloty	0.2353	0.2244	0.2349
Argentinian peso	0.0207	0.0127	0.0149
Mexican peso	0.0458	0.0385	0.0471
Brazilian real	0.2298	0.1636	0.2214
Czech crown	0.0393	0.0374	0.0394

Average exchange rate

(*one foreign currency unit = €xx*)	Average half-year 2019	Average half-year 2020	Average full year 2019
U.S. dollar	0.8852	0.9077	0.8932
Pound Sterling	1.1444	1.1442	1.1398
Chinese renminbi	0.1303	0.1289	0.1292
Australian dollar	0.6250	0.5961	0.6210
Polish zloty	0.2330	0.2266	0.2327
Argentinian peso	0.0213	0.0141	0.0185
Mexican peso	0.0462	0.0419	0.0464
Brazilian real	0.2302	0.1849	0.2266
Czech crown	0.0389	0.0380	0.0390

NOTE 2 USE OF MANAGEMENT ESTIMATES IN THE APPLICATION OF GROUP ACCOUNTING STANDARD

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.

Underlying estimates and assumptions are reviewed on an ongoing basis. 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.

BREXIT

The United Kingdom's exit from the European Union at the end of January 2020 opened a transition period of negotiation, thereby generating macro-economic uncertainty. However, the local presence of the Group's activities limits its exposure to foreign exchange transactional risk. With regard to foreign exchange risk on assets, as it is Group policy to back net foreign investments with foreign-currency financing or foreign currency derivatives, the Group does not have a material foreign exchange position that could generate significant volatility in foreign exchange gains and losses.

CORONAVIRUS

The COVID-19 pandemic led Veolia to pay close attention to certain estimates and judgments, as detailed in Note 3.

This is notably the case for impairment testing of assets with an indefinite useful life (goodwill). The methodology and main assumptions used in preparing the financial statements for the half-year ended June 30, 2020 are presented in Note 7.

Beyond the specific problems created by the COVID-19 pandemic, 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 (Note 4);
- measurement of intangible assets and property, plant and equipment (Note 7);
- fair value measurement of financial instruments (Note 8);
- provision amounts (including provisions for pensions and employee benefits) (Note 10);
- Group income tax expense: pursuant to IAS 34, the income tax expense is calculated by applying the estimated effective annual tax rate to the pre-tax income of the period, adjusted for any one-off items (Note 11).

Definitive amounts may differ from these estimates.

NOTE 3 IMPACT OF THE COVID 19 PANDEMIC

In response to the public health crisis facing the world in recent months, Veolia is fully mobilized to ensure continuity of service, by implementing business continuity plans, tailored to each country, while protecting the health of its employees:

- continuation of the production and delivery of drinking water and treatment of wastewater;
- continuation of waste processing activities and particularly waste collection and the operation of waste processing facilities;
- continuation of energy management businesses, both in its heating networks and at industrial and tertiary sites that continue to operate.

On April 1, 2020, the Group announced the suspension of its 2020 objectives while launching a plan to reduce as far as possible the negative impact of the public health crisis on the Group's 2020 financial results, as well as an industrial investment reduction program.

In preparing the interim consolidated financial statements for the half-year ended June 30, 2020, the main items directly impacted by the crisis were as follows:

ASSET IMPAIRMENT TESTS (INCLUDING GOODWILL)

Due to the deterioration in the environment and the uncertainties surrounding the economic outlook, the Group extended impairment testing of assets as of June 30, 2020 and particularly goodwill.

The Goodwill and other intangible assets with an indefinite useful life are generally tested annually systematically and whenever there are indications that the Cash Generating Unit (CGU) might be impaired (based on long-term plans prepared at the year-end by the entities). A specific methodology was therefore adopted for the half-year end (see Note 7.1).

The work carried out as of June 30, 2020 has led to the recognition of total impairment of -€96.5 million, including -€44.2 million on goodwill (see Note 7.1.2) and -€52.3 million on other assets.

RECOVERABLE AMOUNT OF OPERATING ASSETS (TRADE RECEIVABLES, CONTRACT ASSETS, ETC.)

The Group has limited exposure to the risk of default by its counterparties due to the diversity and large number of its customers.

Nonetheless, a review on the impacts of the COVID-19 pandemic on the recovery of trade receivables was carried out. The Group has observed one-off deteriorations of bad debts, but without any significant increase in credit defaults, that would require a comprehensive review of provisioning matrices as of June 30, 2020.

The Group continues to closely monitor developments in the economic environment and will adjust its trade receivables provisions, where necessary, at the next reporting dates.

The customer portfolio and impairment of trade receivables is presented in Note 6.3.

RECOVERABILITY OF DEFERRED TAX ASSETS ON TAX LOSSES

The Group conducted an in-depth review of the recoverable amount of deferred tax assets arising from material tax losses. See Note 11.

CASH AND NET LIQUIDITY

During the first-half of 2020, the Group strengthened the monitoring of its cash position (daily analysis of positions, weekly cash forecasts, etc.), investments and working capital requirements.

The Group also continued its debt management policy, completing three bond issues in 2020 for a total amount of €1.7 billion, under the financial conditions detailed in Note 8.1.

These three bond issues, intended for general corporate purposes, enabled Veolia to bring forward the refinancing of all bond payments scheduled for 2020 and 2021 totaling €1.6 billion.

In addition, two bond issues were completed in June 2020 for a total of 1.5 billion renminbi (€189 million euro-equivalent) on the Chinese domestic market (Panda Bonds), with a 3-year maturity and a coupon of 3.85%

The Group therefore has liquidity, net of current debt and bank overdrafts and other cash position items of €4,279.5 billion as of June 30, 2020. The Group's liquidity is presented in Note 8.1.

CREDIT OUTLOOK

On May 20, 2020, Moody's confirmed Veolia Environnement's credit rating at P-2/Baa1 with a stable outlook. On June 10, 2020, S&P confirmed its rating at A-2 / BBB with a stable outlook.

COVENANTS

As detailed in Note 8.1.1.2, the Group was not in breach of any of its financial covenants in the first-half of 2020; the majority of financing is not subject to covenants.

Given the major uncertainties surrounding the development of the pandemic around the world (second wave and new lockdown measures), the Group is closely monitoring developments in the current crisis. Its potential economic and financial consequences for the Group will be identified, where applicable, at future reporting dates.

NOTE 4 CONSOLIDATION SCOPE

4.1 Main changes in Group structure

4.1.1 Acquisitions

Elemental Environmental Solutions - Hazardous waste in North America

On January 31, 2020, the Group completed the takeover of Alcoa USA Corporation's hazardous waste treatment site in Gum Springs, Arkansas (United States), through its subsidiary, Veolia North America, completing the Group's hazardous waste treatment activities in the region. The transaction was completed for a consideration of €231 million[(1)].

Nagpur– India

In the first-half of 2020, the Group acquired the companies Orange City Water and Orange City Hydraulic Works and the attached contracts in Nagpur, India through its subsidiary, Veolia India, for a consideration of €113 million[(1)], thereby expanding its water distribution activity in the Indian sub-continent.

4.1.2 Divestitures

There were no major divestitures in the first-half of 2020.

4.2 Assets classified as held for sale, discontinued operations and divestitures

4.2.1 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 the first-half of 2020, discontinued operations concern VWT's EPC (Engineering, Procurement, Construction) business, discontinued in all regions, in the amount of -€9.0 million.

In the first-half of 2019, they concern the EPC business and the Group's activities in Gabon.

4.2.2 Assets/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:

(in € million)	**As of December 31, 2019**	**As of June 30, 2020**
Assets classified as held for sale	33.3	105.3
Liabilities directly associated with assets classified as held for sale	18.3	64.1

(1) Enterprise value.

As of June 30, 2020, Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale, break down by operating segment as follows:

(in € million)	France	Europe excluding France	Rest of the world	Global businesses	Other	Total
Assets						
Non-current assets	-	86.7	-	-	-	86.7
Current assets	-	12.9	-	-	-	12.9
Cash and cash equivalents	-	5.7	-	-	-	5.7
ASSETS CLASSIFIED AS HELD FOR SALE	**-**	**105.3**	**-**	**-**	**-**	**105.3**
Liabilities						
Non-current liabilities	-	42.3	-	-	-	42.3
Current liabilities	-	21.8	-	-	-	21.8
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**-**	**64.1**	**-**	**-**	**-**	**64.1**

These balances concern certain assets and liabilities of the Waste business in Germany and an Energy subsidiary in Italy.

As of December 31, 2019, Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale, break down by operating segment as follows:

(in € million)	France	Europe excluding France	Rest of the world	Global businesses	Other	Total
Assets						
Non-current assets	-	25.9		-	-	25.9
Current assets	-	4.4		-	-	4.4
Cash and cash equivalents	-	3.0		-	-	3.0
ASSETS CLASSIFIED AS HELD FOR SALE	**-**	**33.3**	**-**	**-**	**-**	**33.3**
Liabilities						-
Non-current liabilities	-	11.6		-	-	11.6
Current liabilities	-	6.7		-	-	6.7
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	**-**	**18.3**	**-**	**-**	**-**	**18.3**

It is recalled that these amounts consist of the assets and liabilities of a German subsidiary and its fully-consolidated subsidiary, classified in Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale following the exercise of a call option by its partner.

4.3 Off-balance sheet commitments relating to the consolidation scope

4.3.1 Commitments given

Off-balance sheet commitments given break down as follows:

			Maturing in		
(in € million)	As of December 31, 2019	As of June 30, 2020	Less than 1 year	1 to 5 years	More than 5 years
Vendor warranties	599.3	597.3	49.5	53.8	494.0
Securities purchase commitments	296.0	24.5	6.1	18.4	-
Sale commitments	0.3	0.3	0.3	-	-
Other commitments relating to the consolidated scope	0.5	0.5	0.1	-	0.4
TOTAL COMMITMENTS RELATING TO THE CONSOLIDATED SCOPE	**896.1**	**622.6**	**56.0**	**72.2**	**494.4**

Vendor warranties primarily comprise warranties given on the divestiture of the investment in Berlin Water in the amount of €484.0 million.

Purchase commitments: The decrease in purchase obligations in the first-half of 2020 mainly reflects the finalization of the investment in Elemental Environmental Solutions (takeover of Alcoa USA's hazardous waste treatment site) in January 2020 (see Note 4.1 above).

4.3.2 Commitments received

Commitments received relating to the consolidated scope total €257.9 million as of June 30, 2020, compared with €293.9 million as of December 31, 2019.

NOTE 5 SEGMENT REPORTING

The operating segments are components of the Group that engage in activities and whose operating results are reviewed by the Group Chairman and 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 accordance with the provisions of IFRS 8 on the identification of operating segments and after taking account of regrouping criteria, the following segments are presented:

- **France;**
- **Europe excluding France;**
- **Rest of the world;**
- **Global businesses;**
- **Other**, including the various Group holding companies.

The main financial aggregates, in Group share, are also presented for the Chinese Water concessions, under joint control.

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:

Half-year ended June 30, 2020

(in € million)	France	Europe excluding France	Rest of the world	Global businesses	Other	Total consolidated financial statements	Joint ventures Data in Group share Chinese concessions
Revenue	2,490.6	4,623.7	3,308.0	1,988.5	1.2	**12,412.0**	320.1
EBITDA	337.4	695.9	385.1	79.8	100.8	**1,599.0**	71.3
Operating income after share of net income (loss) of equity-accounted entities	(28.6)	315.9	34.9	(39.5)	9.8	**292.5**	37.6
Industrial investments net of subsidies	(97.2)	(236.4)	(217.3)	(46.5)	(6.7)	**(604.1)**	(22.0)

Half-year ended June 30, 2019

(in € million)	France	Europe excluding France	Rest of the world	Global businesses	Other	Total consolidated financial statements	Joint ventures Data in Group share Chinese concessions
Revenue	2,759.2	4,789.3	3,484.3	2,275.7	15.4	**13,323.9**	365.0
EBITDA	435.5	802.8	545.6	172.2	45.8	**2,001.9**	84.1
Operating income after share of net income (loss) of equity-accounted entities	66.2	423.4	260.5	51.3	(5.0)	**796.4**	48.5
Industrial investments net of subsidies	(124.0)	(217.4)	(269.5)	(48.8)	(12.9)	**(672.6)**	(39.2)

The EBITDA indicator reconciles with operating cash flow before changes in working capital for the half-years ended June 30, 2020 and 2019, as follows:

(in € million)		Half-year ended June 30, 2019	Half-year ended June 30, 2020
Operating cash flow before changes in working capital	**(A)**	**1,660.2**	**1,326.4**
o/w Operating cash flow from financing activities	(B)	(17.2)	0.1
o/w Adjusted operating cash flow	**(C)= (A)-(B)**	**1,677.4**	**1,326.3**
Less:	(D)	-	-
Renewal expenses		138.9	102.5
Restructuring costs*		32.5	40.0
Share acquisition and disposal costs		10.1	7.4
Other items		40.8	57.1
Plus:	(E)		
Principal payments on operating financial assets		102.2	65.7
EBITDA	**(C)+(D)+(E)**	**2,001.9**	**1,599.0**

(*)Restructuring costs in the first-half of 2020 mainly concern the VWT transformation plan in the amount of -€10.8 million compared with -€11.1 million in the first-half of 2019.

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NOTE 6 OPERATING ACTIVITIES

6.1 Revenue

Revenue breaks down as follows:

(in € million)	Half-year ended June 30, 2019	Half-year ended June 30, 2020
Water	5,357.2	5,095.9
Waste	5,010.5	4,667.8
Energy	2,956.2	2,648.3
Group	**13,323.9**	**12,412.0**

A breakdown of revenue by operating segment is presented in Note 5.

The Group ensured that in the case of activities subject to variable compensation, the potential impacts of the health crisis were taken into account.

6.2 Operating income

Operating income breaks down as follows:

(in € million)	Half-year ended June 30, 2019	Half-year ended June 30, 2020
Revenue	**13,323.9**	**12,412.0**
Cost of sales	**(11,134.5)**	**(10,717.9)**
o/w:	-	-
• Renewal expenses	(138.9)	(102.5)
Selling costs	**(305.5)**	**(279.3)**
General and administrative expenses	**(1,089.6)**	**(1,059.0)**
Other operating revenue and expenses	**(54.1)**	**(103.5)**
o/w:	-	-
• Restructuring costs	(20.9)	(23.4)
• Employee costs – share-based payments	(8.8)	(2.2)
• Other non-current charges, impairment losses and net provisions	(29.7)	(29.7)
• Share acquisition costs	(1.6)	(4.0)
Operating income before share of net income (loss) of equity-accounted entities	**740.1**	**252.3**
Share of net income (loss) of equity-accounted entities	**56.3**	**40.2**
Operating income after share of net income (loss) of equity-accounted entities	**796.4**	**292.5**

6.2.1 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 the four operating segments.

JOINT VENTURES

(in € million)	Half-year ended June 30, 2019	Half-year ended June 30, 2020
Share of net income (loss) of joint ventures	37.8	28.0
Share of net income (loss) of associates	18.5	12.2
Share of **net income (loss) of equity-accounted entities**	**56.3**	**40.2**

The joint ventures described below represent all joint ventures.

(in € million)	Share of equity: As of December 31, 2019 re-presented	Share of equity: As of June 30, 2020	Share of net income(loss): Half-year ended June 30, 2019	Share of net income(loss): Half-year ended June 30, 2020
Chinese concessions	1,335.2	1,301.6	26.3	18.2
Other joint ventures	162.5	161.1	11.5	9.8
TOTAL	**1,497.7**	**1,462.7**	**37.8**	**28.0**
Impact in the Consolidated Income Statement on Net income from continuing operations (a)+(b)				
Share of net income (loss) of joint ventures (a)			**37.8**	**28.0**
Impairment losses recognized in other operating revenue and expenses (b)			-	-

6.3 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).

Movements in net working capital during the first-half of 2020 are as follows:

(in € million)	As of December 31, 2019	As of June 30, 2020
Inventories and work-in-progress, net	792.0	800.0
Operating receivables, net	9,341.7	9,112.4
Operating payables	(11,753.6)	(10,774.8)
Net working capital	**(1,619.9)**	**(862.4)**

The change in net working capital includes an effect tied to the seasonality of the Group's businesses (see note 1.3).

The +€757.5 million change in Net working capital presented above includes the change in "operating" working capital of +€659.2 million, the change in "tax" working capital included in Income taxes paid in the Consolidated Cash Flow Statement of +€30.1 million, and the change in "investment" working capital included under Industrial investments in the Consolidated Cash Flow Statement of +€68.2 million.

Factoring

Despite the crisis due to the COVID-19 pandemic, the Group did not encounter any difficulties continuing the factoring program. The criteria defined in the standard enabling the derecognition of receivables covered by these factoring programs are still met.

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 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 €2,074.5 million were assigned under these programs in the first half of 2020, compared with €1,881.9 million in the first half of 2019. Receivables derecognized as of June 30, 2020 total €611.1 million, compared with €795.0 million as of December 31, 2019.

6.4 Non-current and current operating financial assets

Movements in the net carrying amount of non-current and current operating financial assets during the first-half of 2020 are as follows:

(in € million)	As of December 31, 2019	As of June 30, 2020
Gross	1,507.4	1,405.9
Impairment losses	(76.2)	(73.0)
Non-current operating financial assets	**1,431.2**	**1,332.9**
Gross	90.2	86.3
Impairment losses	(4.2)	-
Current operating financial assets	**86.0**	**86.3**
Non-current and current operating financial assets	**1,517.2**	**1,419.2**

6.5 Non-current and current concession liabilities

Concession financial liabilities result from the application of IFRIC 12 on the accounting treatment of concessions and did not significantly change during the first half of 2020.

Movements in non-current and current concession liabilities in the first-half of **2020** break down as follows:

	Non-current		Current		Total	
(in € million)	As of December 31, 2019	As of June 30, 2020	As of December 31, 2019	As of June 30, 2020	As of December 31, 2019	As of June 30, 2020
France	61.8	139.6	14.8	**24.0**	76.6	**163.6**
Europe excluding France	1,344.2	1,324.7	110.1	**110.5**	1,454.3	**1,435.2**
Rest of the world	15.7	14.2	3.2	**3.0**	18.9	**17.2**
Global businesses	-	-	0.2	**0.1**	0.2	**0.1**
Other	-	-	-	**-**	-	**-**
Concession liabilities	**1,421.7**	1,478.5	**128.3**	**137.6**	**1,550.0**	**1,616.1**

6.6 Contracts assets and liabilities

Contract assets and liabilities are mainly included in Operating receivables, Operating financial assets and Operating payables in the Consolidated Statement of Financial Position.

Movements in the net carrying amount of contract assets and liabilities during the first six months of **2020** are as follows:

	Contract assets		Contract liabilities	
(in € million)	As of December 31, 2019	As of June 30, 2020	As of December 31, 2019	As of June 30, 2020
France	29.3	**28.9**	100.9	**59.4**
Europe excluding France	92.1	**107.5**	372.9	**303.2**
Rest of the world	110.5	**82.7**	348.1	**235.8**
Global businesses	405.8	**374.0**	230.3	**292.7**
Other	-	**-**	-	**-**
Total	**637.7**	**593.1**	**1,052.2**	**891.1**

6.7 Commitments relating to operating activities

6.7.1 Commitments given relating to operating activities

Off-balance sheet commitments given relating to operating activities break down as follows:

			Maturing in		
(in € million)	As of December 31, 2019	As of June 30, 2020	Less than 1 year	1 to 5 years	More than 5 years
Operational guarantees including performance bonds	8,272.0	8,128.8	4,088.5	2,163.9	1,876.4
Purchase commitments	205.4	235.3	148.5	75.0	11.8
Total commitments relating to operating activities	**8,477.4**	**8,364.1**	**4,237.0**	**2,238.9**	**1,888.2**

The decrease in commitments given relating to operating activities in the first-half of 2020 (-€113.3 million) is mainly due to the release of the warranty covering the design, manufacture and maintenance of a brine concentration plant at the Jabiru uranium extraction mine by VWT for ERA (Energy Resources of Australia) of -€40 million, and the UAQ (Umm Al Qwain) project also performed by VWT in the United Arab Emirates, for the construction of a desalination plant (-€58 million).

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 treatment 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 8.5 years as of June 30, 2020.

These commitments are limited to the duration of the related contracts and were approved in advance by the Board of Directors of Veolia Environnement.

Total commitments given in respect of Veolia Water Technologies' activities amount to €2,010.3 million as of June 30, 2020 compared with €2,185.5 million as of December 31, 2019.

Operating commitments given in respect of joint ventures (at 100%) total €616.1 million as of June 30, 2020 compared with €619.7 million as of December 31, 2019 and mainly consist of performance bonds given to Al Wathba VB in the amount of €423.6 million and to Glen Water Holding in the amount of €71.9 million.

6.7.2 Commitments received relating to operating activities

These commitments mainly consist of commitments received from our partners in respect of construction contracts.

They total €712.8 million as of June 30, 2020, compared with €683.6 million as of December 31, 2019.

Total commitments received in respect of Veolia Water Technologies activities amount to €108.4 million as of June 30, 2020, compared with €110.5 million as of December 31, 2019.

NOTE 7 GOODWILL, INTANGIBLE ASSETS AND PROPERTY PLANT AND EQUIPMENT

7.1 Goodwill

7.1.1 Movements in goodwill

Goodwill breaks down as follows:

(in € million)	**As of December 31, 2019**	As of June 30, 2020
Gross	6,042.3	**6,199.3**
Accumulated impairment losses	(914.3)	**(942.3)**
Net	5,128.0	5,257.0

The net carrying amount of goodwill as of June 30, 2020 breaks down by operating segment as follows:

(in € million)	**As of December 31, 2019**	As of June 30, 2020
France	1,233.5	**1,240.7**
Europe excluding France	2,333.6	**2,272.8**
Rest of the world	799.9	**988.8**
Global businesses	757.7	**752.2**
Other	2.5	**2.5**
Total Goodwill	5,128.0	5,257.0

The main movements in Group goodwill during the first-half of 2020 primarily concern the provisional goodwill recognized on the acquisition of Elemental Environmental Solutions LLC in the United States (takeover of Alcoa's hazardous waste treatment site) in the amount of €184.9 million, foreign exchange translation gains and losses of -€129.7 million and impairment losses recognized in the first-half of the year (see Note 7.1.2).

Main goodwill balances by cash-generating unit as of June 30, 2020

There has been no material change in the net carrying amount of the main goodwill balances by cash-generating unit or country group of cash-generating units (amounts in excess of €200 million) since December 31, 2019.

7.1.2 Impairment tests

The COVID-19 pandemic health crisis and its impacts on the economy led the Group to extend impairment testing of its assets and particularly goodwill as of June 30, 2020.

Veolia generally performs systematic annual impairment tests on goodwill and other intangible assets with an indefinite useful life. More frequent tests are performed where there is indication that the cash-generating unit (CGU) may have suffered a loss in value.

The standard Group process to determine the value in use of its CGUs is based on the Long Term Plans prepared by the entities at the year end. Accordingly, Group Management decided to review all CGUs as of June 30, 2020 to identify CGUs at risk.

The following criteria were applied to identify these CGUs: .

- CGUs already considered at risk at the end of 2019 due to the sensitivity of their recoverable amount: sensitivity was measured as the difference between the recoverable amount and the net carrying amount of the CGU, taking into account macro-economic and operational factors;
- CGUs whose performance was materially impacted by the crisis during the first-half of 2020.

An in-depth review of cash flow projections was therefore performed for the CGUs identified, taking into account:

- the local health, economic, political and social context (including government support or stimulus packages, etc.);
- changes in country risk (rating, public debt, currency fluctuations where applicable, etc.);
- Group expectations for a return to normal activity levels, modeled by region (and also by activity);

- in order to best assess the risks and uncertainties weighing on the future cash flows of the CGUs.

The discount rates applied were unchanged on December 31, 2019: the euro WACC did not change during the period and country risk was assessed as well as possible based on available data, as part of the review of annual cash flow projections.

Following these tests, the Group impaired the Mexico goodwill in full (CGU already identified as sensitive during the December 2019 closing) , in the amount of €44.2 million in the first-half of 2020.

7.2 Intangible assets

7.2.1 Concession intangible assets

Concession intangible assets break down by operating segment as follows:

(in € million)	Net carrying amount as of December 31, 2019	As of June 30, 2020 Gross carrying amount	Amortization and impairment losses	Net carrying amount
France	611.1	1,559.9	(869.1)	**690.8**
Europe excluding France	2,124.2	4,513.3	(2,411.5)	**2,101.8**
Rest of the world	780.6	1,564.9	(812.3)	**752.6**
Global businesses	1.5	10.9	(9.9)	**1.0**
Other	-	-	-	**-**
Concession intangible assets	**3,517.4**	**7,649.0**	**(4,102.8)**	**3,546.2**

The +€28.8 million increase in the net carrying amount of concession intangible assets is mainly attributable to:

- additions of +€277.9 million (including €130.7 million in the France segment, €119.3 million in the Europe, excluding France segment and €27.3 million in the Rest of the World segment);
- amortization charges and impairment losses of -€212.7 million including a provision of -€17.3 million for a concession contract in Africa Middle-East;
- foreign exchange translation gains and losses of -€94.9 million, mainly due to the appreciation of the Czech crown and the pound sterling against the euro.

7.2.2 Other intangible assets

There has been no material change in other intangible assets since December 31, 2019, other than the impairment loss recognized on a concession contract in South America of €35.0 million as a result of the difficult economic situation due to the health crisis.

7.3 Property, plant and equipment

Movements in the net carrying amount of property, plant and equipment during the first six months of **2020** are as follows:

(in € million)	As of December 31, 2019	As of June 30, 2020
Property, plant and equipment, gross	19,575.5	**19,220.8**
Depreciation and impairment losses	(11,895.7)	**(11,804.5)**
Property, plant and equipment, net	**7,679.8**	**7,416.3**

Additions mainly concern:

- France (€51.3 million);
- Europe excluding France (€169.9 million). Additions mainly comprise the purchase of travelling systems and containers in the United Kingdom for €24.6 million; maintenance investments, environmental standard compliance costs and the development of new connections in the Energy sector in Poland and the Czech Republic for €24.4 million and €16.6 million, respectively; and investments relating to the renewal of the Braunschweiger concession in Germany of €26.5 million;
- the Rest of the world (€152.7 million). Additions mainly comprise the construction of new hazardous waste treatment plants in Asia for €27.2 million (China and Singapore) and maintenance investments in the hazardous waste treatment sector in the United States of €19.1 million.

Depreciation of –€458.9 million mainly concerns France (-€94.6 million), Europe excluding France (-€187.8 million) and the Rest of the World (-€118.8 million).

Changes in consolidation scope of +€52.9 million mainly concern Europe excluding France (€45.9 million), including €39.5 million in Spain.

Foreign exchange translation gains and losses total -€211.8 million and are primarily due to the appreciation of the Czech crown (-€25.7 million), the pound sterling (-€33.4 million) and the Polish zloty (-€61.4 million) and the depreciation of the Brazilian real (-€15.4 million) against the euro.

Property, plant and equipment break down by operating segment as follows:

		As of June 30, 2020		
(in € million)	Net carrying amount as of December 31, 2019	Gross carrying amount	Depreciation and impairment losses	Net carrying amount
France	983.2	3,885.4	(2,943.8)	**941.6**
Europe excluding France	3,751.8	8,624.3	(5,013.1)	**3,611.2**
Rest of the world	2,280.6	4,238.4	(2,001.8)	**2,236.6**
Global businesses	606.3	2,281.5	(1,708.5)	**573.0**
Other	57.9	191.2	(137.3)	**53.9**
Property, plant and equipment	**7,679.8**	**19,220.8**	**(11,804.5)**	**7,416.3**

The breakdown of property, plant and equipment by class of assets is as follows:

		As of June 30, 2020		
(in € million)	Net carrying amount as of December 31, 2019	Gross carrying amount	Depreciation and impairment losses	Net carrying amount
Land	651.6	1,424.1	(779.2)	**644.9**
Buildings	1,377.3	3,189.5	(1,845.2)	**1,344.2**
Technical installations, plant and equipment	3,785.9	9,819.9	(6,187.1)	**3,632.8**
Travelling systems and other vehicles	660.9	2,178.2	(1,575.1)	**603.1**
Other property, plant and equipment	319.2	1,692.0	(1,392.8)	**299.2**
Property, plant and equipment in progress	884.9	917.1	(25.1)	**892.0**
Property, plant and equipment	**7,679.8**	**19,220.8**	**(11,804.5)**	**7,416.3**

7.4 Right of use

In accordance with the Lease standard (IFRS 16), 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 (less than $5,000 USD).

Right-of-use assets break down by operating segment as follows:

		As of June 30, 2020		
(in € million)	Net carrying amount as of December 31, 2019	Gross carrying amount	Depreciation and impairment losses	Net carrying amount
France	290.5	601.5	(304.4)	**297.1**
Europe excluding France	495.9	877.0	(437.5)	**439.5**
Rest of the world	365.2	697.7	(336.2)	**361.5**
Global businesses	366.1	727.2	(380.8)	**346.4**
Other	146.9	299.7	(165.7)	**134.0**
RIGHT OF USE	**1,664.6**	**3,203.1**	**(1,624.6)**	**1,578.5**

Movements in the net carrying amount of right-of-use assets during the first-half of **2020** are as follows:

(in € million)	As of December 31, 2019	As of June 30, 2020
Right of use	3,273.6	**3,203.1**
Depreciation and impairment losses	(1,609.0)	**(1,624.6)**
Right of use, net	**1,664.6**	**1,578.5**

New contracts total €226.1 million and mainly concern France (€65.4 million), Europe excluding France (€60.1 million), the Rest of the world (€52.4 million) and Global businesses (€43.2 million).

Depreciation totals -€217.9 million and mainly concerns France (-€45.7 million), Europe excluding France (-€54.5 million), the Rest of the world (-€52.5 million) and Global businesses (-€47.9 million).

Sublease 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:

- Borrowings and other 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.

8.1.1 Financial liabilities

Movements in non-current and current borrowings are as follows:

	Notes	Non-current		Current		Total	
		As of December 31, 2019	As of June 30, 2020	As of December 31, 2019	As of June 30, 2020	As of December 31, 2019	As of June 30, 2020
Bond issues		8,830.4	10,035.9	1,145.4	1,771.6	**9,975.8**	**11,807.5**
Other financial liabilities		536.4	604.8	4,298.4	5,396.3	**4,834.8**	**6,001.1**
Lease debt (IFRS 16)		1,417.9	1,354.4	465.7	412.1	**1,883.6**	**1,766.5**
Total non-current and current borrowings		**10,784.7**	**11,995.1**	**5,909.5**	**7,580.0**	**16,694.2**	**19,575.1**

8.1.1.1 Non-current and current bond issues

	Non-current		Current		Total	
	As of December 31, 2019	As of June 30, 2020	As of December 31, 2019	As of June 30, 2020	As of December 31, 2019	As of June 30, 2020
Bond issues	**8,830.4**	**10,035.9**	**1,145.4**	**1,771.6**	**9,975.8**	**11,807.5**
• maturing in < 1 year	-	-	1,145.4	1,771.6	1,145.4	1,771.6
• maturing in 2-3 years	1,969.0	1,524.4	-	-	1,969.0	1,524.4
• maturing in 4-5 years	1,367.3	2,078.5	-	-	1,367.3	2,078.5
• maturing in > 5 years	5,494.1	6,433.0	-	-	5,494.1	6,433.0

Breakdown of bonds

Non-current bond issues break down as follows as of June 30, 2020.

(in € million)	As of December 31, 2019	As of June 30, 2020	Maturing in 2 to 3 years	Maturing in 4 to 5 years	Maturing in More than 5 years
Publicly offered or traded issuances [a]	8,035.7	9,061.4	1,311.8	1,347.8	6,401.8
European market [i]	7,747.0	8,772.1	1,311.8	1,347.8	6,112.5
American Market [ii]	288.7	289.3	-	-	289.3
Bonds convertible into and/or exchangeable for new and/or existing shares (OCEANE)	717.4	715.3	-	715.3	-
Panda Tranche 4	-	188.3	188.3	-	-
Stirling Water Seafield Finance bond issue [b]	48.0	41.7	13.3	15.4	13.0
Other amounts < €50 million in 2019 and 2020	29.3	29.2	11.0	-	18.2
Non-current bond issues	**8,830.4**	**10,035.9**	**1,524.4**	**2,078.5**	**6,433.0**

(a) Publicly offered or traded issuances

- *(i) European market: as of June 30, 2020, an amount of €10,344.1 million is recorded in the Consolidated Statement of Financial Position in respect of bonds issued under the European Medium Term Notes (EMTN) Program, including €8,772.1 million maturing in more than one year. The impact of the fair value remeasurement of hedged interest rate risk is €8.4 million at the year-end (non-current portion).*

- *(ii) American market: as of June 30, 2020, remaining nominal outstandings on the bond issues performed in the United States on May 27, 2008 total USD 300.0 million, maturing June 1, 2038 and paying fixed-rate interest of 6.75% (Tranche 3).*

(b) Stirling Water Seafield Finance bond issue: the outstanding nominal balance as of June 30, 2020 on the amortizable bond issue performed in 1999 by Stirling Water Seafield Finance (Veolia Water UK subsidiary, Water activities), is GBP 47.0 million (non-current and current portion). This bond issue is recognized at amortized cost for a euro equivalent of €41.7 million as of June 30, 2020 (non-current portion). This bond matures on September 26, 2026.

Change in bonds

As disclosed in Note 3, the change in bond issues during the half-year is mainly due to three bond issues performed in 2020 under the following financial conditions:

- €500 million bond issue performed on January 8, 2020 and maturing January 2031, bearing a coupon of 0.66%;
- €700 million bond issue performed on April 8, 2020 and maturing April 2028, bearing a coupon of 1.25%;
- €500 million bond issue performed on June 8, 2020 and maturing January 2032, bearing a coupon of 0.80%.

These three bond issues, intended for general corporate purposes, enabled Veolia to bring forward the refinancing of all bond payments scheduled for 2020 and 2021 totaling €1.6 billion.

In addition, the Group performed two bond issues in June 2020 for a total of 1.5 billion renminbi (€189 million euro-equivalent) on the Chinese domestic market (Panda Bonds), with a 3-year maturity and a coupon of 3.85%

New bond issues therefore totaled €1,891.0 million in the first-half of 2020.

8.1.1.2 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 June 30, 2020.

8.1.1.3 Change in other financial liabilities

	Non-current		Current		Total	
(in € million)	As of December 31, 2019	As of June 30, 2020	As of December 31, 2019	As of June 30, 2020	As of December 31, 2019	As of June 30, 2020
Other financial liabilities	**536.4**	**604.8**	**4,298.4**	**5,396.3**	**4,834.8**	**6,001.1**
• maturing in < 1 year	-	-	4,298.4	5,396.3	4,298.4	5,396.3
• maturing in 2-3 years	228.6	230.0	-	-	228.6	230.0
• maturing in 4-5 years	60.0	82.7	-	-	60.0	82.7
• maturing in > 5 years	247.8	292.1	-	-	247.8	292.1

As of June 30, 2020, other financial liabilities comprise negotiable commercial paper (less than one year) issued by the Company of €4,592.0 million, compared with €3,493.0 million as of December 31, 2019.

8.1.1.4 Lease debt (IFRS 16)

Lease debt (IFRS 16) as of June 30, 2020 breaks down as follows:

(in € million)	As of December 31, 2019	As of June 30, 2020
Non-current lease debt (IFRS 16)	1,417.9	1,354.4
Current lease debt (IFRS 16)	465.7	412.1
Lease debt (IFRS 16)	**1,883.6**	**1,766.5**

Lease debt (IFRS 16) by operating segment breaks down as follows:

	As of December 31, 2019	As of June 30, 2020		
(in € million)	Lease debt (IFRS 16)	Non-current lease debt (IFRS 16)	Current lease debt (IFRS 16)	Lease debt (IFRS 16)
France	351.9	261.5	90.2	351.7
Europe excluding France	568.2	400.2	104.7	504.9
Rest of the world	420.0	307.5	94.2	401.7
Global businesses	389.1	280.4	87.0	367.4
Other	154.4	104.8	36.0	140.8
Lease debt (IFRS 16)	**1,883.6**	**1,354.4**	**412.1**	**1,766.5**

Lease debt (IFRS 16) by maturity breaks down as follows:

	As of June 30, 2020		
(in € million)	Non-current	Current	Total
Lease debt (IFRS 16)	1,354.4	412.1	1,766.5
• maturing in 1 year	-	412.1	412.1
• maturing in 2 years	331.2	-	331.2
• maturing in 3 years	261.5	-	261.5
• maturing in 4 years	192.2	-	192.2
• maturing in 5 years	147.4		147.4
• maturing in > 5 years	422.1	-	422.1

8.1.2 Non-current and current financial assets

Other non-current and current financial assets break down as follows:

	Non-current		Current		Total	
(in € million)	As of December 31, 2019	As of June 30, 2020	As of December 31, 2019	As of June 30, 2020	As of December 31, 2019	As of June 30, 2020
Gross	427.9	512.5	309.9	314.2	737.8	826.7
Impairment losses	(72.7)	(72.9)	(37.5)	(37.8)	(110.2)	(110.7)
Financial assets in loans and receivables, net	**355.2**	**439.6**	**272.4**	**276.4**	**627.6**	**716.0**
Other financial assets	**14.6**	**14.3**	**3.3**	**2.0**	**17.9**	**16.3**
Liquid assets and financing financial assets (*)	**4.8**	**5.3**	**462.8**	**819.8**	**467.6**	**825.1**
Total other financial assets, net	**374.6**	**459.2**	**738.5**	**1,098.2**	**1,113.1**	**1,557.4**

(*) 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.

As of June 30, 2020, the main non-current and current financial assets in loans and receivables primarily comprise loans granted to equity-accounted joint ventures totaling €181.8 million, compared with €159.5 million as of December 31, 2019.

These loans mainly concern the Chinese Water Concessions in the amount of €127.7 million as of June 30, 2020, compared with €99.7 million as of December 31, 2019.

As of June 30, 2020, liquid assets and financing financial assets are made up 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. The increase during the first-half of 2020 is mainly due to the optimization of the Group's cash management and the allocation of a portion of the proceeds from the divestiture of district energy assets in the United States to liquid assets which occurred at the end of 2019.

8.1.3 Cash and cash equivalents, bank overdrafts and other cash position items

Movements in cash and cash equivalents, bank overdrafts and other cash position items during the first-half of 2020 are as follows:

(in € million)	**As of December 31, 2019**	**As of June 30, 2020**
Cash at bank and in hand	1,449.8	1,730.9
Cash equivalents	4,393.5	5,298.0
Cash and cash equivalents (*)	**5,843.3**	**7,028.9**
Bank overdrafts and other cash position items	**302.2**	**187.5**
Net cash	**5,541.1**	**6,841.4**

(*) Excluding liquid assets and financing financial assets

(in € million)	**As of December 31, 2019**	**As of June 30, 2020**
Veolia Environnement:		
Undrawn MT syndicated loan facility	3,000.0	**3,000.0**
Undrawn MT bilateral credit lines	1,000.0	**1,000.0**
Undrawn ST bilateral credit lines	100.0	**100.0**
Letters of credit facility	86.8	**93.0**
Cash and cash equivalents(1)	5,092.6	**6,664.9**
Subsidiaries:		
Cash and cash equivalents	1,218.4	**1,189.1**
Total liquid assets	**10,497.8**	**12,047.0**
Current debt and bank overdrafts and other cash position items:		
Current debt	5,909.5	**7,580.0**
Bank overdrafts and other cash position items	302.2	**187.5**
Total current debt and bank overdrafts and other cash position items	**6,211.7**	**7,767.5**
Total liquid assets net of current debt and bank overdrafts and other cash position items (1)	**4,286.1**	**4,279.5**

(1) Including liquid assets and financing financial assets included in net financial debt

Cash and cash equivalents total €7,854.0 million, including €395.0 million "subject to restrictions" as of June 30, 2020.

As of June 30, 2020, the France segment held cash of €32.7 million, the Europe excluding France segment held cash of €320.4 million, the Rest of the world segment held cash of €437.7 million, the Global businesses segment held cash of €150.2 million and the Other segment held cash of €789.7 million (including €637.1million held by Veolia Environnement).

Surplus cash balances of other Group subsidiaries, not pooled at Veolia Environnement level, are invested in accordance with procedures daefined by the Group.

As of June 30, 2020, cash equivalents were primarily held by Veolia Environnement in the amount of €6,027.8 million, including monetary UCITS of €2,478.3 million, term deposit accounts of €2,530.2 million and 815.8 million of liquid assets.

Bank overdrafts and other cash position items consist of credit balances on bank accounts and related accrued interest payable, corresponding to brief overdrafts.

8.2 Fair value of financial assets and liabilities

Differences between fair value and net carrying amount of these main financial asset and liability categories have not materially changed since December 31, 2019.

8.3 Financial income and expenses

8.3.1 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 rate 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 borrowings net of income from cash and cash equivalents. In addition, net finance costs include net gains and losses on derivatives allocated to borrowings, irrespective of whether they qualify for hedge accounting.

The cost of net financial debt is -€215.6 million for the half-year ended June 30, 2020 compared with

-€222.5 million for the half-year ended June 30, 2019. This improvement of €6.9 million is mainly due to management of the euro-denominated bond debt and the partial repayment of the U.S. dollar loan in the amount of US$100 million as of December 31, 2019.

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 and fair value adjustments to hedging derivatives.

(in € million)	**Half-year ended June 30, 2019**	**Half-year ended June 30, 2020**
Expenses on gross debt	(182.0)	(172.8)
Assets at fair value through profit or loss (fair value option)*	12.7	11.6
Net gains and losses on derivative instruments, hedging relationships and other	(53.9)	(54.4)
Cost of net financial debt	**(222.5)**	**(215.6)**

(*) Cash equivalents are valued at fair value through profit or loss.

Net gains and losses on derivative instruments, hedging relationships and other mainly include the following amounts for the first-half of 2020:

- a net interest expense on hedging relationships (fair value hedges and cash flow hedges) of -€7.6 million;
- net losses on derivatives not qualifying for hedge accounting of -€46.8 million, mainly on foreign currency derivatives.

8.3.2 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 liabilitiesand the interest on IFRS 16 lease debt.

(in € million)	**Half-year ended June 30, 2019**	**Half-year ended June 30, 2020**
Net gains/losses on loans and receivables	6.7	6.3
Capital gains and losses on financial divestitures, net of disposal costs	51.0	0.2
Net income (loss) on available-for-sale assets [1]	1.0	1.0
Assets and liabilities at fair value through profit or loss	0.2	(0.2)
Unwinding of the discount on provisions	(15.9)	(11.1)
Foreign exchange gains and losses	0.5	(7.5)
Interest on concession liabilities	(40.3)	(39.8)
Interest on lease debt (IFRS 16)	(22.8)	(17.8)
Other	(20.0)	(15.1)
Other financial income and expenses	**(39.6)**	**(84.0)**

(1) Including dividends received of €3.4 million in the first-half of 2020, compared with €4.6 million in the first-half of 2019.

It is recalled that capital gains and losses on disposals of financial assets in the first-half of 2019 mainly concerned the divestiture of Transdev for €33 million and the divestiture of Foshan (China) for €37 million.

8.4 Financing commitments

8.4.1 Financing commitments given

Off-balance sheet financing commitments given break down as follows:

			Maturing in		
(in € million)	**As of December 31, 2019**	**As of June 30, 2020**	Less than 1 year	1 to 5 years	More than 5 years
Letters of credit	(39.6)	**(43.0)**	(26.2)	(9.8)	(7.0)
Debt guarantees	(35.1)	**(24.4)**	(11.0)	(1.7)	(11.7)
Other financing commitments given	(43.9)	**(40.2)**	(6.8)	(26.5)	(6.9)
Total financing commitments given	**(118.6)**	**(107.6)**	**(44.0)**	**(38.0)**	**(25.6)**

8.4.2 Financing commitments received

Commitments received total €175.6 million as of June 30, 2020 and €134.8 million as of December 31, 2019.

8.4.3 Collateral guaranteeing borrowings

As of June 30, 2020, the Group has given €139 million of collateral guarantees in support of borrowings including €98.8 million in support of borrowings of its joint ventures.

NOTE 9 EQUITY AND EARNINGS PER SHARE

9.1 Equity attributable to owners of the Company

9.1.1 Share capital

The share capital is fully paid-up.

9.1.1.1 Share capital increase reserved for Group employees

There were no share capital increases in the first-half of 2020.

9.1.1.2 Number of shares outstanding and par value

There were 567,266,539 shares outstanding as of June 30, 2020 and December 31, 2019. The par value of each share is €5.

9.1.2 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.

Veolia Environnement held 12,729,998 of its own shares, representing 2.24% of the Company's share capital, as of June 30, 2020. It held 12,450,465 shares, representing 2.19% of the Company's share capital, as of December 31, 2019.

9.1.3 Appropriation of net income and dividend distribution

The Combined General Meeting of April 22, 2020 set the cash dividend for 2019 at €0.50 per share. The shares went ex-dividend on May 12, 2020 and the dividend was paid from May 14, 2020 for a total amount of €277.1 million.

A dividend of €509.1 million was distributed by Veolia Environnement in 2019 and taken from the profit from 2018.

9.1.4 Foreign exchange gains and losses

Accumulated foreign exchange translation reserves total -€92.6 million as of December 31, 2019 (attributable to owners of the Company).

The change in foreign exchange translation reserves primarily reflects fluctuations in the Chinese renminbi (-€10.4 million), the pound sterling (+€31.7 million), the Canadian dollar (+€10.1 million), the Hong Kong dollar (-€19.3 million) and the Argentinian peso (-€34.2 million).

Accumulated foreign exchange translation reserves total -€307.5 million as of June 30, 2020 (attributable to owners of the Company).

The change in foreign exchange translation reserves primarily reflects fluctuations in the Chinese renminbi (-€40.9 million), pound sterling (-€48.0 million), Polish zloty (-€19.4 million) and Colombian Peso (-€20.3 million) against the euro.

9.1.5 Fair value reserves

Fair value reserves attributable to owners of the Company total -€58.4 million as of June 30, 2020 and -€57.1 million as of December 31, 2019 and did not materially change during the half-year.

9.2 Non-controlling interests

A breakdown of the movement in non-controlling interests is presented in the Statement of Changes in Equity.

The fluctuation in non-controlling interests in the first six months of 2020 is mainly due to net income for the period offset by changes in consolidation scope, dividend distributions by subsidiaries and foreign exchange impacts.

The share of net income attributable to non-controlling interests totaled €66.3 million for the half-year ended June 30, 2020, compared with €88.1 million for the half-year ended June 30, 2019.

In the first six months of 2020, this item primarily concerns minority interests in subsidiaries of the Europe excluding France (€44.8 million) and Rest of the World (€21.8 million) operating segments.

9.3 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.

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.

The weighted average number of outstanding shares in the half year ended June 30, 2020 was 554,541,074. The instruments (mainly related to the OCEANE convertible bonds issued on September 12, 2019) are excluded from the calculation of the diluted earnings per share as they are anti-dilutive.

9.5 Liquidity contract

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.

Veolia Environnement and Rothschild & Cie Banque terminated the liquidity contact signed on September 26, 2014. This termination took effect when the Stock Exchange closed on May 31, 2019.

With effect from June 1, 2019 and for an initial period of 12 months tacitly renewable thereafter for periods of one year, Veolia Environnement appointed Kepler Chevreux to implement a new liquidity contract relating to its shares. An amount of €20 million has been allocated to the functioning of this liquidity contract.

This liquidity contract forms part of the share buyback program authorized by the Veolia Environnement General Shareholders’ Meeting of April 18, 2019.

NOTE 10 PROVISIONS

Movements in non-current and current provisions in the first six months of 2020 are as follows:

(in € million)	**As of December 31, 2019**	**As of June 30, 2020**
Provisions excluding pensions and other employee benefits	**1,601.8**	**1,632.6**
Provisions for pensions and employee benefits	**786.0**	**773.5**
TOTAL PROVISIONS	**2,387.8**	**2,406.1**
NON-CURRENT PROVISIONS	**1,848.7**	**1,837.9**
CURRENT PROVISIONS	**539.1**	**568.2**

Provisions as a whole remained relatively stable during the first six months of 2020.

As of June 30, 2020, provisions excluding pensions and other employee benefits primarily comprise provisions for closure costs and post-closure costs (site rehabilitation, dismantling) of €662.4 million, principally accounted for in France in waste recovery and recycling activities for €249.0 million and in Europe excluding France for €209.1 million.

NOTE 11 INCOME TAXE EXPENSE

11.1 Income taxes

The income tax expense (income) includes the current tax expense (income) and the deferred tax expense (income).

The income tax expense breaks down as follows:

(in € million)	Half-year ended June 30, 2019	Half-year ended June 30, 2020
Current income tax (expense) income	**(147.7)**	**(105.3)**
France	(9.1)	(4.5)
Other countries	(138.6)	(100.8)
Deferred tax (expense) income	**48.8**	**50.1**
France	(13.4)	(4.1)
Other countries	62.2	54.2
Total income tax expense	**(98.9)**	**(55.2)**

The income tax expense presented in the Consolidated Cash Flow Statement reflects the income tax expense of continuing operations presented above and the income tax expense of discontinued operations.

A number of French subsidiaries elected to form a consolidated tax group with Veolia Environnement as the head company (five-year agreement, renewed in 2016). 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.

The Group income tax expense breaks down as follows:

	Half-year ended June 30, 2019	Half-year ended June 30, 2020
Net income (loss) from continuing operations (a)	435.4	(62.3)
Share of net income (loss) of associates (b)	18.5	12.2
Share of net income (loss) of joint ventures (c)	37.8	28.0
Share of net income (loss) of other equity-accounted entities (d)	-	-
Income tax expense (e)	(98.9)	(55.2)
Net income from continuing operations before tax	478.0	(47.3)
Effective tax rate (e)/(f)	**20.7%**	N/A

11.2 Deferred tax assets and liabilities

Due to the impacts of the COVID-19 pandemic, the Group reviewed the recoverable amount of deferred tax assets arising from material tax losses. These procedures did not lead the Group to recognize any additional material impairment as of June 30, 2020.

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 and IAS 37, 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.

There have been no significant developments since the last Universal Registration Document.

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 June 30, 2020, 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, (“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 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 city water plant to switch water sources. In April 2014, the city 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 2014 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, to address these water quality issues, 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 (TTHM), discoloration and taste and odor issues. This one-time review (invoiced at $40,000USD), was completed by VWNAOS in approximately four weeks. Throughout that time, and subsequently, Flint continued to retain LAN as its primary water engineering consultant. LAN developed a treatment plan for the Flint River water and issued reports to the City of Flint in December 2014 and August 2015 that addressed compliance with the Safe Drinking Water Act. LAN did not raise or address any concerns that the 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 on testing results provided by Flint which 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 in relation to VWNAOS’s interim report, VWNAOS employees communicated to the public the results of said report. The City, not VWNAOS, conducted all of the lead testing.

On March 12, 2015, VWNAOS delivered its final report to Flint, which was then 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 odor and discoloration. The report also specifically recommended that the City work with the State and City’s engineering firm to add a corrosion control plan. It would appear that many of these recommendations were ignored by the City.

On June 24, 2015, the US Environmental Protection Agency issued a memorandum summarizing the available information regarding activities conducted by the City of Flint and several governmental agencies in response to high lead levels in City drinking water reported by a Flint resident.

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 their potable 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 consulting group made up of experts in 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 Task Force report concluded that the responsibility for the Flint water crisis rested largely with several governmental agencies and the City of 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.

Individual and class actions

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 and three of the US subsidiaries of the Company, Veolia North America Inc. VWNAOS and Veolia North America LLC. Flint residents allege injury and damages by exposure to toxins, including lead, contained within Flint River water. and have brought several types of claims, including professional negligence and fraud. The court has dismissed the fraud claims.

Although the Company has been named in several putative class actions and individual actions , the Company is not a party to any of these actions; only the three US subsidiaries of the Company are active parties in those actions.

In January 2018, a mediation process was ordered by the court presiding over the lawsuits in Federal court. The mediators required the participation of all parties to the Federal litigation, which includes the three US subsidiaries of the Company but not the Company itself.

Civil action of the State of Michigan's Attorney General

On June 22, 2016, the State of Michigan's Attorney General filed a civil action in State court against several corporations, including VWNAOS and the Company itself, for their alleged roles in the Flint water crisis. The Attorney General subsequently dismissed that action, and he filed a new civil action on August 16, 2016. Among other allegations, the Attorney General refers to the interim report delivered by VWNAOS. The Attorney General alleges that the acts and omissions of these corporations constitute, among other things, professional negligence and fraud. Subsequent to filing the new action, the Attorney General agreed to dismiss the Company without prejudice from the case. On September 12, 2016, stipulations of dismissal were filed with the State court to that effect.

On November 7, 2018, the State of Michigan elected a new Governor and a new Attorney General. The Attorney General then filed, on April 12, 2019, a new amended complaint against, among others, the Company and some of its US subsidiaries. The Company has not been served with that complaint and so it is not currently an active party in this civil action (but its three US subsidiaries are parties).

On November 8, 2019, the court ruled on the motion, dismissing all claims against the Company's US subsidiaries, except for an unjust enrichment claim.

On December 2, 2019, the State, the Company's US subsidiaries, and the LAN defendants, filed motions to reconsider this decision.

On June 23, 2020, the court denied LAN's motion; the Company's US subsidiaries' motion is still pending.

Criminal actions

Criminal proceedings were initiated by the 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. The Attorney General has stated that her investigation is ongoing and that further criminal proceedings could be initiated.

The Group strongly contests the merits of all these legal proceedings.

These lawsuits have been reported to the insurers. Some of the insurers, relying on an exclusion clause contained in the policies of the international insurance program taken out by the Company on its behalf and that of its subsidiaries, have made it known that they do not intend on covering the financial consequences of VNA's liability, should this 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.

Central and Eastern Europe

Romania

In 2000, Apa Nova Bucuresti ("ANB"), Veolia Eau's Romanian subsidiary in which it holds a 74% stake, signed a 25-year concession agreement for water distribution and wastewater services with the city of Bucharest.

At the end of July 2015, the National Anticorruption Division of Ploiesti ("NAD") opened an investigation on influence peddling involving several persons and entities, including several Romanian subsidiaries of the Company.

ANB and certain of its former managers were suspected of having purchased, between 2008 and 2015, the influence of three natural persons in order to obtain favorable decisions from Bucharest's public authorities, resulting in significant increases in water prices. In exchange for their influence, ANB allegedly made significant payments to companies controlled by these three persons or related persons, without these payments being proportionate to the services rendered, and without these services necessarily being real.

Throughout October 2015, three former managers of ANB were placed under the status of "inculpat". On October 30, 2015, ANB was placed under this same status, for bribery, buying influence, invasion of privacy, tax evasion and money laundering.

The Securities and Exchange Commission (SEC) and the Department of Justice (DOJ) opened investigations concerning possible violations of US federal laws, relating to the facts which are the subject of NAD's investigation. At the SEC's behest, as part of international cooperation, the Autorité des marchés financiers (AMF) opened its own investigation on the matter.

In 2017, the Parquet National Financier confirmed that a preliminary investigation has been launched.

By letter July 8, 2019, the SEC informed the Company's US lawyer that it has concluded its investigation and that it does not intend to recommend any enforcement action against the Company.

By order November 1st, 2019, the NAD decided (i) to dismiss the charges of bribery, buying influence and invasion of privacy against ANB and all the named individuals and (ii) to continue the investigations for tax evasion and money laundering against ANB and two of its former executives.

This order is now final.

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 €19M 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.

(i) 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 €80M (not including interest). For its part, Lithuania withdrew its €150M counterclaim in its last submission. 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.These developments may have an impact on the ICSID arbitration and, as the case may be, on the enforcement of the future award.

(ii) 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 €22M. For their part, Vilnius and VST submitted counterclaims quantified to date at circa €690M. This procedure is still ongoing. The Company and UVE vigorously contest Vilnius and VST's counterclaims and seek their dismissal.

Other

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 ("Change Orders") 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 14, 2018, KSPC sought to draw down the first letter of guarantee. On May 18, 2018 the Paris Commercial Court issued a provisional injunction, precluding the bank from paying. The parties have recently withdrawn their claims before the Paris Commercial Court due to proceedings pending before the Court of Queen's Bench for Saskatchewan related to the two letters of guarantee.

On May 23, 2018, VWT filed a request for injunction before the Court of Queen's Bench for Saskatchewan seeking to prevent KSPC from drawing upon either letter of guarantee. The Court of Queen's Bench for Saskatchewan, the Court of Appeal, and then in October 2019 the Supreme Court of Canada dismissed VWT's application. In November 2019, KSPC drew down the second letter of guarantee and requested the Paris Commercial Court to restore the first letter of guarantee case to the trial list. This case is still pending before the Court.

By an Act of 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.

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 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.

These lawsuits have been reported to insurance companies, which have already covered part of the expenses incurred.

The Group strongly contests the merits of all these legal proceedings.

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 letter of 12 September 2019, Antero wrongly terminated the DBA without proper contractual notice.

On March 13, 2020 VWT filed suit against Antero in United States District Court in Colorado alleging breach of contract and seeking damages of USD $120 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 for damages of approximately USD $600 million and explains that the largest portion of its claims is based on an alleged VWT gross negligence. VWT vigorously rejected all of these claims, as they are without merit.

VWT's claims have been consolidated with Antero's claims ; due to COVID 19, hearing dates have not been set yet.

The Antero lawsuit has been reported to the insurers.

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.

Other than compensation and related benefits granted to key management and relations with joint ventures presented in the Notes to the 2019 Consolidated financial statements (see Note 6.2.1), there have been no material developments in relations with other related parties as of June 30, 2020.

NOTE 14 SUBSEQUENT EVENTS

None

NOTE 15 MAIN COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

As of June 30, 2020, Veolia Environnement Group accounted for a total of 1,676 companies.

The list of main subsidiaries has not materially changed since December 31, 2019.

4.1.7 STATUTORY AUDITORS' REVIEW REPORT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Period from January 1 to June 30, 2020

This is a free translation into English of the statutory auditors' review 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 auditing standards applicable in France.

To the Shareholders,

Following our appointment as statutory auditors by your Annual General Meetings and in accordance with the requirements of Article L.451 -1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Veolia Environnement, for the period from January 1 to June 30, 2020;
- the verification of the information contained in the half-year management report.

These condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors on July 29, 2020 on the basis of the information available at that date in the evolving context of the crisis related to COVID-19 and of difficulties in assessing its impact and future prospects. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe the condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2 Specific verification

We have also verified the information presented in the half-year management report on the condensed interim consolidated financial statements subject to our review prepared on July 29, 2020.

We have no matters to report as to its fair presentation and its consistency with the condensed interim consolidated financial statements.

The Statutory Auditors

Paris-La Défense, August 3 2020

KPMG Audit		ERNST & YOUNG et Autres	
Division of KPMG S.A.			
Valérie Besson	Baudouin Griton	Jean-Yves Jégourel	Quentin Séné

5

RISK FACTORS AND CONTROL

(CHAPTER 5 OF THE 2019 UNIVERSAL REGISTRATION DOCUMENT)

With the duration of the health crisis generated by COVID-19, and its impact on the global economy not yet known, the precise consequences for the Group's activity and results remain difficult to evaluate at this stage.

Based on the information available at the publication date of this update to the 2019 Universal Registration Document, the risk matrix published in the 2019 Universal Registration Document filed on March 17, 2020 remains unchanged: same risk categories, same impact levels and same probabilities of occurrence.

In addition, the Veolia Environnement Executive Committee met in July 2020 as the Risk Committee. The Group's new risk mapping was presented at this meeting, incorporating the impacts of the COVID-19 health and economic crisis.

The Group identified certain risks that are currently controlled but require close monitoring (foreign exchange risks, liquidity risks, risks inherent to fluctuations in the price of energy, consumables and commodities). Nonetheless, certain risks presented in Chapter 5.2.2 of the 2019 Universal Registration Document are exacerbated by the current global context.

Risks relating to the business environment in which the Group operates

Economic risks

At the publication date of the Universal Registration Document, the Group had anticipated a deterioration in the macro-economic environment. The current global situation has significantly deteriorated (global recession of at least -4.9%, with a 6.5% erosion in GDP compared with pre-COVID-19 levels[(1)]). The propagation of the virus and the health measures taken by governments and companies to stem the pandemic (border closures, lockdown measures, restrictions on the exercise of certain economic activities, etc.) had a significant impact on global economic activity, the business environment, household behavior and the financial markets and may continue to do so. The brutal recession suffered by the countries affected and the decline in global trade will continue to negatively impact the global economic environment as long as production, investment, supply chains and consumer spending are impacted, with a knock-on effect on the Group's activities and those of its customers and counterparties. While the crisis may offer opportunities in the essential services sector and notably in ecological transition (government stimulus plans), certain Group businesses (primarily waste) are sensitive to this type of economic shock, with potentially a significant impact on the Group's results.

The Group has set up a Crisis observatory and an Anticipation unit to assess the health and economic impacts. The aim is to implement specific operating processes, in line with the pace and phase of the crisis in each country. In order to adapt the Impact 2023 strategic program, prospective studies are being conducted (jointly by the Risk Department and the Strategy and Innovation Department) to measure country resilience to economic risks and thereby assess the repercussions of COVID-19 on the business environment.

Operational risks

Risks relating to employee health and safety

The highly contagious nature of COVID-19 intrinsically represents an increased risk to the health of employees when commuting and on their workplace.

Since the beginning of the pandemic, Veolia has taken measures to adapt its operations to take account of health restrictions, with notably the implementation of strict protocols. The Group has also developed tools to monitor health indicators in all its geographies, in order to rapidly adapt its measures to cope with the extent of the health risk. Additionally, from the beginning of the pandemic, the Group entered into an agreement with Preventis to provide physiological support to its employees in France.

(1) Source: IMF, World Economic Outlook Update, June 2020.

Financial risks

Counterparty risks relating to operating activities

The global slowdown in economic activity is putting a strain on all economic players, making them more likely to encounter cash flow problems and thereby default on payment. This issue is particularly prominent for public and industrial customers, that have mobilized considerable funds to deal with the health emergency while generating reduced revenue. The risk of non-recovery of receivables can exist in certain countries, notably for customers under public service concessions.

6

CORPORATE SOCIAL RESPONSABILITY

(CHAPTER 6 OF THE 2019 UNIVERSAL REGISTRATION DOCUMENT)

6.1 Vigilance plan

The detailed version of the Plan can be accessed on the Group website at the following link : https://www.veolia.com/en/veolia-group/profile/compliance-and-vigilance

7

CORPORATE GOVERNANCE

(CHAPTER 7 OF THE 2019 UNIVERSAL REGISTRATION DOCUMENT)

7.1 Members of the Board of Directors

7.1.1 MEMBERS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Combined General Meeting of April 22, 2020 notably renewed the terms of office as director of Mr. Jacques Aschenbroich, Mrs. Isabelle Courville, Mrs. Nathalie Rachou and Mr. Guillaume Texier for a four-year period expiring at the end of the General Shareholders' Meeting that will be called to approve the financial statements for the year ending December 31, 2023.

The Board of Directors of the Company had thirteen members, including two Directors representing employees and five female directors as of the filing date of this amendment to the Universal Registration Document.

	Independent	Date of first appointment	Expiry of current office
Antoine Frérot *Chairman and Chief Executive Officer*		May 7, 2010	2022 GSM
Louis Schweitzer *Vice-Chairman*		April 30, 2003	2023 GSM
Maryse Aulagnon *Senior Independent Director*	✦	May 16, 2012	2023 GSM
Jacques Aschenbroich	✦	May 16, 2012	2024 GSM
Caisse des dépôts et consignations, Represented by Olivier Mareuse	✦	March 15, 2012	2021 GSM
Isabelle Courville	✦	April 21, 2016	2024 GSM
Clara Gaymard	✦	April 22, 2015	2023 GSM
Marion Guillou	✦	December 12, 2012	2021 GSM
Franck Le Roux (1) ✪		October 15, 2018	October 2022
Pavel Páša(1) ✪		October 15, 2014	October 2022
Nathalie Rachou	✦	May 16, 2012	2024 GSM
Paolo Scaroni		December 12, 2006	2021 GSM
Guillaume Texier	✦	April 21, 2016	2024 GSM

✪ Director representing employees ✦ Independent pursuant to AFEP-MEDEF Code independence criteria, as assessed by the Board of Directors

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

The four Board Committees are comprised as follows:

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

7.2 Chairman and Chief Executive Officer's compensation policy in respect of fiscal year 2020

7.2.1 ANNUAL VARIABLE COMPENSATION

In accordance with the press release of April 1, 2020 on the holding of the Combined General Meeting of April 22, 2020, the Board of Directors' meeting of July 29, 2020 revised the 2020 budget objectives to take account of the impact of the coronavirus health crisis on the activities of the Veolia group. During this meeting and at the recommendation of the Compensation Committee, the Board decided to adjust the 2020 budget targets and objectives, notably used to calculate the quantifiable portion of the Chairman and Chief Executive Officer's annual variable compensation. This adjustment does not modify the criteria governing the Chairman and Chief Executive Officer's annual variable compensation which remain unchanged and are described in Section 7.4.1.1.2 (page 438) of the Company's 2019 Universal Registration Document. This adjustment to the targets for these quantifiable criteria is consistent with the new particularly ambitious budget objectives. In the first quarter of 2021, at the recommendation of the Compensation Committee, the Board of Directors will determine the 2020 variable compensation of the Chairman and Chief Executive Officer based on attainment of these objectives.

7.2.2 2020 LONG-TERM COMPENSATION

In accordance with the Group's compensation policy and the authorization granted by the Veolia Environnement Extraordinary General Meeting of April 22, 2020 (23rd resolution), the Board of Directors decided on May 5, 2020, at the recommendation of the Compensation Committee, to grant 1,107,880 performance shares representing 0.2% of the share capital out of a General Shareholders' Meeting authorization of 0.05%, to approximately 450 beneficiaries, including top executives and high potential employees of the Group.

In this context, 51.993 performance shares were granted to the Chairman and Chief Executive Officer, Mr. Antoine Frérot, (i.e. approximately 0.01% of the share capital compared with 0.04% authorized by the General Shareholders' Meeting).

The detailed features and performance conditions of this performance share plan are presented in Section 7.4.3 (page 446 et seq.) of the Company's Universal Registration Document.

8

ADDITIONAL INFORMATION

(CHAPTER 8 OF THE 2019 UNIVERSAL REGISTRATION DOCUMENT)

8.1 Litigations and arbitrations

The most significant legal proceedings involving the Company or its subsidiaries are described hereinafter. In addition, tax audits and disputes are described in chapter 4, section 4.1, note 11.3 attached in annex to the interim consolidated financial statements as of June 30, 2020.

The description of the most significant judicial, administrative or arbitral proceedings set forth in chapter 4, section 4.1, note 11 annexed to the interim consolidated financial statements as of June 30, 2020 is incorporated by reference within this chapter 8, section 8.1. The main updates concerning these disputes, which are set forth in note 12 and reflect significant changes that have occurred up to the registration date of this document, are also described in this chapter 8, section 8.1.

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

NORTH AMERICA

United States - Flint

See chapter 4, section 4.1, note 12 attached in annex to the interim consolidated financial statements as of June 30, 2020, supra.

United States – WASCO and Aqua Alliance

Several current and former indirect subsidiaries of Veolia Eau in the United States(1) 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 amendment to the 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, 2019, 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 $587,540 after reimbursements by insurance companies.

(1) 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.

CENTRAL AND EASTERN EUROPE

Romania

See chapter 4, section 4.1, note 12 attached in annex to the interim consolidated financial statements as of June 30, 2020, supra.

Lithuania

See chapter 4, section 4.1, note 12 attached in annex to the interim consolidated financial statements as of June 30, 2020, supra.

AFRICA MIDDLE EAST

Egypt

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

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

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

On November 9, 2016, the Governorate initiated arbitration proceedings against Veolia Propreté and Onyx Alexandria before the Cairo Regional Centre for International Commercial Arbitration (CRCICA) and sought compensation for damages resulting from the alleged wrongful termination of the Contract and Onyx Alexandria's breach of its contractual obligations for an amount of 186.2 million Egyptian pounds (which corresponds to an amount of approximately €9,4M). Veolia Propreté and Onyx Alexandria strongly contest the merits of all these claims.

In an award dated May 25, 2018, the ICSID ruled that the Contract’s breaches by the Governorate did not involve sufficiently serious acts of Egypt that could be assimilated to violations of the BIT and consequently rejected all of Veolia Propreté claims for compensation. The arbitral tribunal held in particular that the contractual claims should have been referred to CRCICA according to the arbitration clause included in the Contract. In this arbitration, Onyx Alexandria submitted counterclaims for approximately 1 billion Egyptian pounds (approximately 57 million euros) and the Governorate requested the arbitral tribunal's authorization to amend its initial claims for compensation of approximately 28 million euros. The procedure is still ongoing.

ASIA

Hong Kong Sludge

On September 27, 2010, VW-VES (HK) Limited (VW-VES), an indirect subsidiary of the Company, won a tender launched by the Environmental Protection Department of the Government of Hong Kong SAR (HK Government) for the design, construction and operation of a sludge incinerator facility in Hong-Kong. VW-VES outsourced the project’s conception, design and construction to a joint-venture (JV) in which Veolia Water South China Limited, an indirect subsidiary of the Company, holds a majority interest.

During the course of the project, various problems, which VW-VES considers are not attributable to it, caused delay and additional significant costs borne by VW-VES and the JV. As a result, VW-VES has sent several claims to HK Government for a total amount of more than €196M (1.8 Billion HK$). On its part, HK Government considers that it is entitled to liquidated damages of approximately €38M (350 M HK$).

In August 2016, after an unsuccessful mediation attempt, VW-VES served a notice of arbitration against HK Government. This case is still ongoing.

OTHER

VWT v. K+S Potash

See chapter 4, section 4.1, note 12 attached in annex to the interim consolidated financial statements as of June 30, 2020, supra.

VWT v. Antero

See chapter 4, section 4.1, note 12 attached in annex to the interim consolidated financial statements as of June 30, 2020, supra.

8.2 Documents available to the public

The Company's press releases, universal registration documents, annual registration documents, including historical financial information relating to the Company filed with the AMF and any related updates or amendments, are available on the Company's website at www.veolia.com/en/veolia-group/finance/regulated-information. Copies of these documents may also be obtained from the Company's administrative headquarters at 30, rue Madeleine Vionnet, 93300 Aubervilliers.

All 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, is available on the Company's website at the address indicated above, as well as on the AMF's website at www.amf-france.org.

All regulated information published by the Company, pursuant to Article 221-1 et seq. of the AMF's general regulations, is available at www.veolia.com/en/veolia-group/finance/regulated-information.

Finally, the Company's Articles of Association, as well as the minutes of General Shareholders' Meetings, the Statutory Auditors' reports and all other corporate documents, may be consulted at the 30, rue Madeleine Vionnet, 93300 Aubervilliers.

8.3 Persons responsible for auditing the financial statements

8.3.1 STATUTORY AUDITORS

KPMG SA

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

Represented by Mrs. Valérie Besson and Mr. Baudouin Griton.

2, avenue Gambetta, Tour Eqho, 92066 Paris-La Défense Cedex.

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

Ernst & Young et autres

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

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

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

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

8.4 Persons assuming responsibility for the amendment to the universal registration document

8.4.1 PERSONS ASSUMING RESPONSIBILITY FOR THE AMENDMENT TO THE UNIVERSAL REGISTRATION DOCUMENT

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

8.4.2 DECLARATION BY THE PERSON RESPONSIBLE FOR THE AMENDMENT TO THE UNIVERSAL REGISTRATION DOCUMENT

I hereby certify that to the best of my knowledge and having taken all reasonable care to ensure that such is the case, the information contained in this amendment to the 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 interim consolidated 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 interim management report contained in this document provides a fair review of material events during the first six months of the year and their impact on the financial statements, the main transactions with related parties and a description of the principal risks and uncertainties for the remaining six months of the year.

Aubervilliers, August 3, 2020,

Chairman and Chief Executive Officer

Antoine Frérot

8.5 Cross-reference tables

8.5.1 CROSS-REFERENCE TABLE FOR THE UPDATE TO THE REGISTRATION DOCUMENT

This cross-reference table presents the sections detailed in Annexes 1 and 2 of Commission Delegated Regulation (EU) 2019/980 of March 14,2019 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		Universal registrations document 2019		Amendment	
		Sections	**Pages**	**Sections**	**Pages**
1 – Persons responsible, third party information, experts' reports and competent authority approval					
1.1	Persons responsible for the information	8.8	476	8.4	84
1.2	Statement by those responsible for the information	8.8	476	8.4	84
1.3	Statement or expert report	N/A	N/A	N/A	N/A
1.4	Third-party confirmation	N/A	N/A	N/A	N/A
1.5	Statement without prior approval	Encart AMF	1	Encart AMF	2
2	**Statutory Auditors**	8.6	475	8.3	83
3	**Risk factors**	5 and 5.2	266 and 275	5	75
4	**Information about the issuer**				
4.1	Legal and commercial name	8.1.1	466	-	-
4.2	Place of registration, registration number and legal entity identifier (LEI)	8.1.4	466	-	-
4.3	Date of incorporation and length of life of the issuer	8.1.3	466	-	-
4.4	Domicile and legal form of the issuer, the legislation under which it operates, its country of incorporation, address, telephone number and website	8.1.1 and 8.1.2	466	-	-
5	**Business overview**				
5.1	Principal activities	1.3.1 and 1.3.2	23 et 28	-	-
5.2	Principal markets	1.3.3, 1.3.4 and 1.5	29, 31 and 40	-	-
5.3	Important events in the development of the issuer's business	3.1	78	3.1	10
5.4	Strategy and objectives	1.2, 3.7, 3.9 and 6.1	15, 100, 101 and 302	3.6	28
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	53	-	-
5.6	Competitive position	1.3.4.2	35	-	-
5.7	Investments				
5.7.1	Material investments completed	3.1.2, 3.3.2 and 4.1.6 note 3.2	79, 96 and 124	3.1.2, 3.2.4 and 4.1.6 note 4.1	12, 26 and 46
5.7.2	Material investments in progress	3.3	95	3.2.3 to 3.2.6	24 to 27
5.7.3	Information relating to the joint ventures and undertakings in which the issuer holds a portion of the capital 3.3.3 and 4.1.6 note 5.2.4 97 and 136 4.1.6, note 5.2.1 53	3.3.3 and 4.1.6 note 5.2.4	97 and 136	4.1.6, note 6.2.1	51
5.7.4	Environmental issues that may affect the issuer's utilization of property, plant and equipment	1.6 and 6.2	54 and 305		

Heading in Annexes 1 and 2 of the Delegated Regulation of March 14, 2019		Universal registrations document 2019		Amendment	
		Sections	Pages	Sections	Pages
6	**Organizational structure**				
6.1	Brief description of the Group	1.5.1	40	-	-
6.2	List of issuer's significant subsidiaries	4.1.6 note 15	210	-	-
7	**Operating and financial review**				
7.1	Financial condition	3.2 to 3.4 and 4.1.6 note 4.1.1 to 4.1.5	82 to 99 and 108 to 115	4.1	31
7.2	Operating results	3.2.2, 4.1.2 and 4.1.6 note 5.2	83, 110 and 135	3.2.1, 4.1.2 and 4.1.6 note 5 and 6.2	15, 33,49 and 51
8	**Capital resources**				
8.1	Information on the issuer's capital resources	4.1.5 and 4.1.6 note 9	114 and 195	4.1.1, 4.1.5	31, 37
8.2	Sources and amounts of cash flows	3.2.2, 3.3, 4.1.4 and 4.1.6 note 8	91, 95, 112 and 168	4.1.4	35
8.3	Borrowing requirements and funding structure	2.1.7, 3.3 and 4.1.6 notes 5.3 and 8.1	72, 95, 140 and 168	4.1.4, 4.1.6 note 6.3	35 and 52
8.4	Restrictions on the use of capital resources	4.1.6 note 8.1.3	176	-	-
8.5	Anticipated sources of funds	N/A	N/A	-	-
9	**Regulatory environment**	1.6	54	-	-
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 3.7	28 and 100	3.1.1 and 4.1.6 note 2 and 3	10, 43 and 44
10.1.b	Description of any significant change in the financial performance of the Group	N/A	N/A	3.1.1 and 3.2.1	10 and 15
10.2	Trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects	1.2, 3.7 and 3.9	15, 100 and 101	3.6	28
11	**Profit forecasts or estimates**				
11.1	Profit forecasts or estimates	3.9	101	3.6	28
11.2	Principal assumptions upon which the issuer has based its profit forecasts or estimates	3.9	101	3.6	28
11.3	Statement about the basis on which the profit forecasts or estimates have been compiled and prepared	3.9	101	3.6	28
12	**Administrative, management and supervisory bodies and senior management**				
12.1	Information concerning members of the Board of Directors and Executive Management	7.1.1, 7.1.2 and 7.3	398, 411 and 428	7.1	78
12.2	Administrative, management and supervisory bodies and senior management conflicts of interests	7.1.3	411	-	-

Heading in Annexes 1 and 2 of the Delegated Regulation of March 14, 2019		Universal registrations document		Amendment	
		Sections	**Pages**	**Sections**	**Pages**
13	**Remuneration and benefits**				
13.1	Remuneration and benefits in kind	7.4.1, 7.4.3 and 7.4.4	430, 444 and 451	7.2	79
13.	Total amounts set aside or accrued to provide for pension, retirement or similar benefits for corporate officers	4.1.6 note 6.4 and 7.4.2	158 and 442	-	-
14	**Board practices**				
14.1	Date of expiration of current terms of office	7.1.1 and 7.1.2	398 and 411	7.1	78
14.2	Service contracts between members of the administrative, management or supervisory 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.	4.1.6 note 13, 7.1.3 and 7.6	209, 411 and 461	4.1.6 note 13	73
14.3	Information on the Audit and Compensation Committees	7.2.2.1 and 7.2.2.3	422 and 426	7.1	78
14.4	Statement on compliance with the corporate governance regime(s) applicable to the issuer	7.2.1.1	412	N/A	N/A
14.5	Potential material impacts on corporate governance	N/A	N/A	N/A	N/A
15	**Employees**				
15.1	Number of employees and breakdown by main category	Profile/Key figures and 6.4.2	6 and 356	-	-
15.2	Shareholdings and stock options held by corporate officers	7.1.1.2, 7.4.1.1.2, 7.4.3 and 7.4.4	399, 433, 444 and 451	-	-
15.3	Arrangements providing for employee involvement in the share capital	3.1.4 and 6.4.4.4	81 and 367	3.1.4	13
16	**Major shareholders**				
16.1	Shareholders holding more than 5% of the share capital and voting rights	2.2	73	2.2.1	8
16.2	Existence of different voting rights	2.2 and 8.1.9	73 and 469	2.2.1	8
16.3	Control of the issuer	2.2	73	2.2.1	8
16.4	Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control	8.3	473	-	-
17	**Related party transactions**	4.1.6 note 13	209	3.3 and 4.1.6 note 13	28 and 73
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**				
18.1	Historical financial information	Profile/Key figures, 3.2.2, 4.1 and 4.2	7, 83, 108 and 221	1	3
18.2	Interim and other financial information	N/A	N/A	N/A	N/A
18.3	Auditing of historical annual financial information	4.1.7 and 4.2.6	217, 258	4.1.7	74
18.4	Pro forma financial information	3.10.2 and 4.1	103 and 108	N/A	N/A
18.5	Dividend policy	2.3 and 8.1.7	75 and 467	2.3	9
18.6	Legal and arbitration proceedings	4.1.6 note 12 and 8.2	206 and 471	4.1.6 note 12 and 8.1	69 and 80
18.7	Significant change in the issuer's financial position	3.1.2 and 4.1.6 note 3.2	79 and 82	N/A	N/A
19	**Additional information**				
19.1	*Share capital*				
19.1.1	Amount of subscribed share capital and authorized share capital not	2.1.1 and 2.1.4	64 and 68	2.1.1	4
19.1.2	Shares not representing capital	N/A	N/A	N/A	N/A
19.1.3	Shares held by the issuer or its subsidiaries	2.1.3	65	2.2.1	8

Heading in Annexes 1 and 2 of the Delegated Regulation of March 14, 2019		Universal registrations document		Amendment	
		Sections	Pages	Sections	Pages
19.1.4	Convertible securities, exchangeable securities or securities with subscription warrants	2.1.5, 2.1.7 and 4.1.6 note 8.1.1.1	71, 72 and 169	2.1.3, 3.2.6 and 4.1.6 note 8	6, 27 and 59
19.1.5	Acquisition rights and/or obligations over authorized but unissued capital or an undertaking to increase the capital	2.1.4	68	N/A	N/A
19.1.6	Options over share capital of Group members	N/A	N/A	N/A	N/A
19.1.7	Share capital history	2.1.6	71	N/A	N/A
19.2	*Memorandum and Articles of Association*				
19.2.1	issuer's objects and company register	8.1.4 and 8.1.5	466	N/A	N/A
19.2.2	Rights, preferences and restrictions attaching to shares	8.1.7 and 8.1.9	467 and 469	N/A	N/A
19.2.3	Provisions that could delay, defer or prevent a change in control of the issuer	N/A	N/A	N/A	N/A
20	**Material contracts**	8.3	473	N/A	N/A
21	**Documents available**	8.5	475	8.2	83

8.5.2 HALF-YEARLY FINANCIAL REPORT CROSS-REFERENCE TABLE

Pursuant to Article 212-13 of the AMF's General Regulations, this Update contains the half-yearly financial report information required by Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-4 of the AMF's General Regulations.

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2020 FINANCIAL REPORTING SCHEDULE

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Key figures for the period ending September 30, 2020

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