



## **Information relating to elements of the compensation of the Chief Executive Officer published pursuant to the recommendations of the AFEP-MEDEF Corporate Governance Code**

### **Grant of performance shares by the Board of Directors on May 3, 2023**

**Paris, May 4, 2023**

In the context of the Group's compensation policy and the authorization given by the General Meeting of Shareholders of Veolia Environnement on April 27, 2023 (21<sup>st</sup> resolution), the Board of Directors decided, on May 3, 2023, on a proposal from its Compensation Committee, to grant 1,030,848 performance shares (or about 0.144% of the share capital, under an authorization from the General Meeting of Shareholders with a global limit of 0.35% of the capital) to a group of around 550 beneficiaries including top executives, high potential employees and key contributors of the Group, including the Chief Executive Officer.

In this context, 47,450 performance shares (or about 0.007% of the capital, under an authorization from the General Meeting of Shareholders with a global limit of 0.02% of the capital) were granted to Ms. Estelle Brachlianoff in her capacity as Chief Executive Officer.

At the recommendation of the Compensation Committee, the Board of Directors decided that the Chief Executive Officer would benefit from performance shares capped at 133% of her gross annual fixed compensation (if all performance conditions are met). As for the annual variable compensation, the proposed changes in performance conditions for this new plan seek to reflect Veolia's commitments to multifaceted performance under the Impact 2023 strategic program, as detailed in the Profile Section of the 2022 Universal Registration Document.

These performance shares would vest subject to the following conditions:

- **beneficiaries must remain with the Group** until the end of the three-year vesting period *i.e.* until expiry of the plan scheduled for 2026; and
- **a performance condition tied to the attainment of the following internal and external criteria, assessed over fiscal years 2023, 2024 and 2025** (the "Reference Period"):
  - **financial criteria in the amount of 50%;**
  - **non-financial quantitative criteria in the amount of 50% linked to the Company's purpose.**

**The financial criteria (50%)** comprise:

- **a Profitability indicator (CNIGS) (economic performance criteria) for 25%** of performance shares granted, assessed on expiry of the plan, based on average annual growth (CAGR) of 10% per year from 2022, in fiscal years 2023, 2024 and 2025 (the "Reference Period"):
  - if CNIGS as of December 31, 2025 is less than or equal to €1.48 billion, no performance shares would vest under this indicator;
  - if CNIGS is equal to or more than €1.65 billion, 100% of performance shares would vest under this indicator;
  - between these two thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis);
- **a relative TSR indicator (stock market performance criterion) for 25%** of performance shares granted, measuring the relative performance of the total shareholder return (TSR) of the Veolia Environnement share (including dividends) compared with the Stoxx 600 Utilities (Price) SX6P (European Utilities) index (the "Index"). This performance would be determined as of December 31, 2025 and would be calculated over the Reference Period, as follows:

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if the TSR of the Veolia Environnement share over three years:

- is less than the Index: no shares would vest under this indicator;
- increases in the same amount as the index: 50% of the performance share granted under this indicator would vest;
- increases by 10% or more compared with the Index: all performance shares granted under this indicator would vest;
- increases between the Index and 10% higher than the Index: the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis).

**The non-financial quantitative criteria (50%)** comprise:

- **a Diversity indicator** (for **10%** of performance shares granted) corresponding to the percentage of women among executive officers at the end of 2025:
  - if the indicator is less than or equal to 25.3%, no performance shares would vest,
  - if the indicator is equal to 26%, 50% of performance shares granted under this indicator would vest,
  - if the indicator is equal to 27.3%, all performance shares granted under this indicator would vest,
  - between these thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis);
- **an Access to essential services indicator** (for **10%** of performance shares granted) corresponding by 2025 to the number of inhabitants benefiting from inclusive services to access or retain access to essential services under Veolia contracts at constant scope:
  - if the indicator is less than or equal to 8.6 million inhabitants, no performance share would vest,
  - if the indicator is equal to 9.1 million inhabitants, all performance shares granted under this indicator would vest,
  - between these two thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis);
- **a Circular Economy/Plastics indicator** (for **10%** of performance shares granted) corresponding by 2025 to the revenue of entities that generate over 50% of their revenue (at constant recycle/energy prices) from activities relating to the circular economy<sup>1</sup>:
  - if the indicator is less than or equal to €8.4 billion, no performance share would vest,
  - if the indicator is equal to or more than €9 billion, all performance shares granted under this indicator would vest,
  - between these two thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis).
- **a Climate indicator** representing **20%** of performance shares granted and comprising two sub-indicators:
  - GHG emissions canceled at Veolia consumers due to its services (10% of performance shares granted) corresponding at the end of 2025 to the annual contribution to canceled GHG emissions in million metric tons of CO<sub>2</sub> equivalent (14.1<sup>2</sup> million metric tons canceled in 2022):
    - if the indicator is less than or equal to 13.2<sup>3</sup> million metric tons, no performance share would vest,
    - if the indicator is equal to or more than 14.8<sup>3</sup> metric tons, all performance shares granted under this indicator would vest,
    - between these two thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis).

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<sup>1</sup> Including the selective collection and recovery of solid, liquid and hazardous waste, of by-products and sludge, water reuse, energy performance contracts, operations of heating, steam and cooling networks using more than 50% non-fossil energy, gas or biomass-based cogeneration, multi-activity industrial services contracts, the sale of products, equipments and technologies associated with the circular economy.

<sup>2</sup> Calculated with 2013 IEA emissions factors. With 2021 IEA emissions factors, canceled emissions in 2022 amounted to 13 million metric tons.

<sup>3</sup> Calculated with 2021 IEA emissions factors.

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- the reduction in GHG emissions (scopes 1 & 2) (10% of performance shares granted) by the end of 2025 compared with emissions measured in 2021 for the sites currently operated by Veolia:
  - if the indicator is nil, no performance share would vest,
  - if the indicator is equal or more than 1.9 million metric tons, all performance shares granted under this indicator would vest,
  - between these two thresholds, the number of shares that vests under this indicator would be determined by linear interpolation (proportional basis).

Pursuant to Articles L. 225-197-1 and L. 22-10-59 of the French Commercial Code, Ms. Estelle Brachlianoff, in her capacity as Chief Executive Officer, would also be obliged, until the end of her duties, to retain as registered shares 40% of the total performance shares granted under this plan, net of applicable taxes and social security contributions, until an overall shareholding corresponding to 200% of her annual gross fixed compensation is reached.