Employee share offering: Sequoia 2020
Local supplement for Australia

You have been invited to apply for ordinary shares ("Shares") in Veolia Environnement SA ("Veolia") in the Veolia group employee share offering "SEQUOIA 2020" (the "Offering"). Sequoia 2020 comprises two separate offers – the 'Secure' Offer and the 'Classic' Offer. You will find below a summary of the offering information and principal tax consequences relating to the Offering. You should read this together with the Information Brochure for the Offering.

You should note that the information provided to you in connection with the Offering is not a prospectus, product disclosure statement or other disclosure document for the purposes of the Australian Corporations Act 2001 (Cth) ("Corporations Act"). The documentation provided to you in connection with the Offering is provided to you on the basis that you are, and you represent and warrant that you are a person to whom an offer of securities may be made without a disclosure document (as defined in the Corporations Act). If you are not such a person, please do not read these documents and return them immediately to Veolia and destroy or delete any copies.

Any advice given by Veolia or any of its associated bodies corporate in connection with the Offering does not take into account your objectives, financial situation or needs. You should consider obtaining your own financial product advice from a person who is licensed by the Australian Securities and Investments Commission to give such advice.

Under the Offering, you will be given the opportunity to participate in the Secure Offer and/or the Classic Offer and acquire the Shares at a discount to their market value (these are referred to as the "Discount Shares"). The Secure Offer and the Classic Offer are separate offers and participation in either is not contingent on participation in the other. Under the Secure Offer, you will be entitled to receive, at no additional cost, matching shares from Veolia up to a maximum of €300 (the "Matching Shares"). If you participate in the Secure Offer, you may also be eligible for the A$1,000 tax-free concession under the Australian tax laws, whereby the first A$1,000 of the total tax discount is not subject to tax. This concession is not available under the Classic Offer. You should review the Tax Information section of this supplement for further information on the Australian tax consequences relating to your participation in Sequoia 2020.

LOCAL SPECIFIC FEATURES

Means of Payment

You may pay the application monies which are required in connection with your application for Shares under the Offering by:

(a) wire transfer from your bank account (as provided in the Reservation Form); or

(b) through a payroll deduction in one instalment (as provided in the Reservation Form) after tax has been withheld.

If you choose to pay for your subscription through payroll deduction and you cease employment with a Veolia group company before your payroll deduction is completed, you will need to make arrangements satisfactory to your employer to fully repay your application monies.

By completing and signing the Reservation Form which accompanies this document, you will be taken to have agreed to contribute your application monies by way of payroll deduction from your salary or by direct debit from your bank account. If you complete a Cancellation Form (a copy of which accompanies this document) to cancel your participation in the Offering prior to the issue of Shares to you under the Offering, the relevant Veolia group company will not make a deduction from your salary or your bank account in respect of your application monies noted in the Reservation Form.

Exchange Rate

It is to be noted that application monies which you are required to pay to participate in the Offering is in Euros. Consequently, for purposes of your application for Shares under the Offering, the amount of your payment in Australian dollars, as indicated by you in your reservation form, will be converted using the exchange rate applicable on or around September 4, 2020. You should be aware that the value of your Shares will be affected by fluctuations in the currency exchange rate between the Euro and Australian dollar. As a result, if the value of the Euro strengthens relative to the Australian dollar, the value of the Shares expressed in local currency will increase. On the other hand, if the value of the Euro weakens relative to Australian dollar, the value of the Shares expressed in Australian dollars will decrease.

Custody of Your Shares

Your shares will be held in your name in a share account maintained by Société Générale Securities Services within the framework of the Veolia Environnement International Group Savings Plan (the "PEGI"). More information regarding custody of your shares will be provided to you following the subscription period.

Stock Appreciation Rights ("SAR") granted for investments in the Secure Offer

If you choose the Secure Offer, you will be granted Stock Appreciation Rights ("SARs") by your employer for each share subscribed with your personal contribution and the matching contribution. The SAR is an undertaking of your employer to pay to you at the end of the lock-up period or in the case of early release a cash amount calculated as follows:

(i) a percentage in the increase of the Veolia share, if any, above the non-discounted Reference Price (the "performance"). The performance is calculated based on an average of 1091 readings of the Veolia share price recorded prior to the maturity date. This average is "protected" because only share prices that are above the Reference Price will be used. In case of early exit, calculation is made on similar basis as described in the SAR notice, except in case of early release requests submitted prior to February 23, 2021 in which case calculation will be made based on Veolia share price at closing on the last trading day of the month of early exit;

and/or

(ii) in case of decrease of the share price below the Subscription Price, an amount equal to the difference between the amount of your initial investment in Euros (i.e., your personal contribution plus the employer matching contribution) and the price of the Veolia share on the date of calculation of the SAR pay-out (the "protection").

The SAR pay-out is calculated in Euros and before taxes.

The SAR payments are generally made when you request the sale of your Veolia shares. However, the SAR payment will be made automatically, and irrespective of whether you request the sale of your Veolia shares, at the plan maturity and in the case of termination of your employment contract.

For details, please review the SAR Notice.

February 19, 2021, the Early Payout Price is equal to the difference between the Veolia share price at the closing time on Euronext Paris on such Valuation Date and the Reference Price.

Early Exit Events

You may request early release during the lock-up period in the following circumstances only:

(a) total and permanent disability of the employee;

(b) death of the employee; or

(c) termination of the employment contract (including voluntary resignation and retirement).

Before you or your legal personal representative ("LPR") rely or attempt to rely on any of these early exit events, you or your LPR should consult with your employer to make sure that your case meets all the requirements of French and Australian law.

If any early exit event occurs within 12 months of the issue of the Shares to you, you will only be able to sell, transfer or dispose of those Shares within Australia pursuant to an exception to the requirement to prepare a prospectus under the Corporations Act.

Supporting documentation may be required to establish the occurrence of a valid early exit event. Acceptance of a request for early exit is possible but not mandatory. For further information, please contact your Human Resources department.

Please note that if you request an early exit for shares acquired in the Secure Offer, the SAR payment will be made for all your SAR entitlements, irrespective of the number of shares for which you request an early exit.

Other information for compliance with ASIC Class Order 14/1000

The Offering is being made available to you in reliance on the relief available under Australian Securities and Investments Commission ("ASIC") Class Order 14/1000 (which provides relief from the disclosure requirements of the Corporations Act with respect to offers of securities in Australia which fall within the relief provided by the Class Order).

Any advice given by Veolia or any of its associated bodies corporate, in connection with the offer of Shares pursuant to the 2020 employee savings plan ("Plan") does not take into account your objectives, financial situation or needs. You should consider obtaining your own financial product advice from a person who is licensed by ASIC to give such advice.

A copy of the Plan is enclosed with this document.

As the Shares are listed on the Euronext Paris Market, the market price of the Shares can be ascertained by visiting the website of the Euronext Paris Market (https://www.euronext.com/en/products/equities/FR0000124141-XPAR) and the Australian dollar equivalent of that price can be determined by applying the prevailing Euro/AUD exchange rate published by the Reserve Bank of Australia, which is accessible at the following link: http://www.rba.gov.au/statistics/frequency/exchange-rates.html.

Risk warning

There is a risk that the value of the Shares awarded to you under the Plan may fall as well as rise in value through movement of equity markets. Market forces will impact the price of the Shares granted to you, and at their worst, market values of the Shares granted to you may become zero if adverse market conditions are encountered. As the price of the Shares will be quoted in Euro, the value of the Shares to you may also be affected by movements in the Euro/AUD exchange rate.

For additional information related to risks of owning the Shares, please review Veolia's Annual Report, which can be found at https://www.veolia.com/en/veolia-group/finance/regulated-information/our-publications-and-financial-information.

Please also note that your Shares are subject to the Plan rules.

TAX INFORMATION FOR EMPLOYEES

The following section summarises the specific employee share scheme tax provisions that are expected to apply to employees whose application under the Offering is accepted by Veolia and who are tax residents of Australia at the time of acquisition, and will remain Australian tax residents throughout their participation in the Secure and/or the Classic Offer. This summary is given for informational purposes only and should not be relied upon as being either complete or conclusive. It is also not advice and should not be relied on as such. Employees should consult their own tax advisors regarding the tax consequences of subscribing for Shares under either offer.

The tax consequences listed below are described in accordance with Australian and certain French tax law and tax practices, all of which are applicable as at July 2020. These laws and practices may change over time and during the period you hold the Shares.

CLASSIC OFFER

Upon acquisition

I. Will I be required to pay any tax or social security charges on the acquisition of the Discount Shares?

Yes, you will be taxable with respect to the discount which will generally be the amount of any excess of:

- the market value of a Veolia share at the acquisition date; and
- your actual cash payment per share (if any),

multiplied by the number of Discount Shares you acquire under the Classic Offer.

The acquisition date for tax purposes will be the date the Shares are issued and allocated to you (rather than the date you subscribed) which is expected to be December 17, 2020. Before this time, you will not have a beneficial interest in the Shares or a beneficial interest in a right to acquire a beneficial interest in the Shares.

This amount will be taxed at your marginal tax rate (currently up to a maximum of 47%, including the Medicare levy), after you have lodged your income tax return for the income year ending 30 June 2021 (the "2021 tax year") and been issued with an assessment notice by the Australian Taxation Office. You should note that if you have previously provided your tax file number to your local employer, no amount will be withheld by Veolia on account of your tax liability and you will be required to meet that liability out of your own funds.

After you acquire the Shares, they will be held by a French bank under a custody arrangement for approximately 5 years ("Lock Up Period"). The end of the Lock Up Period may be brought forward if one of the exceptions to the transfer restrictions occurs.

The subscription price (in AUD) for the Shares under the Offering will be set on November 5, 2020 and communicated to you shortly thereafter by your employer.

Veolia will put in place (and inform you once it does) an appropriate mechanism which you can use to find out the market value of the Shares (in AUD) for tax purposes at the date on which you acquire them. However, there are alternative methods available under the Australian tax laws for determining the market value of share awards, and it may be possible for you to use one of those alternative methods. Veolia will also provide you with a statement no later than 14 July 2021 containing certain information about the Shares, including Veolia's estimate of the market value of the Shares at the taxing point.

During the life of the Plan

II. Will I be required to pay any tax or social security charges on dividends?

(iii) Taxation in France

Any dividend that you receive in respect of your Shares will be subject to a withholding tax in France levied at the rate of 12.8%.

(iv) Taxation in Australia

Any dividends paid to you must be included in your income tax return for the year in which the dividend is received. The whole dividend paid to you, together with any amount withheld on account of French withholding tax, will be assessable at your marginal tax rate. The top marginal rate is currently 47% (including the 2% Medicare Levy).

Generally, you will be entitled to an Australian tax credit against your income tax liability for any French withholding tax paid.

III. Will I be required to pay any wealth tax on the shares I own?

You will not be required to pay any wealth tax in respect of your share ownership.

At maturity or in case or in the event of an authorised early exit event

IV. Will I be required to pay any tax or social security charges when, at the end of the lock-up period (or in the event of an authorised early exit event), I sell my Shares?

When you subsequently sell the Shares, any resulting gain on the sale will be required to be included as a capital gain in your income tax return for the year in which the Shares are sold.

The taxable gain will equal:

- the proceeds you receive from the sale (in AUD); less
- the CGT cost base of the Shares, which will include the market value of the Shares determined at the time of acquisition (in AUD).

If you have held the shares for at least 12 months, the gain (after first being reduced by any available capital losses from other asset disposals) can generally be reduced by the CGT discount (currently 50%).

If one of the early exit events occurs and you sell the Shares within one year of acquiring them, the whole capital gain will be taxable (the CGT discount will not apply).

To the extent that the sale proceeds from the sale of the Shares is less than the CGT cost base of the Shares, a capital loss will arise. Capital losses can be applied to offset other capital gains you may have in the same income year or can be carried forward to subsequent income years and applied to offset other future capital gains.

Any capital gain from the sale of the Shares must be included in your income tax return for the year in which the Shares are sold and will be assessed at your marginal rate of tax. The top marginal rate is currently 47% (including the 2% Medicare Levy).

V. Will tax or social security charges be payable if I do not choose to immediately sell my Shares upon expiration of the lock-up period.

No.

Reporting obligations

VI. What are my reporting obligations with respect to the subscription, holding and sale of my Shares as well as the payment of dividends, as applicable?

You are required to include the discount on the Shares in your income tax return for the year of acquisition as explained above. Veolia will provide you with a statement no later than 14 July 2021 containing information about the discount, which you can use for the purposes of completing your income tax return. The information in the statement will be provided to the Australian Taxation Office, as required by the tax laws.

Additionally, you are required to include any dividends you receive on the Shares, and any capital gains on sale of the Shares, in your income tax return.

SECURE OFFER

Upon acquisition

VII. Will I be required to pay any tax or social security charges on the acquisition of the Discount and Matching Shares?

Where your adjusted taxable income for the 2021 tax year does not exceed A$180,000, you should be entitled to a tax exemption of up to A$1,000 of the total tax discount on the Discount Shares you acquire under the Secure Offer and the Matching Shares (the "tax-free concession"). If you invest in the Classic Offer and the Secure Offer, this exemption includes the Discount Shares acquired under the Secure Offer only.

Your adjusted taxable income is broadly your taxable income, plus reportable fringe benefits and superannuation contributions, and net investment losses. The total tax discount will generally be the amount of any excess of:

- the market value of a Veolia share at the acquisition date; and
- your actual cash payment per share (if any),

multiplied by the number of Discount and Matching Shares you acquire under the Secure Offer.

The acquisition date for tax purposes will be the date the Shares are issued and allocated to you (rather than the date you subscribed) which is expected to be December 17, 2020. Before this time, you will not have a beneficial interest in the Shares or a beneficial interest in a right to acquire a beneficial interest in the Shares.

If the total tax discount on the Shares you acquire under the offer does not exceed A$1,000, and you meet the adjusted taxable income test, then the discount should not be taxable. If your total tax discount exceeds A$1,000, then only the excess should be taxable (as ordinary income) and you will need to include the assessable portion of the discount in your assessable income for the 2021 tax year. This amount will be taxed at your marginal tax rate (currently up to a maximum of 47%, including the Medicare levy), after you have lodged your 2021 tax return and been issued with an assessment notice by the Australian Taxation Office. You should note that if you have previously provided your tax file number to your local employer, no amount will be withheld by Veolia on account of your tax liability and you will be required to meet that liability out of your own funds.

You should note that if your adjusted taxable income for the 2021 tax year is more than A$180,000, then you will not be eligible for the tax-free concession and the total tax discount will be assessable as ordinary income at your marginal tax rate (that is, there will be no tax-free amount).

After you acquire the Shares, they will be held by a French bank under a custody arrangement for approximately 5 years ("Lock Up Period"). The end of the Lock Up Period may be brought forward if one of the exceptions to the transfer restrictions occurs.

The subscription price (in AUD) for the Shares under the Offering will be set on November 5, 2020 and communicated to you shortly thereafter by your employer. The subscription price will be apportioned between the Discount Shares you acquire and the Matching Shares that you receive.

Veolia will put in place (and inform you once it does) an appropriate mechanism which you can use to find out the market value of the Shares (in AUD) for tax purposes at the date on which you acquire them. However, there are alternative methods available under the Australian tax laws for determining the market value of share awards, and it may be possible for you to use one of those alternative methods. Veolia will also provide you with a statement no later than 14 July 2021 containing certain information about the Shares, including Veolia's estimate of the market value of the Shares at the taxing point.

(ii) Taxation of the SAR

No taxation arises at the time of grant of the entitlement to a SAR.

During the life of the Plan

VIII. Will I be required to pay any tax or social security charges on dividends?

(v) Taxation in France

Any dividend that you receive in respect of your Shares will be subject to a withholding tax in France levied at the rate of 12.8%.

(vi) Taxation in Australia

Any dividends paid to you must be included in your income tax return for the year in which the dividend is received. The whole dividend paid to you, together with any amount withheld on account of French withholding tax, will be assessable at your marginal tax rate. The top marginal rate is currently 47% (including the 2% Medicare Levy).

Generally, you will be entitled to an Australian tax credit against your income tax liability for any French withholding tax paid.

IX. Will I be required to pay any wealth tax on the shares I own?

You will not be required to pay any wealth tax in respect of your share ownership.

At maturity or in case or in the event of an authorised early exit event

X. Will I be required to pay any tax or social security charges when, at the end of the lock-up period (or in the event of an authorised early exit event), I sell my Shares?

When you subsequently sell the Shares, any resulting gain on the sale will be required to be included as a capital gain in your income tax return for the year in which the Shares are sold.

The taxable gain will equal:

- the proceeds you receive from the sale (in AUD); less
- the CGT cost base of the Shares, which will include the market value of the Shares determined at the time of acquisition (in AUD).

If you have held the shares for at least 12 months, the gain (after first being reduced by any available capital losses from other asset disposals) can generally be reduced by the CGT discount (currently 50%).

If one of the early exit events occurs and you sell the Shares within one year of acquiring them, the whole capital gain will be taxable (the CGT discount will not apply).

To the extent that the sale proceeds from the sale of the Shares is less than the CGT cost base of the Shares, a capital loss will arise. Capital losses can be applied to offset other capital gains you may have in the same income year or can be carried forward to subsequent income years and applied to offset other future capital gains.

Any capital gain from the sale of the Shares must be included in your income tax return for the year in which the Shares are sold and will be assessed at your marginal rate of tax. The top marginal rate is currently 47% (including the 2% Medicare Levy).

XI. Will tax or social security charges be payable if I do not choose to immediately sell my Shares upon expiration of the lock-up period.

No.

At the time of payment of the SAR pay-out to me

XII. Will I be required to pay tax or social security charges when I receive from my employer the SAR pay-out?

The gross amount of the SAR pay-out must be included in your income tax return for the year in which the payment is received (which should be the year that the Shares are sold or at plan maturity) and will be assessed at your marginal rate of tax. The top marginal rate is currently 47% (including the 2% Medicare Levy). An amount will be withheld from the SAR pay-out under the PAYG tax withholding rules but you will be entitled to a credit for the withheld amount in your income tax return.

Reporting obligations

XII. What are my reporting obligations with respect to the subscription, holding and sale of my Shares, SAR pay-out as well as the payment of dividends, as applicable?

You are required to include the discount on the Shares in your income tax return for the year of acquisition as explained above., Veolia will provide you with a statement no later than 14 July 2021 containing information about the discount, which you can use for the purposes of completing your income tax return. The information in the statement will be provided to the Australian Taxation Office, as required by the tax laws.

Additionally, you are required to include any dividends you receive on the Shares, any capital gains on sale of the Shares, and the gross amount of the SAR pay-out, in your income tax return.