



INTERVIEW

VEOLIA HAS THE EXPERTISE TO PROVIDE THE SOLUTIONS NECESSARY TO MEET THE CHALLENGES OF OUR TIMES

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1. The global economy seems to experience challenges we have not seen in decades: very high inflation (and lumber inflation in your business), the prospects of synchronized recession, higher and higher interest rates, and even increased geopolitical conditions. In this context, how do you deal with such challenges in your business sector?

We are indeed navigating challenging times now, as a society, tangible in the business sector as well. We are dealing with the energy crisis, the supply chain crisis and we have the conflict at our borders, all of which has strong implications for the economic performance of the world, for the nature in which the world is interconnected. However, we thrive on innovation and finding the best solutions for any problems that could arise in our business. The responsibility we have to all our stakeholders is not something we take lightly, but on the contrary.

In light of the aforementioned aspects, we are securing our business by sourcing a longer-term supply of products for drinking water and wastewater treatment, various spare parts and water and sewer pipe systems. We continuously optimize by applying the most advanced

technologies and innovations our Group provide. Furthermore, we try to ensure energy independence – what we call self-sufficiency – on all our sites, with the ultimate goal of maintaining our tariffs at the lowest level possible, considering the energy’s price evolution.

Thus, we are working on transforming this business challenge, generated by the economic environment, into different business opportunities such as high-efficiency cogeneration processes, wind photovoltaic panels and, why not in the coming years, using the wind in off-shore areas and the capture of wave and tidal energy.

2. Do you expect the challenging macroeconomic and operating conditions experienced in 2022 to continue in 2023? Do you expect ongoing supply chain disruptions, inflationary pressures, and geo-political unrest to be there in 2023 and to affect Romania?

It’s a time when economic forecasting has become more challenging than ever. Such a rollercoaster of difficult conditions cannot disappear like a soap bubble. However, I believe the new economic models will take a new form.

The effects will most likely continue in the next 3 to 4 years. In order to reach a stable point and then allow a growth period and normality, as we perceived it before, it's necessary to hit rock bottom. Basically, what is happening now does not subscribe to the logic and rules of the free market, regulated by the supply and demand mechanism.

3. What are the significant addressable opportunities for the growth of the national economy?

Taking into consideration all the pressing factors our economy is fighting, I strongly believe that implementing a country-wide strategy for the coming 10 to 15 years, accepted and adopted by all political actors can address and sustain the economy's growth.

I'm referring to a 'pact', beyond the political views, based on three main pillars: education and health, agriculture, and the transport infrastructure (both road and railway), covering the entire national territory (from North to South and West to East). As investments are directly linked to the economic growth, and an investor would prefer a country with a highly developed transport infrastructure, it is more than stringent the development of highways and railways at modern standards.

Furthermore, the economic growth also depends on the overall state of the workforce – we need to look after our employees and make sure their needs are supported by programs that ensure their physical and psychological well-being, as well as encouraging their continuous professional development.

4. How do you see the water and sewage market evolution on a local level? Does the current inflationary crisis come with opportunities for your company's development?

Considering the immense need to comply with the environmental legislation, all the while ensuring the sustainability of operations, at the governmental level, we've identified 4 strategic models for the development of the sector (with an

emphasis on Regional Operators).

The first model targets companies that can expand their area of operations on a county-level and carry out the necessary investments for compliance.

The second one is aimed at companies that can expand their operations in the county area, can start preparing investments, but will need support from a stronger entity in the medium term to maintain sustainability (such as absorption by a stronger operator) – what we call a medium-term merge.

The third model, an immediate merge, involves the companies that face major issues in expanding their operations and need urgent support from a stronger company, including know-how and funding.

The fourth, and last one, marks the merge-down of companies with relatively good experience, financial and operational performance, as well as a size that allows them not only to cover and operate in their areas, but also the ability to transfer knowledge and financial resources to other areas.

In this sense, considering our proven experience, expertise, efficiency, and size, backed by our Group's force, we are able and willing to get involved in any of these types of models, in any form of legal business cooperation.

5. Why do you think the international business analysts who are watching Veolia as a group bet on significant results in Eastern Europe? What do you see as game-changing solutions for water and energy management?

CEE is practically the most performing area out of the 6 the Veolia Group carries out its activity on all the 6 continents. The expertise, knowledge, know-how, digitization, the IoT and the human and professional quality of the workers and specialists in this field are what sets us apart.

Veolia, as a world leader in natural resource management, has the capacity and expertise to provide the solutions necessary to meet the

challenges of our times. To become the reference organization in green transformation, our company is committed to accelerating the implementation of existing solutions while generating tomorrow's solutions.

In doing so, we will continue our efforts to adapt production and consumption patterns to environmental rigors by putting ecology at the forefront of every process, assessment, or decision we make. Only in this way can we develop revolutionary, coherent solutions capable of mediating environmental impact with the help and for the benefit of stakeholders, from employees, partners, local authorities, and producers to civil society.

We are also looking at increasing the capacity to supply high-quality secondary raw materials that meet producers' needs and generate energy from renewable fuels or waste incineration.

Veolia's 10 solutions for prioritizing greening in all processes are about turning wastewater into drinking water, waste into resources, eliminating pollution from water, recovering e-waste and finding a new use for it, recovering and revitalizing soil used for agriculture, using local renewable resources for energy generation, recycling water for irrigating farmland, turning plant waste into fertilizer and energy, and optimizing the energy efficiency of buildings.

6. Environment, Social, and Governance (ESG) is "the new trend of the trends" in sectorial investing and business. How does Veolia approach these strategic themes?

Environmental, Social and Governance (ESG) investing refer to a set of standards for a company's behaviour used by environmentally, socially, and governance-conscious investors to screen potential investments they are willing and able to make in that company. ESG investors seek to ensure that the companies they finance are responsible stewards of the environment, responsible citizens in the community and are led by responsible managers.

In this context, Veolia is committed to having a sustainable impact on all levels of the business: financial, human, social, commercial, and environmental – which is our company's Purpose. All the ESG requests are intrinsic to the Veolia's Purpose. At Veolia we are committed to supporting the Sustainable Development Goals and this devotion goes beyond the ambition to become a benchmark company in ecological transformation. Our values

are evidenced in many projects, from revolutionary technological projects to those dedicated to the preservation of endangered species and cultural initiatives.

The social undertaking is aimed at the area of our human resources performance by providing meaning to the work of our employees and supporting them in their career development, increasing their motivation and involvement. Furthermore, we support regional development by implementing responsible and sustainable means of business operating and guarantee long-term results through the innovative services we provide. In terms of governance, we are operating our business uncompromising in complying with the ethical and compliance rules, which are part of the non-negotiable foundation of our Group's values. Locally, we adopt and implement actions meant to achieve sustainable results for society, contributing to Veolia's scope of becoming a champion of ecological transformation.

7. If you allow us a personal question, what do you teach your students about the lesson you've personally learned as CEO of Veolia Romania?

I always try to make them fully understand the job through concrete examples.

I teach them based on my life-long experience in designing, execution and operational experience. As CEO of Veolia, I teach them that there is always room for improvement, I encourage them to think positively, to learn logically. The greatest specialists and leaders are those who can steer the ship through the storm and bring it to the shore in peace.

Without thorough and continuous training, without character, dedication, and love for people, you can never become a leader in the truest sense of the word.

8. What is your main message to your clients/partners in terms of challenges and opportunities for the short and medium term beyond 2023?

What I would ask of our clients and partners is to continue to put their faith in us and our services.

To the other Romanian water operators, I would appeal to accept us as colleagues and not competition, and encourage them to be open to partnership, including with us, in order to offer, to the people we serve, better and more efficient services.

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