

Veolia Ambitions to Lead European District Heating by 2030 and Launches New Offer in Urban Energy

-
- *Veolia is paving the way in the transformation of heating networks, driven by its ambition to **become the leader in urban heating in Europe** and to achieve a **full coal exit on the continent by 2030**.*
 - *In response to cities' energy challenges and to ensure their security of supply, Veolia launches **Ecothermal Grid, an innovative new offer** based on a comprehensive approach to carbon-neutral urban heating through the decarbonization of existing networks and the development of new district heating infrastructure **aiming a turnover of €350M by 2030**.*
 - *The urban heating market is expanding rapidly in Europe, valued at **€60 billion in 2023** and expected to reach **€80 billion by 2030**.*
 - *With up to **500 heating networks in Europe** and an average efficiency of 88% (vs 70–90% in Europe), **Veolia has already helped reduce almost 2 Mt CO₂ between 2021 and 2024**.*
-

Veolia affirms its ambition to become **the European leader in district heating by 2030** and to **completely phase out coal** across its energy sites on the continent. This ambition builds on the growth of its existing large urban heat activities combined with a new comprehensive offer "Ecothermal Grid" **covering notably small-size networks, aiming for a €350M turnover by 2030**. This strategy aims to address critical challenges for territories such as **decarbonization, efficiency, security and affordability**.

*"In the context of cities facing growing energy challenges due to the 2022 energy crisis and rapid urbanization, and in line with GreenUp strategic program, we are strengthening our ambition to lead European district heating by 2030 supported by the launch of the new Ecothermal Grid offer. It is aimed at scaling up innovative technologies, including AI, for the next generation urban heat & cold networks. It is strategically built upon our powerful 'stronghold' in operating Thermal Energy Networks, which is essential to accelerating the **decarbonization** and the **energy resilience** of cities. It leverages Veolia unique expertise in waste, water, and energy services to offer an integrated cost efficient solution", said **Estelle Brachlianoff, CEO of Veolia**.*

Urban Heating at a Turning Point

District heating is emerging as a strategic solution for cities seeking secure, affordable, and low-carbon energy. Heat already represents 50% of energy consumed in Europe and, as global urbanization accelerates, the pressure on cities to ensure a reliable and resilient energy supply continues to grow. Urban areas already generate 80% of CO₂ emissions, making the decarbonization of urban heat a critical priority. According to the International Energy Agency (IEA), nearly two thirds of heating energy still relies on fossil fuels.

In addition, the volatility of energy markets and rising fuel costs **further highlight the need for resilient, locally sourced, affordable, efficient and decarbonized heating, cooling, and electricity solutions.**

Strong Regulatory Momentum

The urban heating market is expanding rapidly, valued at **€60 billion in 2023** and expected to reach **€80 billion by 2030**. This growth is driven by strong regulatory momentum, including the EU mandate for district heating in large cities, the urgency of Europe's energy crisis, the need for affordable and secure energy, the Net Zero 2050 target, and the critical need to decarbonize heating and cooling, which currently account for **40% of global CO₂ emissions**.

Yet for urban heating to fully match Europe's ambitions, several key conditions must be met:

- **Priority** must be given to **local energy-based projects** capable of reducing dependence on imported fuels,
- **Permits** approvals must be **significantly accelerated** to enable the deployment of large-scale infrastructure at the pace required,
- **Guarantee funds** for geothermal projects such as those already implemented in Hungary and France must be expanded to unlock the full potential of this strategic renewable energy source,
- A **stable and predictable regulatory framework** is essential to secure long-term investments and accelerate decarbonization trajectories.

Shaping the Next Generation of Urban Heating

With decades of global expertise, Veolia leverages its unique geographical footprint, its capacity to leverage waste and water activities to produce local energy, and a leadership in the energy sector, mastering the entire value chain. This know-how positions Veolia as a key player in transforming energy systems, fully equipped to seize growth opportunities in urban heating and accelerate the decarbonization of cities and their security of supply. **With up to 500 heating networks serving 7 Million customers (or 9% of Europeans) and an average efficiency of 88% (vs on average 75% in Europe), Veolia has already helped reduce almost 2 Mt CO₂ between 2021 and 2024.**

Facing these challenges, **Veolia reinforces its role in the energy transition with the Ecothermal Grid offer, tackling availability, affordability, and decarbonization.** It optimizes district heating and cooling by decarbonizing existing networks and developing new ones.

The Ecothermal Grid innovative offer to boost resilience, stability and local autonomy

Designed for small-size local urban heat networks, the offer combines renewables, waste heat recovery, heat pumps, electric boilers, and AI-driven digital tools to maximize efficiency, cut emissions, and deliver sustainable, cost-effective energy to municipalities, private operators, and campuses. Ecothermal Grid positions Veolia as a key player across the entire value chain, from renewable source identification to network deployment and optimization.

The offer includes

- **Advanced technologies** for renewable and waste heat source identification and integration (geothermal systems, biomass and biogas facilities, advanced heat pumps, thermal solar installations, and electric boilers)
- **Adapted treatment solutions** for decarbonizing existing networks without service disruption and developing new networks for urban developments
- **Innovative processes** for waste heat recovery from industrial processes, data centers, and other facilities
- **Energy storage solutions** to ensure system reliability
- **Digital and AI capabilities** to optimize district heating network performance and management
- **Advisory and support services** for municipalities, private operators, and campus facilities

ABOUT VEOLIA

Veolia group aims to become the benchmark company for ecological transformation. Present on five continents with 215,000 employees, the Group designs and deploys useful, practical solutions for the management of water, waste and energy that are contributing to a radical turnaround of the current situation. Through its three complementary activities, Veolia helps to develop access to resources, to preserve available resources and to renew them. In 2024, the Veolia group provided 111 million inhabitants with drinking water and 98 million with sanitation, produced 42 million megawatt hours of energy and treated 65 million tonnes of waste. Veolia Environnement (Paris Euronext: VIE) achieved consolidated revenue of 44.7 billion euros in 2024. www.veolia.com

CONTACTS VEOLIA

PRESS GROUP

Laurent Obadia - Evgeniya Mazalova
Anna Beaubatie - Aurélien Sarrosquy
Charline Bouchereau
Tél.+ 33 (0) 1 85 57 86 25
presse.groupe@veolia.com

INVESTORS & ANALYSTS

Selma Bekhechi - Ariane de Lamaze
+ 33 (0)1 85 57 84 76 / 84 80
investor-relations@veolia.com