

# **NON-FINANCIAL PERFORMANCE STATEMENT**

GROUP ENVIRONMENTAL,  
CORPORATE AND SOCIAL  
RESPONSIBILITY POLICY

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By order no. 2017-1180 of July 19, 2017 and decree no. 2017-1265 of August 9, 2017 amending Articles R. 225-104 to R. 225-105.2 of French commercial law, France has transposed European Directive no. 2014/95/EU on the publication of non-financial information, which requires French companies with an average workforce of more than 500 employees, whose balance sheet or revenue exceed €100 million, to publish a non-financial performance statement for financial years beginning on or after September 1, 2017. This transposition was completed in November 2018 with an amendment to Article L. 225-102-1 of French commercial law.

By focusing on social, environmental, and societal information that is relevant to the main risks and challenges identified by the company, this system favors a "materiality" approach and the search for greater relevance and usefulness of the information presented for companies and their stakeholders. It also makes it possible to include in the requirements relating to the publication of information:

- An explanation of the Group's business model;
- An analysis of the main risks and opportunities associated with the Group's activity;
- A description of the policies applied and the associated action plans;
- The results of those policies, including key performance indicators.

Furthermore, pursuant to the European Commission's two delegated acts of June 4 and July 6, 2021 clarifying the provisions of Regulation (EU) 2020/852 of June 18, 2020 on taxonomy ("Taxonomy Regulation"), French companies subject to the obligation to publish non-financial information pursuant to Articles 19a and 29a of Directive 2013/34/EU, as amended by Directive 2014/95/EU (known as the "NFRD") must include in their non-financial performance statement the information provided for in the Taxonomy Regulation relating to activities considered to be "sustainable economic activities", as defined in that regulation. Section 5 of this non-financial performance statement meets these obligations.



# Group business model



For over 160 years, SUEZ has been providing essential services to protect and improve the quality of life in the face of growing environmental challenges. SUEZ offers resilient and innovative solutions to enable its customers to provide access to water and waste processing services.

With a presence in 40 countries and 39,510 employees, the SUEZ Group also gives its customers the ability to generate value over the entire life cycle of their infrastructures and services, and to advance their ecological transition by getting their end-users involved in the effort.

In 2022, SUEZ provided drinking water to 68 million people worldwide and sanitation services to over 37 million people. The Group produced 3.7 TWh of renewable energy from waste and wastewater and, in so doing, avoided 4 million metric tons of CO<sub>2</sub> equivalent emissions.

Under the leadership of Sabrina Soussan, the Group recorded revenue of nearly €7 billion in 2022. With its expertise and ability to innovate, SUEZ has strong growth prospects and relies on a powerful consortium of investors (prior to employee shareholding scheme operations) made up of Meridiam and GIP—each with a 40% stake—and the Caisse des Dépôts Group with a 20% stake (of which 8% is held by CNP Assurances), to continue pursuing its growth in France and around the world.

## 1.1 | Mission Statement

SUEZ adopted its mission statement in September 2022:

*"Faced with growing environmental challenges, each day, for more than 160 years, we have been acting in support of our clients and partners to deliver essential services that protect and improve the quality of life wherever we operate.*

*United by a passion for our work as well as our inclusive culture and team spirit, we innovate to conserve water and create value from waste, in the form of recycled materials and energy. We promote and implement responsible behaviours, more efficient technologies and circular solutions to recycle and make the best possible use of the finite resources of the Earth.*

*Deeply rooted in our communities, we are committed to providing people and the planet with the resources for a common future."*

The Group actively involved its stakeholders in the formulation of that mission statement:

- by making the most of extensive survey data (customers, employees, stakeholders) and in-house and external documentation on the Group's challenges, history, and activities in various geographical zones,
- by consulting a variety of external leaders from different fields (scientists, philosophers, artists),
- by bringing in two panels of around one hundred employees, French-speaking and English-speaking, representing the diversity of the Group's employee profiles and geographies,
- through discussions with employee representatives on the European Works Council,
- by devoting several meetings of the Executive Committee and the Board of Directors' CSR Committee to it, prior to approval by the full Board.

## 1.2 | Strategy

SUEZ's ambition is to become the trusted partner for circular solutions in the management of water resources and waste.

Our strategy is to **focus on our core business**, i.e. the waste and water value chains and related services. Those business lines form a dynamic, diversified, and balanced portfolio, with a natural hedge against inflation and energy price fluctuations. **We also focus on our core markets**: combining mature, resilient markets with an appetite for innovation, and high-growth emerging markets.

We set ourselves apart from our competitors with a **value proposition tailored to our customers' priorities and needs**, bringing together our unique expertise in construction with recognized leadership in digital technology, the user experience, and innovation. Our growth strategy will enable us to **increase the proportion of our business that is carried out both internationally and in the waste sector**. This is in line with our ambitious and proven commitments to people, the planet, and the environment: we want to be the leader in our sector in terms of ESG (environmental, social, and governance factors).

**We are strengthening the customer focus** of our organization, our processes, and our pay-for-results programs. We are improving our operational, commercial, and environmental performance by promoting a **culture of entrepreneurship**, based on local entrepreneurship, responsibility, inclusiveness, as well as a strong sense of purpose and collaboration.

Thanks to the unwavering support of our shareholders, we are aiming for an increase in our **investments in Research & Innovation**—in relation to our earnings—of 50% over 5 years, in both water and waste management. Our innovation strategy enabled us to hold over 1,700 patents (in 456 patent families) by the end of 2022.

Within 5 years, that strategy will enable us to set the benchmark in our industry, recognized for our agility, our restored margins, our capacity to create value and innovation, and our commitment to people and the environment.

## 1.3 | Activities

In 2022, SUEZ generated 65% of its revenue in France and 35% internationally. 47% of this revenue was generated in the water market and 53% in waste management.

### In the water sector:

- In 2022, the Group operated 891 drinking water production sites, producing around 4.6 billion m<sup>3</sup> of drinking water;
- In 2022, the Group operated 2,179 wastewater treatment sites, and biologically treated almost 2.8 billion m<sup>3</sup> of wastewater.



### In the waste sector:

- In 2022, the Group processed almost 16.7 million metric tons of waste and served around 6.9 million people and 36,165 customers in the service and industrial sectors through its waste collection activities;
- in 2022, the Group operated 66 composting platforms, 31 incineration sites, 285 material sorting, recovery, and transfer stations, 56 storage centers, and a fleet of 2,962 heavy vehicles.



The Group's subsidiaries operate under a single brand name, with the exception of EnviroServ. The aim is to raise the Group's profile and manage reputational risks in the event of any breach of the Group's commitments in terms of ethics, respect for human rights and fundamental freedoms, protection of personal health and safety, and the environment.

## 1.4 | Value chain

Our activities and areas of expertise naturally contribute to preserving the environment and providing essential services. **SUEZ intends to play a leading role in achieving the United Nations' Sustainable Development Goals for 2030**, in particular the one relating to water and sanitation (no. 6), as well as those relating to climate and energy (no. 7, 13) and sustainable production and consumption (no. 12). By transforming its activities, SUEZ aims to strengthen its presence in areas where there is a growing need (no. 11, 15). SUEZ's **Sustainable Development Roadmap 2023-2027**, and its integrated risks and opportunities management process, are based on a detailed analysis of the 169 targets in the UN's Agenda for 2030.

Most of the value created by the Group's activities benefits local economic players: over 90% of the economic flows generated by the Group's activities are redistributed to its employees, subcontractors, and suppliers, as well as to governments, NGOs, and local communities.

As an integrator of environmental technologies and solutions, SUEZ works with more than **38,000 suppliers and subcontractors** around the world with **€3.5 billion in annual expenditure**. 63% of the Group's purchases are spent in France, 5% in the rest of Europe, and the rest internationally.

- **Direct or production purchases:** energy, chemicals, network and plant equipment such as pumps, heavy vehicles, construction and sludge or waste transportation services, smart sensors and meters.
- **Indirect or non-production purchases:** general maintenance and facility management, applications, infrastructure and digital equipment, light vehicles and fuel, intellectual services, current supplies, temporary employment services.

Presence of SUEZ	Sustainable Development Goals	
Essential role		Ensure access to sustainably managed water supply and sanitation services for all
Strong presence		Ensure access to reliable, sustainable, modern, and affordable energy services for all
		Take urgent action to combat climate change and its repercussions
		Establish sustainable modes of consumption and production
Presence to be strengthened		Make cities and settlements inclusive, safe, resilient, and sustainable
		Preserve and restore terrestrial ecosystems, ensure that they are used sustainably, manage forests sustainably, combat desertification, halt and reverse soil degradation, and halt biodiversity loss.



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# **Main non-financial challenges<sup>1</sup> related to the Group's activities**

<sup>1</sup> For the sake of simplicity, we use the term "Challenges" as shorthand for the risks and opportunities identified for SUEZ's various activities



## Identification of non-financial challenges through societal intelligence

SUEZ has set up a system for keeping track of CSR issues that present both risks and opportunities for the Group. That monitoring involves regular surveys of customers and stakeholders, as well as tools for analyzing the press, social media, and stakeholder publications, as well as the network of the Strategy, Sustainable Development, Institutional Relations, Marketing, and Communications Departments.

The Group's risks and opportunities stem from the following macro trends:

### ⇒ Renewed demands from the public

There have been many demonstrations organized in France and around the world since 2018 to campaign for climate action and to denounce political inaction as perceived by young people in particular. Such demonstrations have generally taken place against a backdrop of strong social resistance and mistrust of the elite, leading some citizens to demand access to participatory democracy. Independently of these demonstrations, citizens' demands have also undergone considerable changes in recent years. They highlight the individual/citizen/user/consumer quartet, who in turn reveal specific expectations in line with their lifestyle and consumption habits. The environment, a well-preserved living environment, and health have become top priorities among the general public.

### ⇒ The impacts of climate change

The latest IPCC report highlighted the overall inadequacy of the commitments made under the Paris Agreement to secure a maximum temperature rise of 1.5°C and limit the risks associated with the consequences of climate change. Climate change will continue to have an impact on the water and waste cycle, with more frequent severe droughts, less snow, more deadly floods, multiplying pollutions, increased greenhouse gas emissions, and loss of biodiversity. There are technological solutions to mitigate those effects and plan ahead for a more resilient model of society. The waste and water businesses have become resource businesses for local authorities. With the help of digital technology, local authorities are combating the strain on the quality and quantity of resources, reducing the carbon footprint of services and customers by producing, for example, secondary raw materials, or producing renewable energies.

### ⇒ Demographic growth and "metropolization"

Since November 15, 2022, the world's population has passed the 8 billion mark. Current projections suggest that population growth will continue and then stagnate over the coming decades, reaching 9.7 billion by 2030 and 11 billion by 2100. This trend, coupled with the strong urban concentration of populations near coastal areas and the westernization of lifestyles, is an inescapable reality. Under the impact of extremely powerful transformations, cities—which concentrate most of the wealth and innovation, but at the same time crystallize most of the risks and difficulties (impoverishment, budgetary constraints, overstretched resources, new nomadic lifestyles, health problems, employment, etc.)—have begun to adapt. Overall, cities will have to reinvent themselves to become more sober and inclusive. At the same time, the territorial divide is becoming a reality that must be taken into account, with the people left behind and the challenges of inequality. To take on that challenge, we need to show humility and accept that no one person alone has the answer. Systemic approaches, based on interactions and taking local conditions into account, will need to be developed. The cross-disciplinary and universal nature of the water and waste activities means that they need to be integrated into projects, providing practical, suitable solutions.

### ⇒ The impact of digital technology

Spurred on in the early 1970s, the digital revolution has become part of our daily lives. Since 1994, when the first online purchase was made, the technology has spread around the world in less than two decades. In territorial terms, the digital revolution is helping to reshape cities and rural areas. Whether in terms of transportation, mobility, the environment, employment, education, energy, waste or water, all of our areas of competence incorporate a digital aspect. Those solutions contribute to an unprecedented cross-disciplinary approach to urban services, opening up a whole new range of possibilities and new uses. Similarly, within civil society, both organized and unorganized, expectations of connected services are growing for greater self-sufficiency.

## Notable events in 2022

There were other significant external and internal events in 2022 that had an impact on the Group.

With four fatal accidents in 2022 (including three among our subcontractors), health and safety issues are a priority for SUEZ (see section 2.6).

SUEZ has undergone significant change with the acquisition of SUEZ by the Consortium of Shareholders and the appointment of Chairman and CEO Sabrina Soussan. On January 31, 2022, the Consortium of shareholders comprising Meridiam, GIP and Groupe Caisse des Dépôts finalized the acquisition of SUEZ, in accordance with the merger agreement between SUEZ and Veolia dated May 14, 2021, and the promise to purchase dated June 29, 2021.

Against the backdrop of a transition in internal demographics and the development of digital and engineering activities (which are under considerable pressure), the challenges of maintaining the Group's areas of competence were heightened by the acquisition of new entities in 2022: EnviroServ, SUEZ UK, and IWS. The integration of these entities is a major challenge for 2023, in particular the implementation of our Sustainable Development objectives and vigilance plan as it relates to those scopes.

In 2022, the Group continued to adapt to the ongoing COVID 19 crisis in China in order to deliver its services under the best possible conditions for local populations and for SUEZ employees on site.

In the water sector, the semiconductor crisis continued to put pressure on the supply of smart meters.

The war in Ukraine and the energy crisis reinforced the importance of resource-efficiency and energy independence. The price of energy had an impact on our service rates at a time of growing investment needs, particularly in the context of the climate and biodiversity crisis (with dramatic droughts in 2022 and the problem of replenishing groundwater tables in France in winter 2022). SUEZ adapted by rapidly putting forward an energy efficiency plan. A number of measures were implemented, whether in our operational activities, on

site, or at our head offices and tertiary sites. In France, for example, as a signatory of the EcoWatt charter, SUEZ is committed to controlling its consumption and making its employees and customers aware of their electricity consumption. Concretely, the temperature in SUEZ buildings is set at 19°C, automatic collective lighting systems are reprogrammed over shorter time slots, and remote working on Fridays is encouraged to minimize energy requirements. These measures are implemented at each SUEZ site in France, taking into account their specific characteristics. Eco-conscious practices aimed at greater efficiency when consuming water in the home are published on the website [Toutsurmoneau](#), for users of the services operated by SUEZ on behalf of its local authority customers, and on the Group's social media in France, throughout the winter.

SUEZ has been committed to energy efficiency for several years, with ISO 50001 certification for its water activities and 100% of its Waste-to-Energy plants in France.

For many years now, the Group has been taking practical steps to reduce the energy consumption of its two main activities:

- For drinking water production and distribution: by choosing better pumping technologies for drinking water plants, which account for 55% of its energy consumption, and by increasing network efficiency (a 1% increase in network efficiency makes for savings of around 6 GWh).
- For wastewater treatment, by controlling the energy consumption of wastewater treatment plants.
- For waste recovery, by implementing an energy-saving approach that enables us to reduce electricity consumption by 5 to 10% per metric ton processed at our waste-to-energy plants.

Digital solutions developed by SUEZ such as [AquAdvanced™ Energie](#) or [ON'connect™ fluids](#) enable local authorities and private and public companies to identify and control their water and energy consumption. Those solutions are designed to help such organizations improve the energy efficiency and environmental performance of their facilities.

## Table of risks and opportunities identified for the SUEZ Group

Against that backdrop, the Group has set out the risks and opportunities associated with those major challenges:

Main risks and opportunities identified	Description of the issue and the associated management policy	Associated risks	Key performance indicators	Sustainable Development Goals
1. Optimized water and waste management and resource conservation	Section 2.1	Pollution and industrial accidents Conflicts over the use of resources Damage to biodiversity	Waste recovery rate (%) Technical efficiency of drinking water distribution networks Wastewater reused (%)	6.4, 7.3, 8.4, 12.2, 12.4, 12.5, 13.1
2. Fight against climate change	Section 2.2	Pollution and industrial accidents Conflicts over the use of resources Damage to biodiversity	Greenhouse gas (GHG) emissions (tCO <sub>2</sub> e): - Avoided - Direct (scope 1) - Indirect (scope 2 location based) - Indirect (scope 2 market based) - Indirect (scope 3)	7.2, 7.3, 13.2
3. Protecting biodiversity and ecosystems	Section 2.3	Pollution and industrial accidents Conflicts over the use of resources Damage to biodiversity	Percentage of priority sites with a biodiversity action plan implemented (%)	14.1, 15.1, 15.5
4. Social and societal contribution of the Group's activities	Section 2.4	Working Conditions Access to services	% of management positions held by women % of employees covered by a social dialogue system	5.5, 8.8, 16.7
5. Promoting human rights and duty of vigilance	Section 2.5	Working Conditions Access to services	Percentage of supplier contracts containing CSR clauses (%)	8.8
6. Protecting the health and safety of all	Section 2.6	Health & Safety	Fatal accidents involving employees Workplace accident frequency rate - water employees Workplace accident frequency rate - waste employees	3.6, 8.8
7. Maintaining the skills of the Group's employees	Section 2.7	NA	% of employees trained, including digital	4.3, 4.4, 4.5
8. Combating corruption	Section 2.8	In all the cases of identified risks, corruption is a factor that makes matters worse.	Number of employees trained in ethical conduct	8.8, 16.10



## Means of steering actions related to non-financial issues

### ⇒ Sustainable Development Roadmap

SUEZ steers its non-financial performance by means of a roadmap setting out dated and quantified objectives targeting the major Sustainable Development issues raised by its activities. **The Roadmap 2023-2027**, presented by the Group in January 2023, was drawn up in line with the United Nations Sustainable Development Goals (SDGs), based on a review of their materiality with regard to the Group's activities worldwide.

Initiated in February 2022, the SUEZ Sustainable Development Roadmap was jointly drawn up with the Group's operating entities, the SUEZ CSR Committee made up of representatives of our shareholders, and the Executive Committee. It had the benefit of the informed opinions of the Group's peers and stakeholders throughout its establishment, from the analysis of the materiality of the issues to the formulation of objectives.

Implementation of that roadmap began in January 2023. The first step of its implementation is to share it with all the Group's internal and external stakeholders. Specific action plans for each of the Group's entities will then be set out to adapt each of those objectives to all the locations in which the Group operates. The CSR Committee will meet on a quarterly basis to monitor its implementation. We will assess initial results a year from now.

The long-term incentive plan for Group executives includes targets relating to the priority issues set out in the roadmap: reducing greenhouse gas emissions, improving health and safety, and achieving gender equality. We will implement this Roadmap in all of our operating entities. An annual Sustainable Development action plan will be drawn up with each BU to approve objectives tailored to local issues and in line with the activities conducted in that location. (see section 2.1.2).

### ⇒ Review of major investments in Sustainable Development

The Operations Committee (COMOP) approves any project (relating to a new investment or a new or existing contract) with a value in excess of one of the thresholds set out in the Group policy, reviewed in September 2022. Certain projects must be approved by the SUEZ Board of Directors or a Board Committee. The policy includes a risk grid, including environmental and social criteria, reviewed by the central Sustainable Development team. SUEZ's role is to accelerate the transition of locations and its business partners: That is why we give priority to the asset's or project's capacity for improvement in terms of our Sustainable Development roadmap commitments (Climate, Nature, Social).



## Risks and opportunities management approach

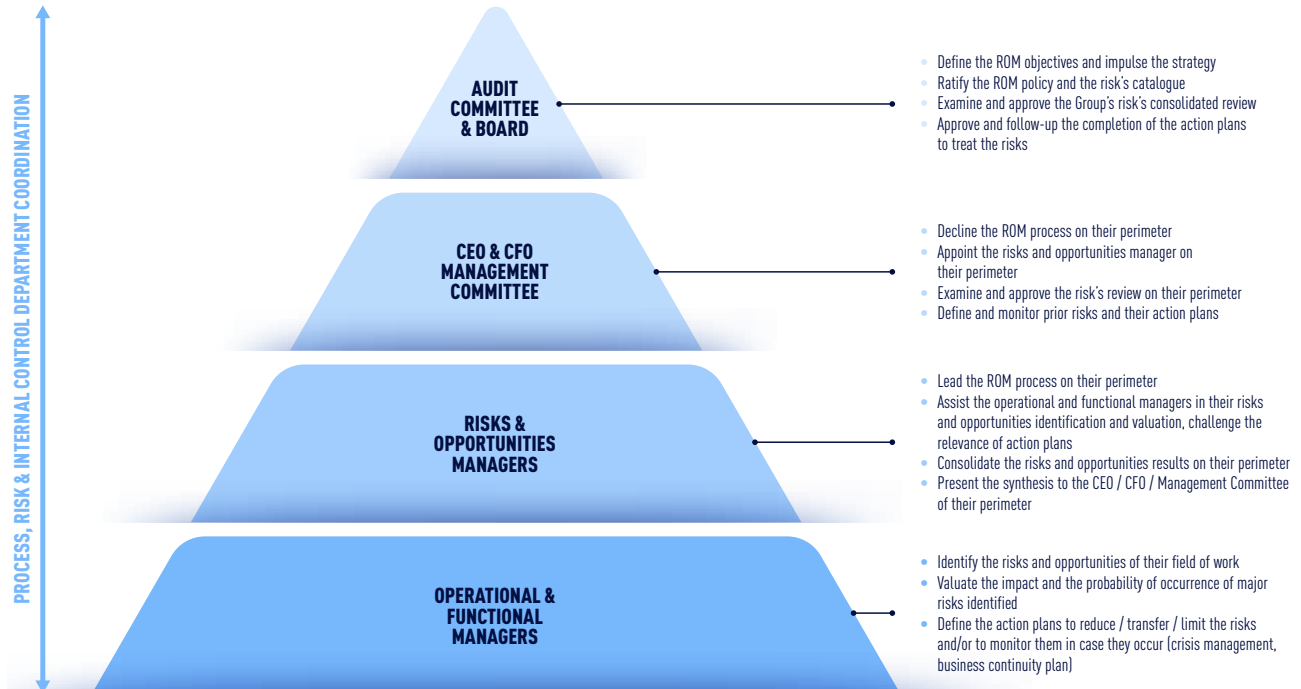
SUEZ's approach to managing risks and opportunities is based on an overall risk management process (Enterprise Risk Management) which identifies the roles and responsibilities of the various departments (Risk, Insurance, Performance, Security, etc.). This approach is coordinated by the Chief Risk Officer (CRO), who coordinates a network of Risk Officers in charge of implementing risk assessment and management methods at the level of the subsidiaries. In particular, they contribute to the risk identification process. The risks identified in this way are:

- classified by category: strategic, financial and compliance, operational,
- evaluated in terms of significance, frequency, and exposure,
- quantified where possible, and the way of handling them is reviewed, feeding into action plans at different levels of the company.

That work enables us to draw up an annual summary of the major risks to which the Group is exposed, which is discussed and validated by the Executive Committee. Environmental, industrial, and climate-related risks are addressed from a number of angles and in relation to other policies (e.g. health and safety, human rights, reputation).

The diagram below shows the governance of the Group's risks and opportunities management process.

### Governance of the Risks & Opportunities Management (ROM) process



## Environmental and industrial risk management

A specific policy for managing environmental and industrial risks has been signed by the General Management. The risks considered may be of accidental or natural origin. They may be due to human or organizational factors, material accidents, or malicious acts. The scope of this policy covers all types of pollution (air, soil, aquatic environments) or environmental nuisance (noise, vibrations, odors, visual nuisance, etc.). It also covers environmental damage, as well as material or human damage caused by fire, explosion, machinery breakdown, natural disasters, collapse of structures, etc.

A structured management system ensures that the defined management principles are applied across all business units internationally, under the responsibility of the General Manager of each business unit. To that end, the General Manager appoints an Environmental and Industrial Risk Officer (EIRO) within their organization to ensure coordinated functional management of those risks at every level of the organization.

In addition, a series of environmental and industrial operating rules define mandatory requirements for all Group operations. Business unit management systems must take into account and comply with the principles of those operational rules. Their purpose is to enable operating entities or subsidiaries to check that the

operations under their responsibility comply with the criteria set out by the Group. Those Group rules are supplemented where necessary by rules or directives specific to each business unit. Failure by existing entities or newly-acquired companies to comply with those operating rules must be the subject of an action plan designed to bring them back into line within an appropriate timeframe.

Those operational rules are supported by "Practical Data Sheets" which provide guidelines and examples for their application in practice. Those practices are supplemented by feedback from accident analysis, in collaboration with insurance company risk prevention engineers.

The process of monitoring and managing environmental, industrial, and climate-related risks and opportunities is the responsibility of several Group departments, reporting to the Board of Directors and the Executive Committee. The Risk and Performance Departments are responsible for identifying and assessing risks, with the support of the Sustainable Development Department. The resulting matrix is then reviewed and validated by the Board of Directors' CSR Committee. The Group's strategy with regard to those issues is also reviewed by the Board of Directors.

## Risk management in relation to information systems

Information systems are of critical importance in supporting all the Group's business processes. They are increasingly interconnected and cross-departmental. Their failure could lead to loss of business, data, or breaches of confidentiality, which could have a negative impact on the Group's business, financial situation, reputation, and results.

Cyber-attacks are becoming more and more widespread, frequent, sophisticated, and potentially costly. Cybersecurity risk relates to both the operation of industrial sites managed by the Group and the protection of data relating to the Group, its employees, and its customers. Cybersecurity risk management enables us to prevent the vulnerability of our industrial facilities' control and supervision systems, which could lead, for example, to a partial loss of control of water or waste treatment units.

In line with the recommendations of the ISO 27000 international standards, with the cybersecurity standard

of the "*National Institute of Standards and Technology*" (NIST CSF) as well as with the guide on Cybersecurity of Industrial Systems published by the French National Agency for Information Systems Security (ANSSI), the Group has reinforced the following points in terms of governance:

- the implementation of an integrated Group cybersecurity governance system, with strong involvement of teams dealing with *Data Privacy*, safety, ethics, and environmental and industrial risks;
- strengthening the Group's cybersecurity team in these areas, notably in terms of detection and response to security incidents on a 24/7 basis, with the set-up of a "*Global Security Operations Center*" (GSOC) covering the entire Group and its entities;
- reinforcement of the network of correspondents dealing with cybersecurity integrating IT, OT (Operational Technology) and Data Privacy across the Group to

analyze cybersecurity and personal data protection risks, and to ensure that the Group remains compliant with regulatory obligations;

- integration into InterCERT-FR—a French group whose aim is to strengthen the ability to detect and deal with security incidents through the exchange of experience and knowledge sharing—and the Cyber Campus, whose aim is to bring together the cybersecurity community and develop synergies between its various players: companies, government departments, training organizations, researchers, and associations;
- the improvement of cybersecurity standards, in particular the review of cybersecurity policies to define the requirements for IT, OT, and safety systems to be applied within the Group, and the presence of a cybersecurity service center to reinforce the integration of cybersecurity into projects and contracts;
- continuous improvement of cybersecurity crisis management governance throughout the Group, following the organization of cybersecurity crisis exercises;
- continued implementation of measures relating to the GDPR regulations with impact analyses on privacy (*Privacy Impact Assessment*) for certain key personal data processing operations, the drafting and signature with suppliers of *Data Protection Addendum* integrating GDPR requirements and raising employee awareness of the GDPR;
- the inclusion in the internal audit plan of undertakings to review the management of cybersecurity by Group entities (governance, organization, compliance with Group policies, technical tests);
- renewal of the overall cybersecurity insurance policy covering all the legal entities.
- the awareness program, with quarterly phishing campaigns organized for all Group employees, and reinforced for sensitive populations (HR, Finance, Communications, IT, Purchasing, "Top Executives", industrial IT), combined with training courses, the distribution of cybersecurity risk awareness videos aimed at all employees, an *e-learning* module, organizing awareness-raising campaigns for Cybersecurity Month and Cybersecurity videos for industrial sites;
- implementation of a unified Group cybersecurity solution to protect over 35,000 workstations and servers against advanced attacks (new-generation antivirus solution and "*Endpoint Detection & Response*" feature);
- implementation of a system that audits the firewall rules on nearly 200 devices to ensure their compliance;
- implementation of a *proxy Cloud* solution on 24,000 workstations to protect employees, including those working from home;
- implementation of a cybersecurity *Data Lake* to cover all the Group's security events;
- roll-out of a vulnerability management solution to nearly 20,000 devices;
- implementation of an *Active Directory* audit system on over 40 domains.

In late 2022, the Group's Executive Committee approved a new 2023-2027 Roadmap to ensure the security of industrial sites. That highly ambitious program is designed to improve the level of security at all sites, with priority given to over 130 major sites around the world. That program is entitled "SecIndus" and will be implemented from early 2023.

The Group has also finalized the implementation of its 2022 Cybersecurity Roadmap:

- the implementation of a "*Global Security Operations Center*" at the Group level, covering all entities, to reinforce security event detection capabilities, combined with a "*Vulnerability Operations Center*" and a detection orchestration and automation platform;

The cross-departmental management resources described above serve as a basis for managing the identified challenges. Detailed action plans for each of those challenges are described in the sections below.

## 2.1 | Optimized water and waste management and resource conservation

### 2.1.1 | Description of the challenges

Optimized management of waste, drinking water, and wastewater is at the core of SUEZ's business model.

#### ⇒ Environmental and industrial risks

As a player in the environmental sector, the SUEZ Group owns or manages numerous types of water and waste treatment facilities on behalf of third parties. By the very nature of their processing activities, such sites entail risks of damage to natural capital (air, water, soil, natural habitat, and biodiversity) and can also present health risks for consumers, local residents, employees, and subcontractors. In addition, the water and waste sector is closely linked to the fight against climate change, and is exposed to the associated risks, linked on the one hand to societal and regulatory developments in favor of decarbonizing today's economy, and on the other hand to the potential physical impacts generated by the materialization of climate change.

As part of its water and waste treatment activities, the Group has to handle, or even produce, hazardous products or by-products. Such is the case for certain facilities that treat specific industrial or hospital waste of a toxic or infectious nature. Some chemicals used in the water treatment process are also considered hazardous substances.

Furthermore, the very processes involved in waste and water treatment can generate pollution if they are not accompanied by an adequate management system:

- **Air:** Atmospheric pollutants such as air acidifying gases and dust may be produced by the Group's waste treatment activities. In the water sector, it's more a question of chlorine or the accidental release of water treatment products.
- **Water:** The Group's water and waste activities can lead to the pollution of groundwater or watercourses, e.g. as a result of untreated leachate discharges from poorly controlled facilities, or non-compliant wastewater discharges.
- **Soil:** Accidental soil pollution can sometimes occur as a result of leaks of hazardous products or the spreading of non-compliant sludge from treatment processes.

For any industrial site, there are also risks of industrial accidents such as fire or explosion. These can result from

design flaws or be caused by external events beyond the Group's control (actions of third parties, natural disasters, etc.).

#### ⇒ Regulations

The regulations governing such activities are changing all the time in the main countries where the Group operates.

In Europe, states are gradually adopting regulations aimed at fostering the circular economy. The goal is to reduce, reuse, and recycle waste, under the impetus of the European Commission's Circular Economy package of measures. Regulations on packaging, eco-design, and recycled materials for food products were published in 2022 and SUEZ has already conducted initial analyses and participated in public consultations. Final adoption of those regulations is set to take place in 2023.

In France, an "anti-waste for a circular economy" (AGEC) law aimed at combating waste and promoting the circular economy was adopted on February 10, 2020, with 200 related application texts. Since 2020, the measures set out in those texts have been gradually implemented, introducing new requirements in terms of waste traceability and effectiveness of sorting, as well as stricter conditions for landfill disposal. In 2022, traceability obligations resulted in the set-up of video surveillance at all landfill sites, the digitization of records relating to waste management, and the characterization of producer flows sent for disposal. This required the transformation of SUEZ's information systems to optimize the application of those new obligations.

EPR (Extended Producer Responsibility) schemes are also being developed (EPR PMCB Construction and Building Products and Materials, due in 2023, and EPR DEIC Industrial and Commercial Packaging Waste by 2025) and taking on broader obligations (repair, reuse, cleanliness, and traceability). Moreover, the international recycling market is undergoing major transformations due to the progressive ban on certain types of packaging such as single-use plastics, fluctuating prices for secondary raw materials, and tighter conditions for waste exports.

In the water sector, the European Commission published its proposal for a revision of the Urban Wastewater Treatment Directive in October 2022. That legislative proposal, scheduled to come into force in 2026, has two main objectives: it aims to protect EU



citizens and ecosystems from the remaining sources of inadequately treated wastewater, while improving transparency and governance in the sector. The revised directive also aims to align EU water policy with the objectives of the Green Deal and climate neutrality. In particular, the Commission wishes to **introduce more circularity** (reuse of treated wastewater, energy recovery, nutrient recovery), implement measures to achieve carbon neutrality through the use of renewable energies at wastewater treatment plants, lower the level of pollutants, and integrate the notion of Extended Producer Responsibility (i.e. the "polluter pays" principle).

In parallel, the European Commission published its proposal to revise the Surface and Groundwater Directive. That proposal includes a list of new pollutants (PFAS, bisphenol A, etc.) as well as quality standards, and adds requirements for regular reviews of those criteria with a view to reducing pollution at the source. The challenge is to increase the protection of EU citizens and natural ecosystems (oceans, lakes, rivers, biodiversity, etc.) in line with the biodiversity strategy and the zero-pollution action plan, as part of the European Green Deal. It is scheduled to come into force in 2026.

In the same vein, the European regulation aimed at **facilitating the reuse of treated wastewater** for agricultural purposes is due to come into force in 2023; it is quite possible that the European Commission will have to legislate on other uses (urban, industrial, groundwater recharge) in the medium term. Similarly, the French government will shortly be presenting a water plan as part of its action plan to promote the ecological transition. In particular, it aims to provide a response to the strain on the country's water resources following the droughts of summer 2022 and last winter.

The European Drinking Water Directive has been transposed into French law since January 1, 2023. In particular, it includes a section on access to water for all (for people who are not connected to a water supply or in a situation of water insecurity). In anticipation of that directive, SUEZ has put in place solutions to promote access to water for so-called "vulnerable" groups and has developed dedicated social support to reduce water insecurity (water vouchers, eco-solidarity tariffs, etc.). The other focus of that directive is the safety of water intended for human consumption. The ordinance, supplemented by decree no. 2022-1720, clarifies the uses for which water intended for human consumption is required, as well as possible exceptions and exemptions.

SUEZ has taken part in local and national working groups and provides the best suited solutions for local authorities.

Those regulatory changes represent an opportunity for SUEZ to **change conventional methods of managing waste and wastewater in favor of more circular solutions** (reuse, recycling, energy and biological recovery), with the aim of creating new resources, producing renewable energies, and reducing greenhouse gas (GHG) emissions, on its own behalf and that of its customers. These activities help to **decouple economic growth from the consumption of raw materials and natural resources**, and in so doing cut down on the GHG emissions linked to production and consumption patterns.

Those regulatory and legislative changes also make it possible to fully integrate the notion of the water cycle, and to propose mitigation and adaptation solutions in line with the challenges posed by climate change and its impact on water resources, environments, and people.

Climate change, along with population and economic growth, are putting **a growing strain on water resources**. More and more regions in France and around the world now face chronic water stress.

Water is a very unevenly distributed resource that needs to be protected, particularly in light of the growing external demands on it. As a result, the resources available for water purification are shrinking under the impact of changes in the natural environment (reduced snow cover, ocean acidification, rising sea levels, increasingly long periods of drought, etc.) and human activity. These multi-faceted changes include the challenges of regional planning in connection with metropolization, digitalization, production methods, and changing eating habits. In particular, they involve changes in water demand for agriculture, industrial uses, and drinking water production, against a backdrop of growing usage conflicts. Furthermore, climate change in a growing number of regions brings with it a heightened risk of tensions, notably through the accentuation of periods of drought or the increasing frequency and severity of turbid waters in the wake of heavy precipitation. Some countries are already experiencing water stress, which is more difficult to manage when their level of economic development is low. According to the UN, by 2025, 1.8 billion people will be living in countries or regions affected by a complete water shortage, and two-thirds of the world's population could be living in water-stressed conditions.

The risks related to water resources and extreme climatic events incorporated into the Group's integrated management process are of several types:

- Those linked to the availability of a sufficient volume of water: existing pressure on water resources represents a significant operational risk, due to the potential impact of prolonged periods of drought or chronic water stress on service continuity. The same applies to repeated heavy rainfall events, which can lead to deadly flooding. Such situations can lead to temporary interruptions in the drinking water supply and wastewater treatment operations. Beyond that, conflicts over the use of water resources are on the rise. As a result, the Group is working with its customers to promote initiatives to reduce consumption and preserve resources, notably through digital technology, the use of alternative techniques such as reuse or groundwater replenishment, improving the efficiency of water distribution networks, and raising public awareness.
- Those linked to water quality: the Group's ability to supply water that meets the required standards and specifications depends on the quality of the resources available locally and the technological solutions offered to customers. New production and consumption patterns, combined with climate change, are having a direct impact on the quality of water resources, leading to tighter regulations. The availability of water resources of sufficient quality is at the heart of current and future challenges, in order to control the risk of service interruptions due to pollution. The quality of life and health of populations is also largely intrinsic to the quality of the water delivered to the tap and discharged into the natural environment. In addition to service continuity risks, extreme weather events leading to too much or too little water can cause significant damage to the built and natural assets managed by SUEZ under its contracts. Equipment that is underused due to water shortages or exposed to flooding will require more extensive maintenance and adapted, predictive asset management plans.

The preservation of groundwater and surface water is becoming a major concern for public authorities and industrialists alike, in order to guarantee their production and the local acceptability of their activities. SUEZ supports them both in optimizing the management of the "small" water cycle (i.e. infrastructure management), and in mitigating and adapting to the effects of climate change

on the "large" water cycle (i.e. protection of upstream and downstream resources and biodiversity). Faced with this challenge of regional resilience, the Group is bringing to bear its capacity for innovation to reduce the impact of its activities on both the climate and the environment. Conversely, over and above its natural contribution, it intends to increase the positive footprint of its activities (circular economy, renewable energy production, etc.) to support its municipal and industrial customers in their efforts to adapt. This involves solutions such as desalination, the reuse of wastewater, digital solutions to better anticipate leaks, and new "high-performance" contract models designed to optimize the management of the water networks operated by SUEZ.

## 2.1.2 | Policies and action plans

It is against that background that SUEZ's activities are steered by an environmental and operational performance management system that is applied in each BU and which strives to optimize the following indicators to meet the challenges set out above:

### Key performance indicators

2022 result

**47.90%**

**Waste recovery rate**  
(as a % of waste processed)

**83.74%**

**Technical efficiency of drinking water distribution networks**

**3.70%**

**Reused wastewater**  
(as a % of processed wastewater)

In addition, in 2022 the Group worked on its **Sustainable Development Roadmap 2023-2027**. SUEZ is committed to improving sorting efficiency on behalf of local authorities and businesses, in support of the development of its recycling capacities (2.2 million metric tons of secondary raw materials produced in 2022). In the water sector, SUEZ is committed to proposing a water savings program accounting for up to 10% of the volumes delivered to the network over 5 years, for all new drinking water contracts and all existing contracts in water stress zones.

On a day-to-day basis, the Group implements a comprehensive environmental management approach for its water and waste activities. SUEZ is particularly committed to preventing the health and environmental risks associated with its activities, as well as reducing nuisance for local residents at the sites where it operates on behalf of its customers. Faced with the already significant consequences of climate change, SUEZ is identifying the most vulnerable sites and activities in order to help them adapt to the physical risks anticipated by the IPCC.

SUEZ also invests in research and development (the Group will increase its budget by 50% over 5 years) and rolls out, on behalf of its customers, ever more resource-efficient and circular solutions to manage waste and protect water resources and natural environments.

### ⇒ Environmental and operational performance measurement and control systems

SUEZ is continuing its efforts to increase the reliability of its environmental data, which is audited by accredited third parties. The indicators used to measure and improve operating performance are transmitted by the Business Units (BUs), consolidated at central level, and the results made available to the operational and technical teams in charge of managing the BUs' operating and environmental performance via business intelligence applications, such as PowerBI. They show the progress made and provide an overall view as well as a close-up view of each of the Group's entities with comparable activities (benchmark analysis).

To ensure compliance with these rules, operating units must implement an appropriate methodology to identify potential environmental and industrial risks linked to their activities or specific to their facilities. The BUs' risk management, technical performance, and operational departments are responsible for ensuring that those rules are properly applied and comply with the criteria set out by the Group.

Furthermore, audits (general audit of the environmental and industrial risk management system and audits of selected operating sites) are carried out by the Performance Department and, where appropriate, by the Internal Control Department. Any failure to apply the management rules and associated standards is escalated to the appropriate managerial level for analysis and arbitration on corrective measures. A summary of any recorded shortfalls is presented to the Group General Management on an annual basis.

Through its network of Environmental and Industrial Risks Officers (EIROs) and its annual technical and performance reporting, SUEZ monitors the environmental management activities of its subsidiaries and shares best practices.

In 2022, the Performance and Sustainable Development Departments sent a letter to all BU managers and all teams in charge of reporting to remind them of the importance of performance data for the proper monitoring of performance plans, as well as for the sustainability actions undertaken by the Group (preservation of biodiversity, reduction of GHG emissions, optimization of water and energy consumption, etc.).



### ⇒ **Certification of management systems**

As a player in the environmental sector, the Group encourages the organizations in charge of the services it offers to certify their activities to international standards such as ISO or equivalent. ISO 14001 environmental management system certification and ISO 50001 energy management system certification are particularly well developed in the Group's activities.

In France, for example, all SUEZ water activities are ISO 50001 certified. Our waste-to-energy plants in France are all ISO 9001, 14001, 18001/45001 and 50001 certified. Because of their environmental exposure, all of our non-hazardous waste storage and mechanical sorting facilities are also covered by ISO 14001 certification.

In terms of SUEZ's international water activity, 91% of the volumes produced, distributed, or processed are covered by ISO 14001 certification (100% in Egypt, India, Australia and Panama).

### ⇒ **Sustainable Development action plans**

The implementation of Sustainable Development action plans validated by the Sustainable Development Director and each BU and SUEZ subsidiary manager is set to come into effect in 2023. That will give us greater control over the Sustainable Development performance of the Group's entities, and thereby support our overall environmental management approach.

## 2.1.2.1 | **Managing major risks and reducing nuisances**

### ⇒ **Waste: controlling atmospheric emissions and wastewater discharges**

In the waste sector, atmospheric emissions of pollutants (NOX, SOX, mercury, dust, particulate matter, etc.) are primarily a result of the processing of flue gases from the thermal processing of waste (APCR: Air Pollution Control Residues). Those emissions are constantly monitored in line with local, regional, and/or national regulations, and are published in site annual reports for customers and local authorities.

In line with its commitment to protecting human health and natural capital from the risks associated with the emission of atmospheric pollutants resulting from chemical substances, and in accordance with the principles of its industrial and environmental risk management policy, SUEZ is committed to complying with the requirements of the European REACH regulation, which requires enhanced monitoring of chemical substances throughout their life cycle.

Each year, the Group consolidates information on atmospheric emissions from its incinerators in its Air Quality Report (AirQR). This makes it possible to monitor the action plans jointly steered by the Group's Recycling and Recovery Technical Department and the BUs, aimed at completely eliminating the risk of non-compliance or exceeding quality thresholds.

Information relating to air quality is presented annually to the SUEZ Board of Directors. Prepared by the teams from

the Performance Department in conjunction with the BUs, the AirQR is the preferred tool of management bodies for monitoring the implementation and performance of action plans, as well as regulatory compliance.

Similarly, wastewater discharges are a priority in the environmental management of our activities, and those data are monitored and checked in strict compliance with local regulations.

### ⇒ **Distributed water: an imperative to protect the quality of the water supply for end-consumers**

Protecting the health of consumers calls for considerable control mechanisms within the Group, as well as methods and tools designed to prevent the risk of health crisis. As a result, self-monitoring programs for network water quality generally exceed regulatory requirements, and Group-operated sites are equipped with remote monitoring systems or 24-hour alert systems. The organization of work, and in particular the implementation of on-call systems, also ensure 24/7 service continuity.

In its annual Water Quality Report, the Group gathers together all the information on the performance of its contracts in terms of the quality of the water produced and distributed. That report provides the means to monitor action plans jointly steered by the Group's Water Technical Department and the BUs, aimed at totally eliminating the risk of non-conformities or quality thresholds being exceeded. In addition to that prevention policy, the Group has developed specific crisis management procedures

in the event of accidental deterioration in the quality of distributed water or equipment malfunction, in coordination with local authorities and customers.

SUEZ assesses the quality of the drinking water produced and/or distributed by its entities according to several bacteriological and physico-chemical parameters derived from European Directive no. 98/83/EC of November 3, 1998, concerning water intended for human consumption. That directive was updated in December 2020 (new European Parliament and Council Directive 2020/2184 of December 16, 2020, which was transposed in the Member States in 2022 and is already in force in France).

New health concerns relating to the quality parameters of distributed water appear regularly, in connection with the identification of new emerging risks. In addition to bacteriological and physico-chemical criteria, certain substances grouped under the term "emerging pollutants" (pharmaceuticals, endocrine disruptors, etc.) are the focus of particular attention from public authorities, experts, and players in the water and environment sectors. In addition to developing treatment solutions for such emerging pollutants in wastewater, as described below, the Group has set up targeted research programs to better understand, analyze, monitor, and treat those new molecules, while contributing to the public debate on the subject.

### ⇒ **Wastewater treatment**

Wastewater treatment at facilities managed by the Group contributes to a significant reduction in the level of pollutants discharged into the environment and likely to affect the quality of water resources. The quality of discharge from wastewater treatment plants is continuously measured on the basis of predefined parameters (chemical oxygen demand (COD), biochemical oxygen demand (BOD), suspended solids, nitrogen, phosphorus, coliforms, etc.) using analyzers and regular sampling. Test parameters and frequency are defined by the Group's monitoring guidelines, whose thresholds are stricter than those set out in existing national regulations.

In its annual Sanitation Quality Report, the Group gathers together information relating to the performance of its contracts in terms of treated water quality.

In addition, the Group implements a broad variety of innovative solutions to meet environmental challenges, protect consumer health, and conserve natural capital.

In recent years, major research programs have been

dedicated to developing solutions for the treatment of micropollutants in wastewater discharges, essentially based on the transposition of processes used in the treatment of drinking water. Examples include the coupling of ozone oxidation with biological treatment processes, a process applied at the Sophia Antipolis wastewater treatment plant in France, where performance guarantees for the treatment of micropollutants are required by the customer; or the adsorption of micropollutants on activated carbon, which can be coupled with the above process, as envisaged at the Lausanne wastewater treatment plant in Switzerland and under construction at the Klar facility in Denmark.

The Group has also developed a partnership with a company called Toxmate to carry out tests to measure ecotoxicity caused by micropollutants at wastewater treatment sites in Switzerland and France. That solution makes it possible to:

- Monitor the discharge toxicity in real time online by means of integrated measurement;
- Reuse treated wastewater safely;
- Validate advanced treatment processes;
- Reinforce the protection of the environment;
- Minimize the impact on biodiversity.

Those research programs, which are generally conducted in collaboration with partners from the world of academia, will enable us to meet the following commitment made by the Group as part of its 2023-2027 Sustainable Development roadmap: to include thermal treatment of micropollutants and microplastics in 100% of commercial proposals for the construction of wastewater infrastructure<sup>2</sup>.

### ⇒ **Water and waste: limiting olfactory, noise, and visual nuisance**

SUEZ has developed a service called "NOSE", which is a way to make an objective assessment and model the olfactory footprint for local residents of a wastewater treatment, sludge recovery, or waste management activity or site.

That service offers ways to control the olfactory footprint, to keep it below the threshold of two odor units per cubic meter (UO.m<sup>3</sup>) and thereby meet the regulatory requirements (footprint below the threshold of five odor units per m<sup>3</sup>) where they exist.

This makes it possible to take precise measurements to avoid or deal with odor nuisance right from the plant design stage.

<sup>2</sup> When the call for tenders authorizes variants and for plants with a treatment capacity of over 200,000 population equivalent.

For existing facilities, preventive and corrective measures are put in place to limit olfactory, noise, and visual nuisance. The following examples illustrate this:

- Sizing and installation of dedicated treatment units;
- Installation of biogas capture and processing systems;
- Implementation of operational practices to minimize the generation and dispersion of odors;
- Application of masking agents (e.g. in the working areas of landfills in operation);
- Organization of measurement campaigns and verification of compliance with regulatory thresholds for day/night noise levels;
- Soundproofing of technical rooms and noisy machines;
- Use of collection vehicles that run on compressed natural gas (CNG) or all-electric vehicles.

### 2.1.2.2 | Preventing the physical risks associated with climate change

Extreme weather events can affect the continuity of water, wastewater and waste services: flooding risks for water treatment plants close to coastlines and aquatic environments; pollution of pumping wells and drinking water production plants in the event of heavy rain; fire risks at waste treatment sites in the event of drought, and so on. To protect these essential services, we will draw up a funded action plan for 100% of the priority sites we operate by 2027.

A cross-departmental project dedicated to adapting to climate change is currently in progress, led by the Sustainable Development Department and bringing together the Operational, Risk, and Insurance Departments and all the Business Units. An initial analysis phase enabled us to draw up specific vulnerability profiles for the Group's water and waste activities, and to assess the exposure of all the sites concerned to various

physical hazards on the basis of climate projections (e.g. SSP5-8.5) of the IPCC for 2050. That analysis has allowed us to identify "priority" sites by cross-referencing their vulnerability profile with their geographical location. This will guide future discussions on the adaptations to be implemented in partnership with the Group's customers.

Climate change challenges will also be incorporated into each BU's Sustainable Development action plan; the section dealing with transition risks focuses on the implementation of emissions reduction plans relating to energy efficiency or landfill coverage for instance, while the section relating to adaptation to climate change requires a diagnosis of the governance and climate risk management systems within each Group entity.

### 2.1.2.3 | Recovering processed resources and the associated waste

The management of the Group's waste activity is fully in line with the objectives and measures of the "anti-waste for a circular economy" (AGEC) law, and is steered through three main areas:

- **Redirecting waste flows** towards upstream channels (TGAP<sup>3</sup>, sorting efficiency, tighter controls on waste destined for landfill disposal)
- Waste **prevention** measures
- Physical risk assessment and business continuity planning

SUEZ aims to support the transformation of the business model primarily by means of the following two mechanisms:

- Reducing the volume of waste sent to landfill (by 1.3 million metric tons between 2022 and 2027 in France) taking into account regulatory requirements and the development of new treatment capacities
- Redirecting flows to material and energy recovery

To optimize waste recovery, the Group operates several types of facilities, including:

- Voluntary waste drop-off centers/waste collection centers;
- Sorting and recycling centers;
- Solid Recovered Fuel (SRF) production units;
- Dismantling and disassembly facilities: waste electrical and electronic equipment, end-of-life vehicles, bulky waste, furniture, etc.;
- Facilities for reprocessing specific recyclable materials already sorted for conversion into secondary raw materials. Each site processes incoming materials with a view to recycling them and promoting circular economy models. In addition to mechanical recycling techniques, biological solutions also present opportunities for recovery:
- Composting platforms: household waste, urban or industrial sludge, green waste, livestock sludge, grease, etc.;
- Bio-deconditioning and mechanical-biological treatment units;
- Methanization plants.

Lastly, waste-to-energy plants complete the waste-to-energy cycle for waste that cannot be recycled into materials, through the production of renewable or recovered energy.

In 2022, the SUEZ Group recovered 47.9% of the total volume of waste treated in the form of material or energy recovery.

As part of the Sustainable Development Roadmap 2023-2027, SUEZ is committed to improving its sorting efficiency ratio to advance the development of its recovery capacities. The circular economy will involve increasing material recovery capacities (reuse and recycling) as well

as reducing waste at the source. The Group is continuing to innovate on this subject to offer the most suitable solutions to the problems faced by its public and private sector customers.

For example, with our customer the Greater Montauban municipality, we are aiming for a 10% reduction in waste. With that municipal authority and the very first performance-based contract to manage household and similar waste, we are creating a new model of waste prevention, and of an eco-responsible economy of use rather than consumption. For this ADEME-supported project, a range of services have been set up: raising citizens' awareness of their waste production, support for the creation of a recycling center to encourage donation, collection and recovery of bio-waste, and removal of illegally dumped waste.

This new business model also takes the stakeholders into account and delivers benefits:

- the impact of the performance results on the overall cost of waste management is taken into account (beyond the market);
- a bonus is paid or a penalty applied depending on the achievement of a minimum performance target;
- a share of the bonus is allocated to the partners associated with the contract.

In 2022, just 11 months after the start of the contract, a drop in flows was already recorded:

- 31% bulky items
- 17% green waste
- 7% household waste
- 5% collected packaging

While the circular economy model is most commonly associated with materials, it can also be used to optimize the use of water and put it to a broader array of uses. To that end, SUEZ has developed a number of smart management, secondary raw material recovery, and wastewater reuse solutions, transforming the role of wastewater treatment plants.

For example, in Denmark, our Phosphogreen™ process extracts phosphorus from wastewater via a phosphate mineral called struvite and converts it into fertilizer at a rate of 40-50% of the phosphorus in the incoming water recovered. At a time when inorganic phosphorus is becoming increasingly scarce (the resource is classified by the European Commission as one of the 20 "critical materials" and is expected to run out in 100 years), it is estimated that 20% of current global phosphorus demand could be met by recovering it from wastewater. This process also reduces pipe scaling caused by deposits of struvite and removes sand from the digesters.

<sup>3</sup> General tax on polluting activities

#### 2.1.2.4 | Preserving the availability and quality of water resources

##### ⇒ Improving the efficiency of drinking water distribution networks and optimizing water consumption to reduce the drawdown of water resources

As part of its Sustainable Development Roadmap 2023-2027, SUEZ is committed to the following by 2027:

- For 100% of new drinking water service contracts, propose a water savings program accounting for up to 10% of the volumes of water over five years
- Propose a water-savings program for 100% of drinking water contracts in water-stressed areas

These commitments reinforce the many solutions that SUEZ has been implementing for several years to preserve water resources at the heart of our sites and the customer sites that we manage. We are also taking action on infrastructure. By way of example, we are monitoring the condition of the distribution networks and renovating them to reduce leakage.

To improve the efficiency of the distribution networks, SUEZ is developing digital tools such as smart meters and network instrumentation. Those tools enable better consumption forecasting, online calculation of the water network yields, and more accurate location of leaks. They also enable users to control their water consumption and their bills. Another solution from the Advanced Solutions range, *Aquadvanced Water Networks*, enables improved monitoring of drinking water networks by analyzing a wide range of data from various sensors (flow, pressure, flow rate).

By December 31, 2022, SUEZ had achieved a technical efficiency of 83.74% on its drinking water distribution networks.

SUEZ also offers its municipal customers solutions designed to improve the operational performance of drinking water networks (remote reading, leak detection, pressure adjustment, etc.).

The Group is also implementing actions targeting user behavior, through the introduction of tariffs and tools to encourage water savings, and awareness campaigns against water wastage. In France, SUEZ has set up the *ON'connect Coach* solution for private individuals, which enables users to track their water and related energy consumption on an online platform. This prevents the risk of leaks and offers advice on how to optimize usage and reduce environmental impact. Similar services will be set up in the Brive basin agglomeration in France, where all residents are set to be equipped with a remote meter reading system and a digital application for monitoring their consumption by early 2024 to contribute to the community's resource conservation objectives.

##### ⇒ Offer resilience plans and climate change adaptation solutions to customers.

SUEZ is committed to helping its customers improve their capacity to withstand the effects of climate change. As mentioned above, as part of its Sustainable Development Roadmap 2023-2027, the Group is committed to setting up a financed action plan for 100% of priority sites vulnerable to the consequences of climate change by 2027.

In the countries most exposed to water stress, the Group offers solutions to help regions adapt to the situation, such as seawater desalination systems to ensure the availability of drinking water in areas with insufficient resources or suffering from repeated droughts (in Australia, for example, with plants in Victoria and Perth). To ensure the sustainability of that solution, SUEZ has also worked on the energy consumption of its desalination plants. In Australia, the plant in Victoria is 100% powered by renewable energy. Geofiltration techniques involving the reinjection of pre-treated surface water into the water table are also in place and available when required.

As a major player in the water market, SUEZ is recognized for its cutting-edge solutions, based on membrane filtration, ozone and UV treatment, and reverse osmosis processes.

In 2022, we rolled out new solutions for reusing treated water at the Versailles (agricultural irrigation) and Orléans (watering green spaces) wastewater treatment sites.

In total, by 2022, 3.7% of the wastewater treated by the Group had been reused.

##### ⇒ Protecting and preserving the quality of existing water resources

In addition to the solutions it offers its customers for better water resource management, the Group is also involved in partnership initiatives with local authorities, manufacturers, and farmers to protect the quality of water resources in watersheds.

In France, SUEZ is experimenting with Payments for Environmental Services. The Group lends its support to farmers who make a commitment to a verified improvement in indicators such as the quantities of inputs used or the areas planted with grassland, in order to preserve the quality of the water produced locally. This is notably the case in Western Paris, where SUEZ and the Grand Paris Seine & Oise urban community have joined forces with the Agence de l'Eau Seine Normandie to improve water quality by signing a regional contract



for water and climate. Among other things, that contract includes funding and support for farmers to implement agricultural practices that improve water quality. Based on performance indicators, farmers are encouraged to reduce the use of herbicides and increase the area of their property left to grassland. While the results are not immediate in terms of the quality of the groundwater, these initiatives will help reduce the groundwater's exposure to nitrates and pesticides in the medium term.

Furthermore, the Group regularly monitors the quality of the water sources it uses, and is constantly innovating to contribute to their sustainability. In order to be prepared, insofar as possible, for any type of accident that may arise, the Group has set up an on-call, round-the-clock, remote monitoring and alert system across all its water activities.



## 2.2 | Combating climate change: mitigating greenhouse gas emissions

### 2.2.1 | Description of the challenges

SUEZ's activities are closely linked to the fight against climate change. For the Group, that may involve risks related to the economic impact of certain environmental regulations currently being examined, but it may also take on a more operational dimension due to the physical impacts that could arise, such as those tied to extreme climatic events. On the other hand, climate change also presents the Group with certain opportunities, as its operational solutions can make a very substantial positive contribution to its customers' challenges in that sphere, such as decarbonizing their activities or the location where they are based, energy/climate performance, community resilience and securing industrial processes in the face of the already proven effects of climate change.

There are two types of risk linked to climate change incorporated into the Group's integrated risk management process:

- Risks relating to changes in environmental regulations, particularly those focusing on climate challenges, and their implementation, as well as the potential impact of a carbon tax applied to some of the Group's waste activities or those of some of its suppliers;
- Physical risks of a more operational nature, in particular those linked to service continuity in a global context of accelerating frequency and intensity of extreme meteorological phenomena, such as droughts and floods.

This section focuses primarily on the first type of risk, while the potential impacts of physical risks are examined in more detail in section 2.1.2.2 of this document.

In terms of opportunities, regulatory changes are a powerful driver for the development of circular economy solutions, such as energy and material recovery from waste (recycling and reuse of materials) and wastewater, optimization of the energy efficiency of industrial facilities, or even the implementation of renewable energy supply solutions. The targets set by governments as part of their Nationally Determined Contributions (NDCs) to the Paris Agreement, by municipal authorities, and by industry have put the Group in a position to be able to identify certain business growth opportunities for its low-carbon solutions. In developing countries, greenhouse gas (GHG) emission reduction targets enable the Group to promote the transformation of the municipal and industrial waste management model, from disposal to recovery. Those new treatment processes are clearly in line with the priorities espoused by national governments, and they come with a host of benefits, such as improved health and quality of life in cities.

## 2.2.2 | Policies and action plans

### 2.2.2.1 | Group carbon profile

Assessing our greenhouse gas (GHG) emissions is an essential part of our efforts to reduce our impact on the climate. We calculate our emissions each year in order to manage and keep track of our reduction plans. Those calculations are based on technical data collected from each of the Group's operating sites, using GHG Protocol methodologies.

We calculate all our direct (scope 1), indirect ("location based" and "market based" scope 2 + scope 3) and avoided emissions. For indirect emissions, we calculate a scope 3 taking into account emissions linked to the use of water by consumers (including the heating of domestic hot water), but we focus our action plans and analyses on scope 3 "excluding water heating" because we believe

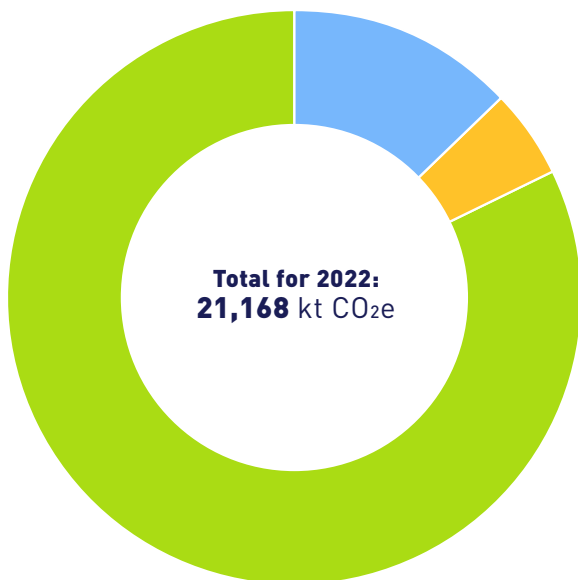
we have a greater impact in that second scenario. Both concepts are presented below, but the detailed analyses focus on the second option.

Similarly, as our reduction targets are explained in terms of a "market-based" scope 2 basis, in that report we outline the concept of the 2 "location-based" and "market-based" methodologies, but we present our detailed results on a "market-based" scope 2 basis.

Most of our greenhouse gas (GHG) emissions come from providing services that are essential to society, i.e. managing and processing the waste material entrusted to us. Through our activities, we also produce green energy, enabling other players to reduce their emissions.

#### GHG emissions broken down by activity with water heating included

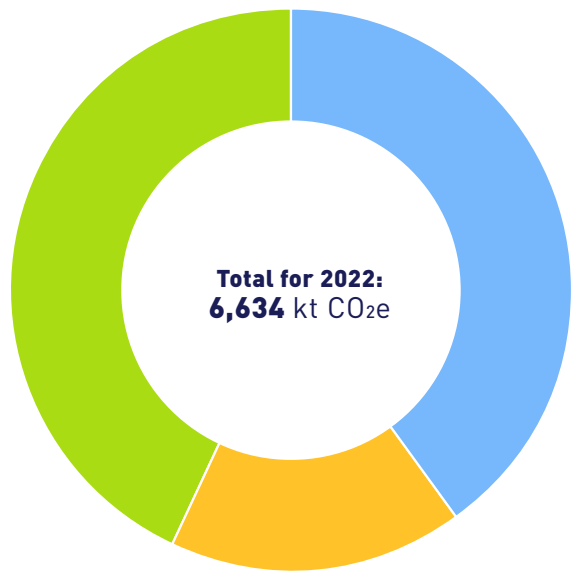
Scope 1 + "Market-based" scope 2 + Scope 3



● Scope 1: **13%**  
● Scope 2: **5%**  
● Scope 3: **82%**

#### GHG emissions broken down by activity with water heating excluded

Scope 1 + "Market-based" scope 2 + Scope 3

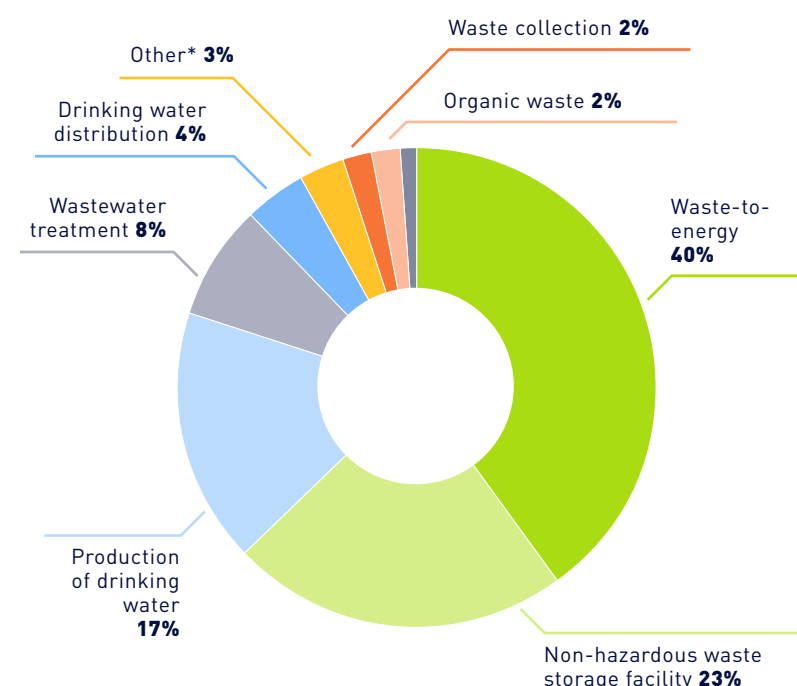


● Scope 1: **40%**  
● Scope 2: **17%**  
● Scope 3: **43%**



Total scope 1 + market-based scope 2 amounts to 3,762,648 metric tons of CO<sub>2</sub> equivalent in 2022. The available information allows us to present a more detailed view broken down by activity:

### Details per activity



\* Industrial process water, transverse, vehicles

### Scopes 1&2 market-based emissions generated by sites operated by SUEZ in 2022 (teqCO<sub>2</sub>)

	Scope 1	Scope 2 market-based	Total Scopes 1&2 market-based
Water	113,739	1,029,049	1,142,788
Waste activity excluding waste-to-energy	1,076,673	22,711	1,099,384
Waste-to-energy	1,482,958	37,518	1,520,476
<b>TOTAL</b>	<b>2,673,370</b>	<b>1,089,278</b>	<b>3,762,648</b>

The Group's emissions in 2022 can be broken down as follows:

- In the water activity (drinking water and wastewater, production and treatment of industrial process water): 1,142,788 metric tons of CO<sub>2</sub> equivalent, i.e. 30% of the Group's total emissions. Most of these emissions are indirect (Scope 2, 90%): they come primarily from the electricity consumption required to operate water treatment plants.
- In the waste activity, excluding waste-to-energy: 1,099,384 metric tons of CO<sub>2</sub> equivalent, i.e. 29% of the Group's total emissions (scope 1 and 2). Most of these are direct emissions (Scope 1, 98%) arising from the release of methane emissions from landfill sites and emissions from waste collection vehicles.
- In the waste-to-energy activity: 1,520,476 metric tons of CO<sub>2</sub> equivalent, i.e. 40% of the Group's total emissions (scope 1 and 2). These are mainly direct emissions (Scope 1, 98%) arising from GHG emissions (primarily CO<sub>2</sub>, but also some N<sub>2</sub>O) from waste combustion, which includes a proportion of fossil carbon.
- Calculating scope 2 according to the GHG Protocol's "market-based" methodology enables us to reduce the CO<sub>2</sub> equivalent by 207,756 metric tons by purchasing renewable energies, compared with scope 2 calculated on a "location-based" basis.

For scope 3, the Group has calculated the detailed scope 3 for each BU according to the GHG Protocol methodology:

Type	Number	Emitting station	Result for 2022 (tCO <sub>2</sub> eq)
Upstream	3-1	Purchased products and services	1,261,425
	3-2	Fixed assets	6,748
	3-3	Fuel and energy-related emissions (not included in scope 1 or scope 2)	502,829
	3-4	Upstream transportation of goods and distribution	158,732
	3-5	Waste generated	839,414
	3-6	Business travel	2,718
	3-7	Commuting to and from work	34,308
	3-8	Upstream leasing assets	NA
Downstream	3-9	Downstream transportation of goods and distribution	53,166
	3-10	Processing of products sold	NA
	3-11	Use of products sold	7,028
	3-12	End-of-life of products sold	NA
	3-13	Downstream leasing assets	NA
	3-14	Franchising	NA
	3-15	Investments	5,009
<b>TOTAL</b>			<b>2,871,377</b>

Since purchasing is a key item for SUEZ in the optimization of scope 3, that category has been revised this year with moderate insurance. In its new roadmap, SUEZ has made a strong commitment to optimizing its scope 3: the coverage by action plans of more than 50% of its scope 3 emissions by 2030. This objective will be a priority for the Group over the coming months.

#### Emissions avoided by SUEZ customers in 2022

teqCO<sub>2</sub>



30,963

Water



3,346,202

Waste excluding energy recovery



663,322

Waste-to-energy

**TOTAL**

**4,040,487**

The emissions avoided by SUEZ customers are linked to "the use of goods and services produced by the Group", within the meaning of the reporting requirements of Article L225-102-1 of the French Commercial Code, and relate to the material recovery and waste-to-energy activities.

The sources of the avoided emissions are essentially linked to the implementation of circular economy solutions offered by the Group to its municipal and industrial customers, namely:

- Material recovery, by means of:
  - collection, sorting, and recycling,
  - composting,
  - recovery of residual waste from the incineration of non-hazardous waste,
  - production of Solid Recovered Fuels (SRF);
- Energy recovery, by means of:
  - incineration of municipal or industrial waste,
  - energy recovery from biogas recovered at landfill sites,
  - energy recovery from biogas produced from wastewater.

In 2022, the emissions avoided by the Group's customers can be broken down as follows:

- In the water and sanitation activity: 30,963 metric tons of CO<sub>2</sub> equivalent, i.e. 1% of the Group's total avoided emissions. Those avoided emissions correspond to reductions in scope 2 emissions for the Group's customers through the use of energy produced from the digestion of sludge from wastewater treatment plants (biogas transformed into biomethane or natural gas), compared with a reference scenario in which the energy used by customers would be more carbon-intensive;
- In the waste activity, excluding waste-to-energy: 3,346,202 metric tons of CO<sub>2</sub> equivalent, i.e. 83% of the Group's total avoided emissions. Avoided emissions refers to the emission reductions for the Group's customers, such as customer scope 1 (via the use of Solid Recovered Fuels), customer scope 2 (via the use of energy from biogas produced from waste or wastewater), or customer scope 3 (via the use of secondary raw materials);

- In the waste-to-energy activity: 663,322 metric tons of CO<sub>2</sub> equivalent, i.e. 16% of the Group's total avoided emissions. Avoided emissions refers to the emission reductions for the Group's customers, such as customer scope 2 (via the use of electrical or thermal energy from waste combustion in waste-to-energy plants) or customer scope 3 (via the use of secondary raw materials from the reclamation of bottom ash and recycled metals from waste-to-energy plants).

We operate in an industry that emits greenhouse gases, in particular the waste management sector, which currently accounts for 53% of our revenue (as of 2022) and 70% of our carbon footprint ("market based" scope 1 and 2). By 2027, the waste activity will account for 55% of our revenue. The challenge of reducing GHG emissions from those activities, which recover the carbon footprint of upstream value chains, will be key in the coming years. That sector also presents a unique opportunity to accelerate the energy transition, as waste recovery offers a local and renewable source of energy, and as such contributes to avoiding emissions linked to fossil fuels.

To date, there is no sector-based approach dedicated to waste activities. Yet the sector is unique in that it is located at the end of the global production chain, and therefore handles the GHG emissions of all the upstream players producing the waste.

In light of that specific characteristic, we advocate developing a sector-based strategy for waste management and processing activities, which would enable us to propose GHG emission reduction targets in line with both the overall objective of limiting global warming to 1.5°C and the specific nature of that sector, which inherits the carbon footprint of upstream value chains.

We will also continue to take action to reduce greenhouse gas emissions from our activities, with a specific investment plan for carbon capture and storage.

Our roadmap provides concrete actions for these three levers, namely GHG reduction, energy consumption and renewable energy production.

## 2.2.2.2 | Climate Strategy

Our climate commitments seek to accelerate SUEZ's contribution to carbon neutrality for the communities in which the Group operates. They are structured around three main themes:

### ⇒ Decarbonizing energy

Accelerating the development of renewables is key to achieving carbon neutrality in 2050. For communities, it also represents a major challenge to sovereignty. In this regard, waste-to-energy solutions can play a key role because they enable the production of local, renewable, or recovered energy.

With this new roadmap, we are making three commitments to help decarbonize energy:

- Make our own energy consumption greener by increasing the share of green electricity to 70% of the Group's total electricity consumption by 2030. This share will be raised to 100% for electricity consumption in Europe.

Results 2022	Total electricity consumption (GWh)	Renewable electricity consumption (GWh)	Share of electricity consumption from renewable sources (%)
Water	3,344	421	13%
Waste	654	183	28%
<b>TOTAL</b>	<b>3,999</b>	<b>605</b>	<b>15%</b>

To reach that goal, we will draw on both our own power generation capacities and new renewable energy supply contracts.

We will activate this lever, starting from 2023, and the development of renewables will be a priority for SUEZ. In particular, we will contribute to that commitment through renewable energy projects with the greatest possible impact, including long-term power purchase agreement (PPA) supply contracts. This type of project is complex and can take time. We will start to see tangible results before 2027, but realistically, we can only reach our target of 70% in 2030.

- Achieve self-sufficiency in electricity for our activities in Europe: the water and waste activities are not only consumers, but also producers of energy, thanks in particular to waste recovery. We will mobilize the potential of waste more strongly in the service of the energy transition, so as to produce more electricity than we consume by 2023 in Europe, and to maintain that self-sufficiency over the duration of the plan.

Europe total	2022
Electricity production (GWh)	1,692
Electricity consumption (GWh)	2,036
<b>TOTAL</b>	<b>83%</b>

- Contribute to the low-carbon energy transition at the local level: by enabling local communities to benefit from local renewable energy instead of fossil fuels, and by reducing GHG emissions linked to our own energy consumption, we enable them to accelerate their low-carbon energy transition.

Group total	2022
GHG emissions avoided by energy production	751,753
GHG emissions from energy consumption (scope 1 + market-based scope 2) <sup>4</sup>	1,358,702
<b>TOTAL</b>	<b>55%</b>

<sup>4</sup> These emissions only relate to energy consumption, and as such are part of our total scope 1 + "Market-based" scope 2 emissions.

### ⇒ Reduce GHG emissions from our activities.

Reducing the GHG emissions of economic stakeholders across the board is key to restricting global warming to below 2°C. At the European level, the EU Green Deal calls for Member States to attain carbon neutral status by 2050. To contribute to carbon neutrality, we have made a commitment to:

- **Reduce emissions from our water activity by 39% by 2030**, by improving the operational efficiency of treatment processes, optimizing the energy consumption of pumping systems, increasing the production of renewable energy from sewage sludge, or reinforcing our renewable energy supply contracts (wind, solar).
- **Reduce emissions from our waste activity by 26% by 2030** (excluding incineration), in particular by leveraging the biogas production potential of our landfill sites, covering our landfill sites, switching to a more sustainable fleet of vehicles for waste collection, and improving the energy efficiency of our processing sites.

- **Improve the environmental performance of our incineration activities through innovation: the Group will invest a further €40 million in its R&D program dedicated to carbon capture and sequestration.** Reducing GHG emissions remains a top priority, but as we all know, it will not be enough to achieve the carbon neutrality targets established in the Paris Agreement. In this respect, together, we must continue and scale up our efforts as well as deploying carbon sequestration solutions with immediate effect. The IPCC estimates that achieving that objective will require, in addition to emission reduction targets, the sequestration of 2 billion metric tons of CO<sub>2</sub> per year by 2030, rising to 10 billion metric tons annually by 2050<sup>5</sup>.

### ⇒ Ensuring the resilience of essential services by adapting the most vulnerable sites to the consequences of climate change (see section 2.1.2.2)



<sup>5</sup> Source: McKinsey Sustainability "Innovating to net zero: an executive's guide to climate technology", October 2021

## 2.3 | Protecting biodiversity and ecosystems

### 2.3.1 | Description of the challenges

The planet is experiencing an unprecedented decline in biodiversity:

- 1 million species are threatened with extinction in the coming years<sup>6</sup>
- A total of 75% of the land surface has been significantly altered; more than 85% of wetlands have disappeared<sup>7</sup>

Climate change and biodiversity are two interdependent issues:

- climate change is accelerating the decline in biodiversity. *Example: ocean acidification represents a major risk for coral reefs and certain types of plankton.*
- the decline in biodiversity worsens the impact of climate change. *For example, the destruction of forests undermines their role as carbon sinks. Reducing deforestation can help reduce GHG emissions from human activities by between 0.4 and 5.8 billion metric tons of CO<sub>2</sub> equivalent emissions annually.*

Biodiversity loss has a negative impact on economic activities and food security<sup>8</sup>, as well as public health. According to the World Economic Forum, half of GDP is "moderately" or even "highly" dependent on nature.<sup>9</sup>

COP15: Biodiversity emphasized the need to collectively equip ourselves with more resources in an effort to halt the loss of biodiversity, which has seen an unprecedented and accelerated decline. The pivotal role played by biodiversity in climate regulation, as well as its economic role through the ecosystem services it provides, have made it a top-tier issue for States, which committed at COP15 to protecting 30% of the world's land and oceans by 2030. This is one of the 23 targets that over 195 countries have adopted for 2030.

The difficulty of establishing indicators to measure the impact of an activity on biodiversity has long been and remains an obstacle to the large-scale implementation of protective measures. However, the current increase in awareness is accelerating the development of new tools and methodologies to support economic players in their strategies in this area<sup>10</sup>.

As a company operating in the environmental sector - water and waste - where access to essential services and the circular economy are at stake, SUEZ's value chain is intimately linked to the services provided by nature. For example, drinking water production depends on the quality and quantity of water resources, and sanitation processes are linked to the genetic diversity of bacterial pools. This is why the company's contribution to preserving and restoring biodiversity has been integrated into SUEZ's purpose.

However, biodiversity remains a vulnerable component impacted by the Group's activities, whether in terms of residual pollution or land artificialization. SUEZ strives to avoid such impacts on biodiversity in the first place. Then, if that proves impossible, the Group seeks to minimize and compensate for its impacts on biodiversity, in accordance with the applicable regulations.

As the Group has no activities directly related to the use of animal resources, its business does not require any special measures to ensure animal welfare other than those described above.

<sup>6</sup> IPBES, <https://zenodo.org/record/5906976#.Y61Uo3bMI2w>, p11

<sup>7</sup> Ibid, p14

<sup>8</sup> <https://news.un.org/fr/story/2019/02/1036881>

<sup>9</sup> World Economic Forum 2020 <https://www.weforum.org/press/2020/01/half-of-world-s-gdp-moderately-or-highly-dependent-on-nature-says-new-report>

<sup>10</sup> SBTN methodology, AgroParisTech's CARE tool, CDC's Global Biodiversity Score.



## 2.3.2 | Policies and action plans

### Key performance indicators

2022 result

**62.50%** **Percentage of priority sites with a biodiversity action plan implemented**

By their nature, our water and waste activities contribute to preserving the natural environment:

- by treating water and waste, we are fighting against the pollution of water and soil resources (2.76 million m<sup>3</sup> of wastewater treated in 2022);
- we contribute to the preservation of water resources through solutions such as the reuse of wastewater (102 million m<sup>3</sup> reused in 2022) and the fight against leakage;
- we reduce the exhaustion of natural resources by creating secondary raw materials from waste (2.2 million metric tons of secondary raw materials recovered in 2022)
- we reduce soil depletion by creating new soil additives for agriculture (460,000 metric tons of standardized compost produced by 2022)

However, we must step up our efforts. This is what the second pillar of our roadmap deals with. To reduce the impact of our activities, we are making commitments to address the five pressures responsible for the decline of biodiversity as identified by the IPBES, the biodiversity equivalent of the IPCC for climate:

- Changes in land and sea use (including land artificialization): we are working to accelerate land restoration on and around sites. We are committed to doubling the amount of restored land we operate on an annual basis.
- Overexploitation of resources and direct exploitation of certain organisms: by 2027, we will be proposing a water-savings program in all our new drinking water contracts, covering up to 10% of the volumes of water delivered. We are also targeting 100% of drinking water activity in water-stressed regions covered by a water savings plan. In terms of waste management, we will improve the efficiency of sorting at our sites (precise indicator to be confirmed in 2023 as part of our

Sustainable Development Roadmap).

- Climate change: *see section 2.2*
- Pollution: by 2027, we will have ceased to use phytosanitary products on all green spaces at sites we own or operate; we will offer solutions for the elimination of microplastics and micropollutants in all our new wastewater treatment contracts.<sup>11,12</sup>
- Introduction of invasive exotic species: by 2027, we will use local species in all land restoration and landscaping operations.

Avoidance, reduction, and ecological compensation measures have been incorporated into the Group's environmental management and risk prevention systems.

In France, SUEZ has reaffirmed its commitment to the National Strategy for Biodiversity by joining the "Entreprises Engagées pour la Nature - Act4nature France" scheme, run by the French Office for Biodiversity (OFB). The action plan submitted by SUEZ in France was deemed acceptable by the OFB. As such, SUEZ is officially "committed to nature" and is a legitimate partner when it comes to supporting local authorities that are committed to the "territoire engagé pour la nature" (region committed to nature) initiative.

For example, as part of this commitment, SUEZ RV France includes a biodiversity component in all of its responses to calls for tenders for infrastructure projects (sorting centers, energy recovery units, etc.). This biodiversity component is adapted to the context and potential of the site in question and aims to implement actions designed to reduce the impact of its activities and enhance the existing potential. It consists of an ecological diagnostic of the facility, an assessment of the challenges at the site, and recommendations for implementation. That is followed up with the drafting and implementation of an action plan. For better support from local stakeholders, SUEZ is always looking for ways to work with local organizations, in particular nature protection associations/ NGOs. In 2022, 100% of infrastructure tenders won included a biodiversity component. The Group is in the process of extending that best practice so that, by 2023, we will offer a biodiversity preservation package whenever the site is located in a priority zone and the call for tenders authorizes such an initiative.

In 2022, 62.5% of the Group's priority sites were covered by a biodiversity action plan. The SUEZ Group has made a commitment to implement biodiversity action plans at 100% of its priority sites worldwide by 2027.

<sup>11</sup> When the call for tenders authorizes variants

<sup>12</sup> For plants with a treatment capacity of over 200,000 population equivalent

To help the Business Units (BUs) better take into account biodiversity challenges, a technical guide for operational staff has been produced, comprising 21 practical sheets covering the following topics: ecological and differentiated right-of-way management, ecological development and restoration, pressure and pollution management, monitoring and awareness-raising. More specifically, SUEZ in France has produced a communication/awareness-raising kit for employees and stakeholders, including a brochure, a standard press release, a quiz, posters, etc. The kit is available in French and English. Moreover, in 2023, SUEZ will launch a project to provide the Group with a SUEZ frame of reference for the ecological management of sites and worksites. That work will be collaborative and will benefit

from the expertise of our in-house biodiversity project managers. The aim is for it to be applicable everywhere, in any geographic setting, and for it to become the new in-house standard for managing the ecological aspect of our operations.

SUEZ is speeding up the implementation of solutions that significantly improve the ecological quality of the environment, both within its own scope of activity and that of its customers. The Group offers operations to restore soil functions, ecological rehabilitation and land restoration initiatives that can be part of the Nature-based Solutions concept, and environmental monitoring services. Such solutions are not only helpful in promoting biodiversity, but also in adapting to climate change.





## 2.4 | Social and societal contribution

### 2.4.1 | Description of the challenges

The consequences of climate change and the destruction of ecosystems considerably impact populations, primarily affecting the most vulnerable. The International Labor Organization estimates that global warming will cause the loss of 80 million jobs. Moreover, the ecological transition requires transformations that call for collective commitment. Together with our partners and customers, we are committed to reconciling human and economic development as well as increasing the positive impact of our businesses.

As a global environmental services company, SUEZ develops and distributes technological and social solutions for regional development. To be both acceptable and effective, such solutions need to take into account the specific characteristics of the areas they affect, as well as the interests of stakeholders. In-house and external surveys, such as the Pulse in-house engagement survey, show that a sense of social and environmental responsibility is a key factor for attracting and retaining talented people, as well as for satisfying the expectations of public and industrial customers. In that regard, 71% of SUEZ employees responding to the latest Pulse in-house survey in January 2023 gave a positive assessment of the company's engagement with social and environmental issues. Amid a context of demographic, environmental, and digital transition, characterized by social tensions all over the world, SUEZ considers the company's societal contribution to be a priority challenge, particularly when it comes to managing public opinion and reputational risks.



As such, SUEZ intends to:

- reflect society at large and promote equality, diversity, dialogue, and cooperation;
- pave the way for our employees to get involved in the environmental transition (*see section 2.7*);
- invent solutions for all regions and its inhabitants, in line with the United Nations' Sustainable Development Goals;
- share the value it creates with local players, in particular through its purchasing policy, its fight against tax evasion, and its corporate philanthropy efforts;
- exert a positive influence.

## 2.4.2 | Policies and action plans

### Key performance indicators

2022 result

**33.8%** of managerial positions held by women

**92.9%** of employees covered by a social dialogue system

### 2.4.2.1 | Promoting equality, diversity and inclusion, dialogue and cooperation

SUEZ is committed to achieving a gender equality index of over 85 for the Group as a whole by 2027. We also factor equal opportunities into senior executives' long-term variable compensation packages.

The action plan for professional equality is based on various mechanisms, such as recruitment, reducing the pay gap, internal promotion of women, the working environment, and corporate culture. That action plan comes with specific objectives, such as:

- Increase the proportion of women recruited to ensure a more balanced representation of the sexes within our various lines of work;
- Reduce pay gaps where they exist;
- Create an inclusive work environment conducive to equitable treatment;
- Promote development programs and accelerate the promotion of women to key positions;
- Develop coaching and mentoring programs to open up additional career opportunities;
- Implement actions to promote an inclusive culture that is conducive to professional equality, with the aim of changing attitudes and removing any remaining barriers;
- Develop gender diversity networks within SUEZ.

The proportion of women recruited to executive positions was 37.2% in 2022. In 2022, women made up 23.8% of the workforce and 33.8% of managerial positions. Our Diversity and Inclusion policy promotes professional equality and fosters initiatives centered on:

- improving working conditions to pave the way for women to work in operational positions (Personal protection equipment designed for women, installation of changing rooms, etc.);
- the fight against sexism and sexual harassment, with the introduction of a whistle-blowing procedure (protection of victims with the creation of a helpline and psychological support, awareness-raising for managers, designation of a contact person in each BU, zero tolerance on sexism);
- development of support for parenthood (neutralization of maternity leave in salary policy, promotion of paternity and parental leave without gender discrimination, payment of paternity leave under the same conditions as maternity leave);
- promotion of retraining and career development in lines of work where the gender is under-represented.

SUEZ promotes diversity and inclusion in all its forms and actively fights against all types of discrimination, such as those linked to origins, gender, disability, sexual orientation, or religion. The Group has an ambitious policy of integrating people with disabilities into its workforce. In 2022, the Group's workforce included 960 people with disabilities. The network of Inclusion and Diversity ambassadors set up in 2020 is primarily made up of operational staff from each of the Group's regions and BUs. Their main role as ambassadors is to disseminate SUEZ's values and share all global and local best practices.

SUEZ is committed to promoting and stimulating social dialogue, as well as the establishment of collective agreements. In 2022, 92.9% of the Group's employees were covered, either directly within their legal entity or at a more general level, by a system of social dialogue. 2022 was a year marked by the reconfiguration of the SUEZ Group following the takeover bid. Against that backdrop,

SUEZ is committed to re-establishing social dialogue at the Group level in France and at the European level:

- reiteration of existing Group agreements with employee representatives;
- set-up of an Observatory bringing together the trade unions representing employees within the Group to share the main stages in the social dialogue and in the reconfiguration of the Group following the takeover bid;
- renegotiation of a European agreement to set up a European Works Council, in order to adapt the body and its operation to the new shape of the Group. That agreement was reached unanimously, enabling the European committee to be set up and to meet by late 2022.

SUEZ nurtures a culture of cooperation and is committed to fostering new ways of working collaboratively by increasing the coverage rate of tools such as Microsoft Teams, Yammer, OneDrive, and Sharepoint. The goal of this is to enable its employees to forge networks of relationships within the Group based on communities of

interest and the sharing of best practices. For example, BlueSpace is a platform that enables the sharing and promotion of innovations within the Group. With its customers, the Group promotes contractual models and the principles of shared management (industrial framework agreements, semi-public companies, joint ventures), guaranteeing efficiency and high performance for industrial customers and local authorities. SUEZ is also committed to developing its partnerships with entrepreneurs, associations, and players in the world of research, in a spirit of open innovation.

In order to define its Sustainable Development priorities, and with the aim of preventing or dealing with controversies linked to its activities, SUEZ adheres to a proactive policy of dialogue and regularly consults experts and stakeholders to collectively address dilemmas as and when they arise. In the field, SUEZ proposes mechanisms of dialogue adapted to the contexts and stakeholders of its projects. The Sustainable Development Department is in charge of coordinating that dialogue: it monitors social issues, raises awareness among managers, and gets internal stakeholders involved in the challenges to be addressed.

#### **2.4.2.2 | Creating the conditions for getting our employees committed to the environmental transition**

The Group has supported an initiative called The Climate Fresk, and an Environment Fresk has been set up along similar lines, designed to raise awareness among all Group employees through a network of ambassadors. The Fresk initiative aims to provide an interactive and enjoyable way to build on the skills and awareness of all SUEZ employees with regard to Sustainable Development, and to get them engaged on the issue in their day-to-day lives, helping them to realize the impact and contribution of their actions in their professional and personal lives. To date, 2,250 employees have tried it out, and 123 have signed up to become facilitators and continue to spread the word throughout the Group. A "citizen's passport", consisting of five e-learning modules, enables participants to deepen their knowledge of the challenges involved in the Fresk, SUEZ solutions, best practices at sites, and eco-gestures at an individual level. All SUEZ employees are

offered the chance to embark on the path to a "citizen's passport" as soon as they join the company.

SUEZ has also launched eco-responsible challenges for some of the Group's employees. The aim is to encourage people to get involved in the effort by leading initiatives that contribute to improving our daily habits, and even to setting up virtuous systems centered on topics, such as:

- Ways of using buildings and equipment
- Developing green spaces and biodiversity
- Waste management
- Sustainable food
- Environmentally friendly mobility options

The first of those challenges was organized in 2022 in Asia, highlighting some 30 initiatives such as a 'Clear Your Plate' food waste awareness campaign, which helped reduce food waste among the employees.

### 2.4.2.3 | Optimizing the Group's socio-economic footprint

Group policy respects and promotes compliance with local tax laws and regulations applicable in each of the countries where the Group operates, as well as compliance with international tax rules and standards. More specifically, in compliance with French regulations (Art 223-5.c of the French Tax Code), SUEZ provides the French tax authorities with an annual "country by country" report based on the relevant OECD recommendations.

With more than 38,000 suppliers, SUEZ has a responsible purchasing policy that associates its subcontractors and suppliers, with its Sustainable Development standards. SUEZ contributes to the progress of the industry as a whole, and encourages the emergence of eco-industries. SUEZ is committed to acting fairly, transparently, and impartially towards its suppliers, in accordance with the applicable regulations and the rules and guidelines set out in its Ethics Charter, its Human Rights policy, and its Vigilance Plan, which is currently being drawn up. Approved by the Group's Management Committee and disseminated to all of its subsidiaries, the goals of the Group's Purchasing policy are the following:

- Innovate in partnership with suppliers and facilitate their integration into new services and the circular economy;
- Hone our competitiveness by optimizing resources and implementing mutually beneficial relationships and partnerships with suppliers;
- Contribute to regional development by supporting SMEs and promoting diversity among suppliers in the arenas of the social and solidarity economy, economic integration, and disability (an adapted and protected sector in France).

Ethical and Sustainable Development clauses are stipulated in SUEZ's General Purchasing Conditions (GPCs) and standard contracts. In 2022, 47.2% of supplier contracts included a CSR clause in France and at the Group's head office.

In France, the role of the Social Innovation Department is to "bring employment and the circular economy



together" in the regions where SUEZ operates, by supporting the subsidiaries and meeting their needs as closely as possible (inclusion clauses in contracts, employees' commitment to solidarity, etc.), and by developing collaboration with local players. That department coordinates various integration programs and mechanisms, such as Rebond Insertion: a wholly owned subsidiary of R&R France that helps reintegrate people into the workforce. It was created in 2003.

In its Sustainable Development Roadmap 2023-2027, SUEZ makes a commitment to contribute to a responsible economy by providing employment and local development in the regions where it operates:

- by increasing the share of local businesses among our suppliers,
- by increasing the proportion of spending on organizations that promote inclusion, e.g. for the employment of vulnerable people. In 2023, we aim to have 5,000 people benefiting annually from our programs supporting reintegration into the workforce (up from 2,300 in 2021).



#### 2.4.2.4 | Developing appropriate solutions for all regions and their inhabitants

SUEZ implements tailor-made solutions that can be adapted to the specific characteristics of each region, the size of each town, the constraints of each farmer, and the location of each industrial company.

To meet the challenge of access to water in certain regions of the world or in specific contexts, SUEZ is developing decentralized water treatment and sanitation plants in more than 42 countries, including Ivory Coast, Benin, Ghana, the Philippines, Malaysia, and in the Caribbean and Pacific islands. Officially committed to the implementation of the right to water and sanitation since that right was recognized by the UN in 2010, SUEZ intends to contribute to the achievement of Sustainable Development Goal 6 by:

- Developing sustainable access to essential services as part of its contracts;
- Dedicating nearly €3 million in 2022 for the SUEZ Foundation, which has supported 21 projects, including five dedicated to access to essential services in countries where needs are greatest;
- Sharing know-how to accelerate access to services by supporting training programs and making our expertise available as part of the AgroParisTech-SUEZ "Water for All" Chair.

The expertise developed by the Group enables it to meet the challenges of access to essential services, in countries in both Northern and Southern countries.

- In northern countries, SUEZ helps its customers set out and implement social policies in relation to water aimed at guaranteeing access to service for people experiencing economic difficulties. Whether that means implementing a mediation and social support program, introducing special water rates, or putting subsidy mechanisms in place, all these measures are defined in consultation with local parties, with the aim of responding as effectively as possible to the specific challenges of the area.
- In response to the major challenges of access to services faced by residents of cities in Southern countries, the Group makes available to its customers the expertise and experience it has acquired in improving and extending services in underprivileged, unconnected neighborhoods. Deployed in India, as well as in Senegal since January 1, 2020, the Group's expertise in this field combines knowledge of the water activity and expertise in social engineering practices to ensure a good understanding of the local context,

community involvement throughout the project, and the implementation of technical and commercial solutions adapted to the context.

In India, over 160 million people do not have safe access to drinking water, and the majority of urban wastewater and industrial effluents are untreated. Having had a presence in India for over 30 years, SUEZ supplies over 40 million people with water and nearly 5 million with sanitation services. 15 million people have benefited from SUEZ's expertise in improving the efficiency of wastewater networks and drinking water distribution (between 2019 and 2022, more than 2,500 km of water network was replaced, 20,000 leaks were fixed, and 2,000 km of sewers were cleaned). The Group has designed and built 250 drinking water and wastewater treatment plants, and will be operating 25 plants by 2022, seven of which recycle over 90% of the treated water for agricultural or industrial use. SUEZ provides drinking water and wastewater services for major metropolises such as New Delhi, Mumbai, Bengaluru, and Kolkata, and other major cities such as Lucknow, Mangalore, Davanagere, Coimbatore, and Udupi. In Mumbai, for the last 15 years SUEZ has been designing, building, and operating a wastewater treatment plant with a total capacity of 500,000 m<sup>3</sup>/day, using membrane bioreactors and tertiary treatment to recycle 50% of effluent and reduce the pollution flowing into the Arabian Sea. The plant will be 60% self-sufficient in energy, very compact with minimal artificialization of the environment, and ecological compensation through the planting of over 10,000 trees.

SUEZ is extending its "Services for All" expertise to waste treatment and recovery activities by developing know-how based on the creation of partnerships with waste collectors working informally on landfill sites in emerging and developing countries. To enable them to retain the income generated by their activities while improving their living and working conditions, SUEZ offers its municipal customers a solution based on the creation of a formal recycling cooperative. Delivered through a comprehensive program combining social mediation, training (accounting, legal, technical etc.), equipment supply, and administrative support, such a set-up has been in place in Meknes, Morocco since 2014. There, a cooperative of 277 sorters is in operation and forms an integral part of the SUEZ Advanced Solutions waste recovery service.

In general, SUEZ strives to take into account the UN's Sustainable Development Goals (SDGs) in its investment strategies, in order to bring its expertise to bear locally

while taking into account the economic, legal, and technical realities. SUEZ intends to play a leading role in achieving the UN's 2030 Sustainable Development Goals (SDG), in particular the one relating to water and sanitation (SDG 6), as well as those relating to climate (SDGs 7 and 13) and sustainable production and consumption (SDG 12). By transforming its activities, SUEZ aims to strengthen its presence in areas of growing need (SDGs 11 and 15).

To help its managers set out their priorities in terms of dialogue and actions to optimize its societal contribution in the regions where it operates, SUEZ has developed a specific methodology, tools, and dedicated training courses. SUEZ employs that methodology for all its critical projects. In line with SDG 17, the Group encourages the use of innovative partnerships that enable local players to work together to find solutions to the issues and problems they face.

#### 2.4.2.5 | Strengthening our impact through sponsorship

SUEZ intends to combine its expertise and the energy of its employees with that of civil society. That commitment to solidarity stems from a strong desire on the part of the Group's employees, as evidenced in feedback from in-house surveys.

In 1994, the Aquassistance association was founded by a group of SUEZ employees: it is a network of 800 members that makes the skills of its volunteers and equipment available to support projects around the world. Aquassistance provides assistance to vulnerable populations in the areas of water, sanitation, and waste, both in development aid projects and in emergency and post-emergency situations.

SUEZ focuses its philanthropic efforts on the areas and populations that need them most, making sure to set them clearly apart from its contribution to its commercial activities. Within the framework of its public service delegation contracts, SUEZ promotes and implements contractual solidarity mechanisms and decentralized cooperation initiatives, where that is provided for in regulations and contract specifications. In terms of corporate philanthropy, the Group has three foundations and two associations in Europe and Asia, to which SUEZ devotes a total budget of over €3 million annually.

The Board of Directors of the SUEZ Foundation is chaired by Sabrina Soussan, CEO of SUEZ and Chair of SUEZ International, and comprises 10 directors, including a representative of the Group's employees and three individuals qualified in its scopes of intervention. In the arena of access to essential services, the Foundation takes action by supporting partner associations, including Aquassistance, an NGO for SUEZ employees and retirees, by stimulating innovation with the "SUEZ - Institut de France Prize", and by training water and wastewater service operators in developing countries through the AgroParisTech-SUEZ "General Management of Urban Water and Wastewater

Services" Chair. Since its creation in 2009, the Chair has trained over 400 managers from four continents. The Foundation also plays an active role in France on the subject of inclusion, supporting employment and training for people who have fallen out of the workforce, and social cohesion through education, culture, and sport for young people in priority urban districts and fragile rural areas.

In March 2022, the SUEZ Foundation set up an emergency fund for Ukraine, to support NGOs and associations helping people affected by the war in Ukraine, as well as those in host countries (Poland, Romania).

The Foundation has continued to promote inclusion through access to essential services in emerging countries:

- In Senegal, the SUEZ Foundation supports an NGO called Gret in a program to improve living conditions and the environment in rural areas around Tambacouda, by improving access to sanitation, water, and menstrual hygiene.
- The SUEZ Foundation is continuing its partnership with Eau & Vie, which is implementing a program to provide access to domestic water in people's homes in the informal settlements of Cavite, near Manila. The program also includes a volunteer fire department and a community garden.

In France, the Foundation promotes inclusion through professional integration and education. In 2022, it supported an organization called Ikambere in its program for the professional integration of vulnerable and refugee women living with chronic illnesses (diabetes, obesity, hypertension) through comprehensive care that promotes self-sufficiency. It also supports an organization called Solidarité Alimentaire France in the development of back-to-work schemes and the recycling of unsold produce at the Marchés d'Intérêt National. The SUEZ Foundation also supports Chemins d'Avenir, an organization that



provides mentoring for young people living in isolated areas of France, in rural areas or small towns. It supports MakeSense in its action-research project to get young people in impoverished neighborhoods engaged in climate and environmental issues.

Working within the framework of the UN's Sustainable Development Goals, the Foundation works with its partners to ensure that the right conditions are in place to sustainably improve the living conditions of the populations concerned by its projects, and that the results are long-lasting.

#### 2.4.2.6 | Sharing our expertise and exerting a positive influence

The Group implements a strategy of positive influence with institutions on subjects related to its activities, builds strategic alliances with other players to support the environmental transition, and is at the root of platforms for discussion and the sharing of ideas and standards. SUEZ keeps up a regular dialogue with public institutions at the local, national, European, and international levels (European Parliament, Commission, Council (via the permanent representations of the Member States)). The Group communicates regularly with French, European, and international institutions through position papers, direct contact, and by participating in events organized by professional organizations. The main topics covered include issues of general interest, such as the fight against climate change, the efficient management of natural resources, sustainable production and consumption, and adapting to the challenges of the energy crisis. They also relate to subjects more directly linked to the Group's day-to-day activities, such as public procurement management methods, legislation on waste recycling and recovery, and drinking water and wastewater treatment.

In France, in accordance with the Sapin 2 law of December 9, 2016, the Group is listed on the register of the High Authority for the Transparency of Public Life (HATVP). Since 2018, SUEZ has published annual reports on all its interest representation activities with public institutions and the related costs. Part of the costs of those activities are incurred through SUEZ's membership of national associations and federations.

The Group is registered as an interest representative with the European institutions. Each year, the Commission publishes the following information on its website: the Group's areas of interest, its membership of associations linked to the European Union, the amount and sources of funding received from European Union institutions, and the costs incurred in representing the Group's interests to European institutions (staff and travel expenses, membership of professional associations, external service providers).

In 2022, SUEZ was also an influential player in the development of international ISO standards on climate change mitigation and adaptation, the circular economy, and the sustainable and resilient city, the digitization of water services, the preservation of natural resources through quality sanitation, and proper management of by-products. In particular, SUEZ led the drafting of the ISO 19388 standard on guidelines for the operation of anaerobic digestion plants, set for publication in the first half of 2023. As a user, we have also contributed to improving the safety of waste collection equipment at the European level by proposing amendments to the EN 1501 series of standards for refuse collection vehicles.

## 2.5 | Promoting human rights and duty of care

### 2.5.1 | Description of the challenges

Because it manages common goods in sometimes complex economic and political contexts, relying on more than 38,000 suppliers around the world, SUEZ is regularly confronted with situations involving the protection of human rights. As a major company with a worldwide presence, SUEZ is vigilant in its respect for human rights, through its employees and business partners. SUEZ is careful to identify and prevent risks of serious violations

of human rights and fundamental freedoms, as well as risks to the environment, health, and safety. In addition to its vigilance approach, SUEZ intends to promote human rights, in particular professional equality and diversity, and to play a driving role in the effective implementation of the right to water, on behalf of its customers as well as through its corporate sponsorship efforts (see section 2.4.2.5 above).

### 2.5.2 | Policies and action plans

#### Key performance indicators

2022 result

47.2%

% of supplier contracts containing CSR clauses

#### 2.5.2.1 | Promoting human rights

The Group's human rights policy is based on international reference texts, in particular:

- The Universal Declaration of Human Rights and Other Covenants;
- The Conventions of the International Labour Organization (ILO);
- The Charter of Fundamental Rights of the European Union;
- The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Corporations;
- The United Nations Convention against Corruption.

SUEZ employees are asked to consider the impact of their actions and decisions on people, so as to prevent their integrity or dignity from being harmed by a Group entity or one of its employees. All new employees sign the Ethics Charter, a new version of which was drafted and signed by Sabrina Soussan in 2022, and employees explain their contribution to ethical conduct as part of their annual performance review. All SUEZ employees must ensure that they do not discriminate in their words or actions on the grounds of age, gender, ethnic, social or cultural origin, religion, political or trade union opinions, personal lifestyle choices, physical characteristics, or disability.

Based on the United Nations Guiding Principles on Business and Human Rights, SUEZ's approach to human

rights is fully integrated into its compliance and ethics management procedures. An assessment of the negative impacts on human rights that could be caused by the Group's activities has been carried out on a Group-wide basis.

Identified first and foremost by drawing up a global matrix of potential impacts, relating the specific rights concerned to the type of activity, the type of stakeholder affected and the level in the supply chain involved, the impacts assessed cover both those rights linked to respect for working conditions (non-discrimination, promotion of diversity, health and safety, social dialogue), and ILO conventions (forced and illegal labor, child labor, etc.), as well as more specific challenges, such as:

- The right to water and sanitation: SUEZ promotes the right of access to water and sanitation, and has developed specific expertise in implementing those rights in many parts of the world (see section 2.4.2.4). In this context, SUEZ pays particular attention to people in the most vulnerable positions, in particular by applying the OECD principles for water governance;
- Protection of personal data: SUEZ's compliance program with European Regulation 2016/679 on the protection of personal data, which came into force on May 25, 2018 (GDPR), fully meets the Group's commitments to respect

and promote human rights and adopt high standards of protection, particularly with regard to the processing of personal data of employees and end-customers.

An action plan is being implemented to strengthen existing measures for mitigating and preventing the risks of human rights abuses that may arise in connection with the Group's activities and its supply chain. It is based on two pillars:

- Informing employees and training them in the best practices to adopt when faced with the risk of human rights violations. For example, information sheets on the main human rights issues to be observed in certain countries are sent to managers of teams operating in those countries, and awareness-raising and training materials are available for all Group managers;
- Based on a mapping of supplier-specific risks, the Purchasing Department has strengthened its qualification process for suppliers and subcontractors, as well as control and support systems, coordinating relationships and negotiations with the Group's strategic suppliers and ensuring, in particular, that they are committed to respecting the principles of Sustainable Development and Human Rights, as well

as complying with SUEZ's ethical rules. Ethical and Sustainable Development clauses are stipulated in SUEZ's General Purchasing Conditions (GPCs) and standard contracts. In 2022, 47.2% of supplier contracts included a CSR clause in France and at the Group's head office.

The Group's Legal Department and Sustainable Development Department are responsible for jointly leading the "Human Rights Policy" and, in particular:

- Establishing and regularly updating a global map of potential negative impacts and keeping other Group players informed of any new risks or issues related to their activities;
- Monitoring and reporting on the operational implementation of that policy;
- Promoting it inside and outside the Group.

At the operational level, *risks officers* are responsible for the annual review of local impact mapping. It is up to each "owner" of an identified risk to ensure that the policy is properly applied.

### 2.5.2.2 | Vigilance plan

As a player in the environmental sector, the SUEZ Group owns or manages numerous types of water and waste treatment facilities on behalf of third parties. By the very nature of such processing activities, such sites entail risks of damage to natural capital (air, water, soil, natural habitat, and biodiversity) and can also present health risks for consumers, local residents, employees, and subcontractors. Those risks are compounded by the potential physical impacts of climate change.

2022 was a year dedicated to adapting SUEZ's vigilance approach to its new scope, by the new players involved in its governance. In 2023, SUEZ is set to publish its new Vigilance plan covering the activities of all its subsidiaries. That plan aims to identify and prevent the risks of negative impacts on people and the environment resulting from the

Group's activities or those of subcontractors and suppliers when they are related to the Group's activities. It reports on a continuous improvement approach within SUEZ and to its partners.

SUEZ participates in voluntary initiatives and working groups such as the *Global Compact* on Human Rights, and is a member of the Entreprises pour les Droits de l'Homme (EDH) office: those discussions with peer organizations support SUEZ's continuous improvement approach by applying the shared best practices and using the educational tools developed therein.

## 2.6 | Protecting health and safety for all

### 2.6.1 | Description of the challenges

In the course of its activities, the Group handles or even produces hazardous products or by-products. Such is the case for certain facilities that treat specific industrial or hospital waste of a toxic or infectious nature. Some chemicals used in the water treatment process are also considered hazardous substances.

For any industrial site, there are also risks of industrial accidents such as fire or explosion. These can result from design flaws or be caused by external events beyond the

Group's control (actions of third parties, natural disasters, etc.). Road risk, particularly in the context of waste collection, is also a major risk for SUEZ.

In 2022, SUEZ recorded four fatal accidents:

- An accident in India killed two subcontractors as a result of H<sub>2</sub>S poisoning
- An employee died in a road accident in Morocco
- A subcontractor was electrocuted while digging a trench in Mexico

### 2.6.2 | Policies and action plans

#### Key performance indicators

2022 result

**1** Fatal employee accident

**6.43** Workplace accidents Frequency rate

As part of its Sustainable Development Roadmap 2023-2027, SUEZ is aiming for "zero serious or fatal accidents" and is committed to reducing both the frequency and severity of workplace accidents, with the aim of achieving a frequency rate of less than 6.15 and a severity rate of less than 0.45 by 2023.

Our actions are guided by three main priorities:

- Controlling our major risks to preserve health and life;
- Making health and safety a key factor in decision-making;
- Making individual and collective commitments to Health and Safety.

The personal commitment of management at all levels (Group, BUs, regions, entities, etc.) ensures effective implementation of the Group's Health & Safety Policy. Operational managers and operators are supported by a network of approximately 400 Health & Safety professionals.

That policy and the associated action plans are then implemented and monitored by a comprehensive Group system: annual contractualization of qualitative and quantitative objectives with the General Managers of each entity, Health & Safety audits, managerial training and monitoring by the Health & Safety Department through

proactive and reactive performance indicators.

The Group action plan is drawn up by the Health & Safety Department and its steering committee, made up of the H&S Directors of each BU, and then presented to the Board of Directors' CSR Committee. It is then broken down into "Annual Health & Safety Objectives Contracts", comprising both quantitative objectives (frequency rate and severity rate) and qualitative objectives, including the main actions set out in the ZERO serious and fatal accidents roadmap.

Those "Health & Safety Objective Contracts" ensure that objectives are implemented in line with each other. They are drawn up with each subsidiary manager at the start of the year and co-signed by the Group Health & Safety Department. They are supported throughout the year by designated contact persons in the Corporate Health & Safety team, followed by a detailed general review at the end of the year. Their implementation is integrated into the scorecards that have a significant impact on the variable pay of all the Group's top executives.

Lastly, the Health & Safety Department has introduced proactive performance indicators to assess the level of maturity of the subsidiaries' safety culture, and in particular the experience acquired through the analysis

of accidents, "near misses" and, above all, high severity potential events (HIPO). In 2022, over 750 HIPO events were reported and analyzed, and over 30,000 near-misses or dangerous situations were reported by employees, thanks to the climate of trust that has been created.

The main topics in the Group's Health & Safety action plan for 2022 are as follows:

- Leadership in Health & Safety
- Keeping our major safety risks under control:
  - Road hazards in waste collection
  - Trench work
  - Consignment
- Dangerous tools and machines
- Start-up of new facilities
- Working at height
- Chlorine risk
- Confined spaces
- Keeping health risks under control:
  - Mental health and prevention of psychosocial risks
  - Ergonomics
  - Biological and chemical risks
  - Preventing the use of alcohol, drugs, and psychoactive medicines in the workplace
- Training and awareness-raising
- Managing subcontractors

### 2.6.2.1 | Rolling out a fair and inclusive culture, with high-quality dialogue

Implementing the "Fair Culture" policy in all Group activities worldwide based on three pillars: recognizing and sharing best practices, reporting "near accidents" and dangerous situations, and applying customized disciplinary measures when rules and procedures are not followed.

To reinforce that safety culture, the Group organizes an international Health & Safety Week every year. In 2022, the theme of the event was dangerous tools and machines.

Managerial commitment to this objective is shown by regular Health & Safety Managerial Visits (HSMV) to all sites, 15-minute risk prevention meetings, and the follow-up of identified corrective measures. In 2022, more than 3,000 HSMVs were carried out in the field.

Discussions on safety are also organized with our customers, especially those in the industrial sector, who have particularly high expectations when the Group operates on their premises.

Lastly, our Health & Safety requirements and support naturally also apply to subcontractors and temporary workers. Our purchasing procedures provide for their selection, integration, support, and evaluation. Following the mapping of at-risk subcontractors, discussions have taken place and continue to be organized to ensure progress.

### 2.6.2.2 | Keeping major safety risks under control

The prevention of serious and fatal accidents combines compliance with the "Life Saving Rules", monitoring and keeping major risks under control, and learning from all incidents and dangerous situations reported in the field. The "Life Saving Rules" now apply to our employees as well as to our subcontractors on our own sites and on our customers' sites.

In 2022, we launched a major update of our "Life Saving Rules", incorporating 10 years of feedback from the field. A total of 250 people contributed to updating the pictograms, drafting the rules, and establishing key points to share a common understanding of the rules. That initiative will be rolled out again closer to the field in 2023.

On sites with an almost constant presence of moving machinery, which represent a proven and high risk for pedestrians, "Restricted Access Zones" (RAZ) have been identified and measures have been put in place to strictly control access and make such zones safer. We also pay particular attention to traffic plans. Our aim: to keep foot traffic separated from machines and trucks to avoid any risk of collision.

In 2022, we set launched or updated seven standards:

- Road hazards
- Fit for work
- Work on public spaces
- High-risk machines and tools
- Gas risk
- Excavation
- PPE

We also reviewed the format of our Group standards in 2022, to make it easier for entities to assess them and set out their own action plans.

In 2023, we will continue that work and take other risks into account.

For the Group, an integrated safety culture that ensures effective risk management relies on three pillars: human and organizational factors, technical aspects of safety, and safety management systems.

In terms of results, SUEZ's workplace accident frequency rate was 6.43 in 2022, and its severity rate was 0.546.

As such, we have achieved the reduction targets that we set ourselves.

### 2.6.2.3 | Strengthening our health approach

The Group's methodology for managing health risks is similar to that for safety. In 2020, a Health Maturity Matrix was drawn up, providing a consolidated overview of health risks at the Group level. Since 2021, specific actions have been defined for each BU, based on the results of self-assessments in the health maturity grid. In 2022, the main risks addressed were musculoskeletal disorders, biological risks, and risks associated with alcohol and drug use in the workplace.

Furthermore, toll-free hotlines were set up in 2022 for psychological crises, as well as assistance for managers to support employees, particularly in the context of major changes in shareholding.

In addition, one day a month has been set aside at the head office to provide support as closely as possible to employees in distress. The debriefing after each shift gave rise to the idea of a training course to help employees deal with change. That training took place in June 2022 for the staff at the head office.

For international entities, a service provider offers an on-call psychological support service, with the safety and repatriation assistance program contracted with SOS International. The program is aimed at our expatriates and SUEZ Group business travelers.



## 2.7 | Maintaining the skills and commitment of our employees

### 2.7.1 | Description of the challenges

The Group pursues its various lines of work by bringing to bear a wide range of expertise among its technical and managerial staff. To maintain the key skills of the Group's current activities (e.g. sales forces for the industrial sector, major project managers or mega-data experts) and develop those linked to its transformation into new activities, such as smart cities or digital technology, the Group needs to plan ahead for the skills that will be needed for certain lines of work. Continuing to develop our expertise and, more broadly, the employability of employees is a priority for SUEZ. Since the arrival of the new General Management team, SUEZ has taken stock of its expertise and talents, and is taking action to develop skills and retain talent.

The Group's success depends on its ability to identify existing skills, and to recruit, train, and retain a sufficient number of employees, including executives, engineers, technicians, and salespeople with the required skills, expertise, and local knowledge, amid a context where competition for employees with such profiles can be fierce.

Therefore, the Business Line Expert Service was created in conjunction with the HR Development Department in 2022 to define areas of expertise and implement a specific career management approach for SUEZ in-house experts.

As regards employee commitment, as soon as the new General Management team was in place, SUEZ made sure to gauge that commitment by conducting a Pulse survey of all Group employees. That has given us a baseline against which we can regularly gauge employee commitment and the impact of any implemented actions (such as roadshows to present the new strategy throughout the Group, and the rapid reconstitution of "lead" governance). The level of trust in the Group increased by 10 points between the initial Pulse survey and the new survey carried out in 2022.

Furthermore, the consortium of SUEZ shareholders wished to put in place an employee shareholding scheme. Between September and December 2022, the "Go SUEZ" operation offered employees in nine countries the chance to become shareholders in the Group. Nearly half of the employees with assets in the former Sharing plans in France, i.e. over 6,800 employees, have subscribed to the "Go SUEZ Réinvest" package. And more than 12,000 Group employees—over 40% of eligible employees in Spain, France, Hong Kong, India, Macau, Morocco, Poland, the Czech Republic, and the United Kingdom—have subscribed to the Go SUEZ Classique and Multiple offers. This has enabled us to raise over 140 million euros through employee shareholding.



## 2.7.2 | Policies and action plans

### Key performance indicators

2022 result

**75.3%** of employees trained, including in digital

SUEZ's human capital plan, which supports its strategy, is based on five objectives, all of which contribute to maintaining key skills among the Group's employees:

- Putting the customer at the heart of our business
- Sharing our expertise and know-how throughout the company
- Encouraging a spirit of entrepreneurship and individual responsibility
- Reducing complexity and making our organizations more efficient
- Promoting collaboration

In particular, specific action plans have been put in place for:

- Talent development, with a process for identifying potential that is integrated as closely as possible with local management. In 2022, a People Review pilot scheme was carried out in various Group entities to enable all managers to be reviewed and talents identified. This was followed up with the implementation of associated development plans. The plan is to extend the scheme to the whole Group in 2023.
- Generational renewal: SUEZ's ambition is to recruit more young graduates to contribute to age diversity, acquire new skills in line with business developments, and meet the needs of activities where staff are in short supply. As part of those efforts, the Group took on 1,052 work-study apprentices in 2022.

SUEZ has also made it a priority to develop digital skills to meet the challenges of the transformation, the industrialization of its processes and activities, and the emergence of new markets, which impact all SUEZ jobs in all activities.

SUEZ is actively preparing for its transition by including new professions in its recruitment plan, such as Data Analyst and Data Scientist, whose role will be to analyze flow data in order to optimize them and enable real-time monitoring.

One of the Group's priorities is to support its employees in the digitalization of their jobs. To that end, SUEZ is developing specific training programs for its employees, helping them to understand the transformations taking place in their skills and professions.

Those specific programs are supported more generally by a strengthening of the Group's professional training and internal mobility policies. In 2022, 75.3% of the Group's employees had received training, including digital training.

As part of its Sustainable Development Roadmap 2023-2027, SUEZ has set itself the target of providing 80% of its employees with annual training by 2023. Furthermore, to strengthen the commitment of our employees and involve them in the implementation of our strategy, we will be increasing employee shareholding in our capital to 10% by 2029. This commitment is measured regularly through the Pulse in-house survey. The aim is to stay 10 points above the sector benchmark indicated by our service provider. In April 2022, SUEZ achieved a score of 69%, 9 points above the benchmark.



## 2.8 | Fighting corruption

### 2.8.1 | Description of the challenges

The environmental sector is particularly exposed to the risk of corruption, both small-scale (e.g. falsification of meter readings) and large scale (particularly in the context of public procurement tenders).

As such, SUEZ has made ethics an essential means of improving its overall performance. Respect for and compliance with those ethical values is essential in all the Group's activities, both in internal dealings and in relationships with customers, partners, suppliers, and all external stakeholders.

The Group applies a "zero tolerance" principle, set out in its Business Ethics Guide, to any act that could be considered an attempt at active or passive corruption in the context of its business relationships. Such acts are prohibited in all relationships with customers and their technical advisors, as well as with competitors, partners, suppliers, subcontractors, etc.



## 2.7.2 | Policies and action plans

### Key performance indicators

2022 result

**1,957** Number of employees trained in ethics

In February 2022, one of the first messages from the new CEO, Sabrina Soussan, addressed to all Group employees, reiterated her ethical commitment and referred everyone to the SUEZ Ethics Charter. A new Ethics Charter was drafted in the first half of 2022 and signed by Sabrina Soussan in her capacity as CEO of SUEZ.

The mapping of ethical risks was updated in 2022. It was presented by the Group Ethics Officer and validated by the Management Committee in July 2022. In its roadmap for 2023, the Group's Compliance and Ethics department has asked each compliance officer to improve the identified risks.

In addition, procedures aimed at managing ethical risks, and in particular the risk of corruption, have been set out and verification measures have been put in place:

- A specific procedure governs the conclusion of contracts with commercial or institutional consultants. In particular, it sets out the due diligence measures to be carried out prior to the conclusion of such contracts and the prior approval mechanisms;
- Due diligence measures have been put in place when selecting co-investors, co-contractors, subcontractors, and suppliers;
- A procedure for patronage and sponsorship initiatives sets out the applicable principles and the mechanisms for prior approval;
- An Ethical and Responsible Lobbying Charter has been drawn up to serve as a point of reference for all employees who undertake to represent the Group's interests.

A procedure for controlling third parties at risk was documented in the second half of 2022 and validated by the Management Committee in January 2023. It will replace the various procedures described above. It will apply to all the Group's legal entities on the one hand, and on the other, is intended to ensure that all public or private customers, suppliers, companies likely to be acquired by SUEZ, SUEZ's industrial partners, certain employees hired by SUEZ, intermediaries, etc. comply with the requirements set out by SUEZ in its ethics guide and by the Sapin 2 law. It will be implemented by all SUEZ legal entities in 2023, under the supervision of the relevant compliance officers. Under the responsibility of the Group Ethics Officer and their network of 25 ethics officers, face-to-face training courses and e-learning modules are rolled out on a regular basis to reinforce the prevention of ethical risks, in particular through familiarity with anti-corruption and competition rules. That roll-out is based on training programs set out in advance, with priority given to training the employees most exposed to risk.

Over the course of 2022, 1,957 employees received training on ethical matters and 8,700 were specifically trained in anti-corruption rules (mainly from employee segments identified as most at risk, such as certain sales roles). The number of SUEZ employees trained was lower than in previous years for at least two reasons: firstly, the total number of SUEZ employees has fallen significantly, from 89,000 before the Veolia takeover bid to around 39,000 when SUEZ was acquired by the consortium in February 2022; secondly, some of the compliance officers making up the SUEZ network have joined Veolia, requiring it to be rebuilt. These reasons explain the lower number of SUEZ employees who received training in 2022. But special attention will be paid to training in 2023.

SUEZ's ethics and anti-corruption system has also been incorporated into the Group's internal audit system.



# **Key performance indicators associated with the main challenges identified in the non-financial performance statement**



Section of the challenge in the non-financial performance statement	Key performance indicator	Assurance level	Unit	2022 result
2.1 Optimized water and waste management and resource conservation	Waste recovery rate	Moderate	%	47.90%
	Technical yield of drinking water distribution networks	Reasonable	%	83.74%
	Wastewater reused	Moderate	%	3.70%
2.2 Fight against climate change	Direct emissions - Scope 1	Reasonable	tCO <sub>2</sub> e	2,673,370
	Indirect emissions - "Location-based" scope 2	Reasonable	tCO <sub>2</sub> e	1,297,034
	Indirect emissions - "Market-based" scope 2	Reasonable	tCO <sub>2</sub> e	1,089,278
	Indirect emissions - Scope 3 including water heating	Moderate	tCO <sub>2</sub> e	17,405,105
	Indirect emissions - "Operational" scope 3 excluding water heating (details below)	Moderate	tCO <sub>2</sub> e	2,871,377
	Indirect emissions - Scope 3.1	Moderate	tCO <sub>2</sub> e	1,261,425
	Indirect emissions - Scope 3.2	Moderate	tCO <sub>2</sub> e	6,748
	Indirect emissions - Scope 3.3	Moderate	tCO <sub>2</sub> e	502,829
	Indirect emissions - Scope 3.4	Moderate	tCO <sub>2</sub> e	158,732
	Indirect emissions - Scope 3.5	Moderate	tCO <sub>2</sub> e	839,414
	Indirect emissions - Scope 3.6	Moderate	tCO <sub>2</sub> e	2,718
	Indirect emissions - Scope 3.7	Moderate	tCO <sub>2</sub> e	34,308
	Indirect emissions - Scope 3.8	Moderate	tCO <sub>2</sub> e	NA
	Indirect emissions - Scope 3.9	Moderate	tCO <sub>2</sub> e	53,166
	Indirect emissions - Scope 3.10	Moderate	tCO <sub>2</sub> e	NA
	Indirect emissions - Scope 3.11	Moderate	tCO <sub>2</sub> e	7,028
	Indirect emissions - Scope 3.12	Moderate	tCO <sub>2</sub> e	NA
	Indirect emissions - Scope 3.13	Moderate	tCO <sub>2</sub> e	NA
	Indirect emissions - Scope 3.14	Moderate	tCO <sub>2</sub> e	NA
	Indirect emissions - Scope 3.15	Moderate	tCO <sub>2</sub> e	5,009
	Emissions avoided	Moderate	tCO <sub>2</sub> e	4,040,487
2.3 Protecting biodiversity and ecosystems	Percentage of priority sites with a biodiversity action plan implemented	Moderate	%	62.50%
2.4 Social and societal contribution of the Group's activity	% of management positions held by women	Moderate	%	33.80%
	% of employees covered by a social dialogue system	Moderate	%	92.90%
2.5 Promoting human rights and duty of vigilance	% of supplier contracts containing CSR clauses	Moderate	%	47.20%
2.6 Protecting the health and safety of all	Fatal accidents involving employees	Moderate	Number	1
	Frequency rate of workplace accidents	Reasonable	Rate	6.43
2.7 Maintaining the skills of the Group's employees	% of employees trained, including digital training	Moderate	%	75.3%
2.8 Fighting corruption	Number of employees trained in ethical conduct	Moderate	Number	1,957



# Methodology of annual reporting



## 4.1 | General guidelines

Through its subsidiaries, SUEZ is active in a broad variety of water and waste management business lines, with a variety of contractual forms and operating methods at several thousand sites around the world. This great diversity of situations, in addition to the constant evolution of the Group's operating scope, makes it particularly complex to stabilize the definition of relevant indicators, as well as the calculation and collection of quantitative data. As a result, SUEZ is continuing its efforts to provide data audited by third parties as a guarantee of ever-greater reliability. The aim is to make the Group's non-financial reporting an ever more effective management

tool for achieving the goals set out in the Group's Sustainable Development Roadmap and corporate social responsibility, as well as a tool for dialogue on the continuous improvement of its overall performance.

**Methodological details relating to 2022:** Despite the creation of the new SUEZ Group in February, for reasons of simplification, the period considered for the non-financial results is 12 months, from January 01, 2022, to December 31, 2022. The entities that make up the new SUEZ Group have continued to be operated by the same teams, so operational data is available for January 2022.

## 4.2 | External checks and audits

The work requested by the Group from the independent third-party body falls within the obligations of Order no. 2017-1280 of July 19, 2017, and Decree no. 2017-1265 of August 9, 2017, transposing European Directive no. 2014/95/EU on the publication of non-financial information, namely the production of a reasoned opinion on the non-financial performance statement, expressing a conclusion of moderate assurance on:

- The statement's compliance with the provisions of Article R. 225-105 of French commercial code;
- The sincerity of the information provided pursuant to 3° of I and II of Article R. 225-105 of French commercial law, i.e. the actions and results of policies including key performance indicators relating to the main challenges identified.

## 4.3 | Methodological aspects of the environmental reporting

### 4.3.1 | Scope

The environmental figures published in the non-financial performance statement relate exclusively to companies over which SUEZ has operational control. Once a company partly owned by SUEZ enters the scope of operational auditing, its environmental data are fully taken into account, whatever the stake held in that company. The scope of consolidation is fixed at June 30 of the financial year. For disposals taking place after that date, the entity is expected to complete the environmental survey with the data available up to the date of disposal. Acquisitions made after June 30 are not taken into account.

The legal entities included in the scope of environmental reporting are those whose activity is relevant in terms of environmental impact (as such, financial, construction, and engineering activities are excluded). Only entities with an industrial activity and over which SUEZ has a dominant operational technical influence are included in the report. Year-on-year comparisons are made on a like-for-like basis. Restrictions on scope may be applied to certain published variables. Those are indicated on a case-by-case basis.

### 4.3.2 | Waste activities

Waste activities includes notably collection, transfer, sorting and recycling, material, biological or energy

recovery, incineration, landfill (open and closed), and treatment of hazardous waste.

### 4.3.3 | Water activities

Water activities covers all the activities in the water cycle, including drinking water treatment and distribution, wastewater collection and treatment, reuse of treated wastewater, seawater desalination, and sludge treatment and recovery.

It also includes all water production and wastewater treatment activities for industrial customers.

### 4.3.4 | Reporting tool

SUEZ uses an online application for environmental reporting. That application enables management and documentation of the reporting scope, the input, verification, and consolidation of indicators, the production of reports and, last

but not least, the provision of the documents required for data collection and the information feedback.

### 4.3.5 | Procedures

SUEZ provides its information contributors with online procedures, tools, and support documents for reporting technical information. According to the current organization and allocation of responsibilities, SUEZ's IT procedures and tools are rolled out directly through the *business units'* central departments. The process of escalating and validating information at lower levels (subsidiaries, regional departments, operating sites) is organized in accordance with internal procedures and checks set up by each *business unit*. In-house procedures and IT tools adapted to each local organization are used at those levels.

The roll-out of procedures and instructions throughout the Group relies on a network of *Data Owners* formally appointed by each data entry entity. Those Group-level procedures and work instructions describe in detail the phases of collecting, checking, consolidating, validating, and sending technical data to the central department in charge of organizing the process. They are backed up by technical documents providing methodological guidelines for calculating certain variables.

## 4.4 | Methodological aspects of the social reporting

### 4.4.1 | Scope

The social analyses in that report relate exclusively to fully consolidated entities (FC), i.e. companies in which SUEZ Group has a controlling interest, both in terms of capital and management. As soon as a company enters the FC scope in the SUEZ Group accounts, 100% of its

social data are integrated, regardless of the percentage of capital held. With the exceptions mentioned below, the 2022 reporting scope (coverage of the target indicator as a percentage of the Group headcount) is 100% for all the indicators.

### 4.4.2 | Tools and methods

The social reporting is based on:

- A network of some 100 people worldwide, who collect and check the indicators for their entity/entities during each quarterly social reporting campaign. Each quarter, data from around 300 legal entities is collected and consolidated, and grouped into 260 packages which are then entered by local Human Resources managers. That network is run via quarterly meetings (in-person meetings for correspondents from French entities, meetings over Microsoft Teams for international correspondents). Those meetings provide an opportunity to pass on information, clarify the definition of certain indicators, share best practices, and reiterate key points to watch out for. A collaborative space is also available to all correspondents;
- On the "User Guide", which brings together all the definitions and procedures that make up the Group's shared frame of reference, i.e. some 50 primary indicators, whose various collection criteria (by age group, gender, etc.) result in a total of around 250 social indicators. This guide is available in English and French. It is distributed to all contributors;
- SUEZ's financial consolidation tool which, via a section dedicated to social indicators, enables the collection, processing, and return of data entered by local legal entities that are subsidiaries of the Group. An e-learning module on social reporting is available to the contributors. That module enables new users to teach themselves how to use the tool, and to familiarize themselves with the requested social indicators (definitions, examples and tips). For existing users, that training enables them to deepen their knowledge.

### 4.4.3 | Consolidation and internal audit

Once collected, the data is consolidated by the subsidiaries and the Group Human Resources Department (HR Department) according to clearly defined procedures and criteria. Internal control of those data is ensured at the following stages:

- Automatic checks: consolidation packages include a number of automatic checks that enable contributors to ensure the reliability of information entered at the finest level. In addition, contributors can include comments in the packages to explain significant changes or situations specific to the entities concerned;
- Checks at the subsidiary level: the main subsidiaries carry out consistency checks on the data from their entities;
- Checks at the Group HR Department level: the Group HR Department in turn carries out consistency checks on the data from all the entities. Those checks involve analyzing changes in the indicators over time. In the event of a significant change, the contributor in question is contacted for a more in-depth analysis, which may lead to a correction.



## 4.5 | Methodological aspects of the other indicators

### 4.5.1 | Monitoring supplier contracts

The monitoring of supplier contracts is part of our purchasing procedures, but due to the creation of New SUEZ, the centralization of those data is not yet available within a single tool. This year, for example, the Group has chosen to include only contracts monitored in the central Pyramid tool (the Group's contract monitoring tool) when

calculating the percentage of contracts containing a CSR clause. In 2022, in the context of the creation of the new SUEZ Group, only the contracts of the French entities (including the head office) have been reviewed, with the integration of the other entities into the central tool to be finalized in 2023.

### 4.5.2 | Fighting corruption

The response to this challenge is tracked in terms of the number of employees trained in ethical conduct. To that end, the Group relies on the annual reports drawn up by its compliance officers.



## 4.6 | Correspondence tables: Global Reporting Initiative (GRI), TCFD (Task Force on Climate-related Financial Disclosure), United Nations Global Compact

### 4.6.1 | GRI correspondence table

The correspondence table with the Global Reporting Initiative (GRI) is shown below.

Source GRI	Disclosure	Section no.
102-1	Name of the organization	See Management Report 2022
102-2	Activities, brands, products, and services	See Management Report 2022
102-3	Geographical location of the head office	See Management Report 2022
102-4	Geographical locations where the activities take place	See Management Report 2022
102-5	Registered capital and form of legal entity	See Management Report 2022
102-6	Markets covered	See Management Report 2022
102-7	Size of the organization	See Management Report 2022
102-8	Number of employees	See Management Report 2022
102-9	Organization's supply chain	See Management Report 2022
102-10	Significant changes to the organization and its supply chain	See Management Report 2022
102-11	Precautionary principle	See Management Report 2022
102-12	Charters, guidelines, and other external initiatives	See Management Report 2022
102-13	Membership of national and international associations	See Management Report 2022
102-14	Statement by the most senior decision-maker about the importance of sustainability to the organization and its strategy	See Management Report 2022
102-16	Organizational values, principles, standards, and rules, such as Codes of Conduct and Codes of Ethics	See Management Report 2022
102-18	Corporate governance structure, including committees of the highest governance body	See Management Report 2022
102-40	List of stakeholder groups with which the organization has established a dialogue	See Management Report 2022
102-41	Percentage of all employees covered by a collective agreement	See Management Report 2022
102-42	Criteria for identifying and selecting stakeholders to engage with in a dialogue	See Management Report 2022
102-43	Approach to stakeholder involvement	See Management Report 2022
102-44	Challenges and major concerns raised	See Management Report 2022
102-45	Entities included in the financial consolidation, with explanations concerning any exclusions	See Management Report 2022
102-46	Definition of the report content and scope of the challenges	See Management Report 2022
102-47	List of relevant challenges	See Management Report 2022
102-48	Reaffirmation of the information	See Management Report 2022
102-49	Changes in the reporting	See Management Report 2022
102-50	Reporting period	See Management Report 2022
102-51	Date of last published report, if applicable	See Management Report 2022
102-52	Reporting cycle	See Management Report 2022
102-53	Contact person for any questions about the report or its contents	See Management Report 2022
102-54	GRI-compliant reporting statements	See Management Report 2022
102-55	GRI correspondence table	See Management Report 2022
102-56	External audit of the report	See Management Report 2022

Source GRI	Disclosure	Section no.
<b>GRI GRI 205 - Fighting corruption 2016</b>		
205-2	Communication and training on anti-corruption policies and procedures	2.8
<b>GRI 302 - Energy 2016</b>		
302-1	Energy consumption within the organization	2.2
302-4	Reducing energy consumption	2.2
<b>GRI 304 - Biodiversity 2016</b>		
304-2	Significant impacts of activities, products, and services on biodiversity Significant impacts related to waste	2.3
<b>GRI 305 - Emissions 2016</b>		
305-1	Direct emissions of greenhouse gases (application scope 1)	2.2
305-2	Indirect emissions of greenhouse gases (application scope 2)	2.2
305-3	Other indirect emissions of greenhouse gases (application scope 3)	2.2
<b>GRI 306 - Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	2.1
306-2	Managing significant impacts related to waste	2.1
<b>GRI 403 - Occupational health and safety 2018</b>		
403-1	Occupational health and safety management system	2.6
403-2	Identification of hazards, risk evaluations, and investigation of undesirable events	2.6
403-3	Occupational health services	2.6
403-5	Occupational health and safety training for workers	2.6
403-6	Promoting employee health	2.6
403-9	Workplace accidents	2.6
<b>GRI 408 - Child labor 2016</b>		
408-1	Operations and suppliers presenting a significant risk of child labor	2.5
<b>GRI 409 - Forced or compulsory labor 2016</b>		
409-1	Operations and suppliers presenting a significant risk of forced or compulsory labor	2.5

## 4.6.2 | TCFD correspondence table

The correspondence table with the TCFD recommendations is presented below.

Recommendation of the TCFD (Task force on Climate-related Financial Disclosures)		Section no.
Governance	Description of the board's supervision of climate risks and opportunities	2
	Description of management's role in evaluating and managing climate risks and opportunities	2
Strategy	Description of short-, medium-, and long-term climate risks and opportunities	2.1 2.2
	Description of the impact of climate risks and opportunities on the company, its strategy, and financial planning	2.1 2.2
	Description of the resilience of the organization's strategy in the face of different climate scenarios, notably 2°C or lower.	2.1 2.2
Risk management	Description of the organization's processes for identifying and evaluating climate risks	2.1
	Description of the organization's climate risk management processes	2.1
	Description of how climate risk identification, assessment, and management processes are integrated into the overall risk management processes	2.1
Performance and objectives	Notification of company performance indicators to assess climate risks and opportunities in relation to strategy and risk management	2.2
	Notification of Scope 1, Scope 2, and—if relevant—Scope 3 emissions and associated risks	2.2
	Description of the company's objectives for managing climate risks and opportunities, and reporting on progress towards those objectives.	2.2

### 4.6.3 | Correspondence table with the United Nations Global Compact

The Group is a signatory of the Global Compact. As part of that Compact, in July 2023, the Group will publish its "Communication on Progress" (CoP) on the United Nations website. In addition to that, a correspondence table is presented below:

Category	United Nations Global Compact guidelines	Section no.
Human rights	1 - Businesses should support and uphold the protection of internationally proclaimed human rights law within their sphere of influence.	2.5.2
	2 - Businesses should ensure that their own companies are not complicit in human rights violations.	2.5.2
Labor law	3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	2.4.2.1 2.5.2
	4 - Businesses should uphold the elimination of all forms of forced or compulsory labor.	2.5.2
	5 - Businesses should uphold the abolition of child labor.	2.5.2
	6 - Businesses should uphold the elimination of discrimination in employment and professional settings.	2.4.2.1 2.5.2
Environment	7 - Businesses should support a precautionary approach to environmental challenges.	2.1.2
	8 - Businesses should undertake initiatives to promote greater environmental responsibility.	2.1.2
	9 - Businesses should encourage the development and dissemination of environmentally-friendly technologies.	2.1.2.3 2.1.2.4
Fighting corruption	10 - Businesses should work against corruption in all its forms, including extortion and bribery.	2.8.2





# **Application of the European Green Taxonomy to SUEZ activities for the fi- nancial year 2022**

## 5.1 | Context and consistency

### 5.1.1 | Regulatory context

European Regulation 2020/852 of June 18, 2020, on the establishment of a framework to encourage sustainable investment, known as the "European Green Taxonomy" establishes a classification system for economic activities considered environmentally sustainable. That shared European Union frame of reference identifies economic activities that contribute to the European objective of carbon neutrality, i.e. "the Green Deal", and establishes a basis for comparison between companies. Ultimately, the aim of the European Green Taxonomy is to steer investment by public and private players towards activities that contribute to the transition to a more sustainable economy.

To that end, the regulation sets out six environmental objectives:

1. Climate change mitigation;
2. Climate change adaptation;
3. Sustainable use and protection of water and marine resources;
4. The transition to a circular economy;
5. Prevention and reduction of pollution;
6. Protection and restoration of biodiversity and ecosystems.

The Regulation, through its Delegated Acts, establishes scientific, ambitious, and transparent criteria for assessing an activity's contribution to one of the six objectives. Two main concepts are identified to that end:

#### ⇒ Eligibility:

An eligible activity is one listed in the Delegated Acts for which technical criteria have been defined. To date, those are the "priority" activities with the greatest potential for contributing to environmental objectives. However, the Delegated Acts will be progressively updated and reinforced, with the aim of integrating more and more activities and strengthening the requirements.

As such, an activity eligible under the "climate mitigation" or "climate change adaptation" objectives in force is an activity listed in Annexes I and II of the Taxonomy's Climate Delegated Regulation (EU) 2021/2139.

#### ⇒ Alignment:

An aligned activity is an eligible activity that makes a substantial contribution to an environmental objective according to the technical criteria set out for each environmental objective, that does not cause significant harm to other environmental objectives, and that complies with the minimum safeguards criteria.

#### Alignment of activities within the meaning of the Taxonomy



Under Delegated Regulation (EU) 2021/2178 of July 6, 2021, stipulating details on the content and presentation of information to be published by companies [...] as well as the method to be followed to comply with that information obligation, companies are required to publish the share of their sales, capital expenditure, and operating expenditure associated with their eligible and aligned activities.

For the financial year 2021, the first year of regulatory publication of eligibility, the SUEZ Group in its current form did not exist. The Group's consolidated financial statements as of December 31, 2022, correspond to the first consolidated financial statements of SUEZ S.A., following the acquisition on January 31, 2022, of the SUEZ activities sold by Veolia. As a result, this is the first Taxonomy report for SUEZ S.A. for the year 2022.

In 2023, for the financial year 2022, the regulatory obligation to publish information is extended to the alignment of activities under the two climate objectives. SUEZ as a new SUEZ S.A. entity is subject to that publication obligation.

### 5.1.2 | Link with the SUEZ Group's CSR strategy

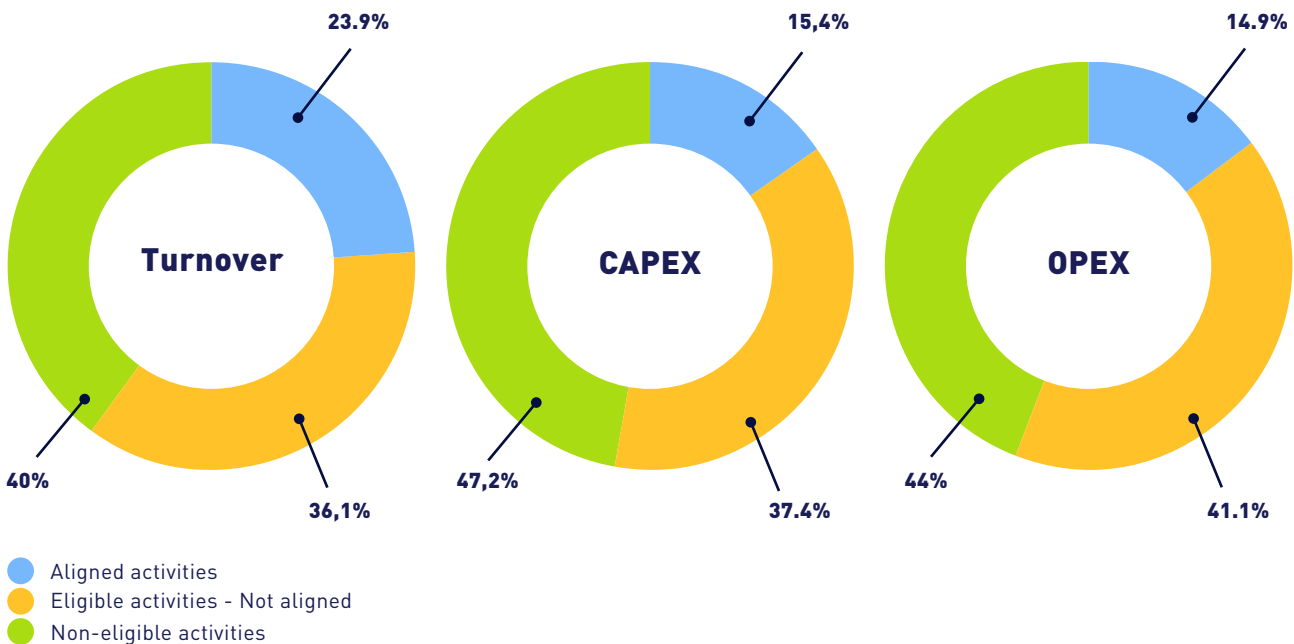
In January 2023, SUEZ published its new Sustainable Development Roadmap 2023-2027. It includes strong ambitions in terms of climate change mitigation and adaptation. The taxonomy will be an important steering tool for our operational and non-financial performance.

Eligibility and alignment with the taxonomy will be new criteria incorporated into project evaluations when projects come before the Operations Committee for approval. Those criteria will also be reinforced as the taxonomy framework is consolidated (new

delegated acts or review of texts already published as part of the continuous improvement process). That committee approves any project relating to a new investment or a new or existing contract whose amount exceeds one of the thresholds set out in the Group procedure. Certain projects must be approved by the SUEZ Board of Directors or a Board Committee. The procedure also includes a risk grid, including environmental and social criteria, reviewed by the central Sustainable Development team.

## 5.2 | Results of eligibility and alignment of the SUEZ Group's activities with the European Taxonomy

### Summary of results



## 5.2.1 | Turnover indicators

<b>A.1 Sustainable activities (aligned)</b>	1635.5	24%
<b>A.2 Eligible non-sustainable activities (not aligned)</b>	2473.0	36%
<b>Total (A.1 + A.2)</b>	<b>4108.5</b>	<b>60%</b>
<b>B. Taxonomy-non-eligible activities</b>	2,735	40%
<b>Total (A+B)</b>	<b>6,843.4</b>	<b>100%</b>

This year, under the two climate objectives of the taxonomy:

- 60% of the revenue is eligible;
- 24% of the revenue is aligned.

That eligible revenue primarily corresponds to the following activities:

- Municipal water supply
  - Production and distribution of drinking water
  - Wastewater collection and treatment
- Waste management
  - Selective waste collection
  - Sorting and recycling
  - Biowaste: anaerobic digestion and composting
  - Landfill biogas recovery

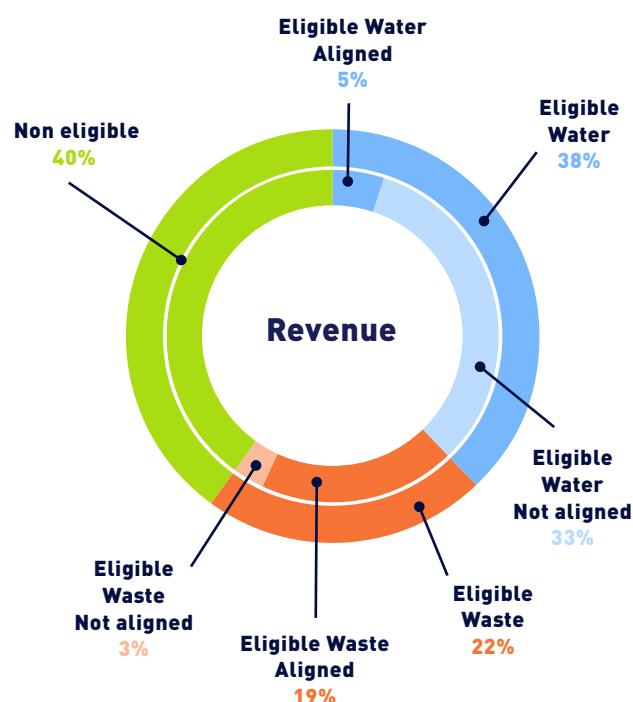
It is important to note that, despite its disagreement with the response, SUEZ has complied with question 68 of the FAQ of December 19, 2022, and, as such, has excluded "pure" sorting centers from eligibility and alignment. That FAQ clarification runs counter to the principle of the circular economy and climate change mitigation, since sorting centers are an essential link provided by SUEZ in the recycling chain. This position is also supported by the FEAD and Euric federations.

In order to comply with FAQ 68, without necessarily agreeing with the way it is interpreted, SUEZ has calculated the revenue indicator by including its sorting centers. The trends in the indicators over time would be as follows:

- 60% to 67% for eligible revenue
- 24% to 27% for aligned revenue

That corresponds to 71 sorting facilities out of a total of 135 sites.

In the same way, SUEZ has carried out this first alignment reporting exercise in a spirit of total transparency and in strict compliance with the criteria set out in the regulation. A conservative approach has been taken whenever arbitration was needed on the interpretation of substantial contribution or Do No Significant Harm (DNSH) criteria. Details of those interpretations are presented in the methodological note. The Group may review those arbitrations in future reports in the light of future additions made by the commission or in the light of joint interpretations by the industry.



### 5.2.2 | CAPEX indicators

CAPEX KPI summary - €M	CAPEX	CAPEX %
A.1 Sustainable activities (aligned)	71.8	15%
A.2 Eligible non-sustainable activities (not aligned)	174.4	37%
Total (A.1 + A.2)	246.2	53%
B. Taxonomy-non-eligible activities	219.7	47%
Total (A+B)	465.9	100%

This year, under the two climate objectives of the taxonomy:

- 53% of CAPEX are eligible;
- 15% of CAPEX are aligned.

### 5.2.3 | OPEX indicators

OPEX KPI summary - €M	OPEX	OPEX %
A.1 Sustainable activities (aligned)	78.0	15%
A.2 Eligible non-sustainable activities (not aligned)	2,153	41%
Total (A.1 + A.2)	293.2	56%
B. Taxonomy-non-eligible activities	229.9	44%
Total (A+B)	523.2	100%

This year, under the two climate objectives of the taxonomy:

- 56% of OPEX are eligible;
- 15% of OPEX are aligned.

### 5.2.4 | Variations compared to the previous year

For the financial year 2021, the first year of regulatory publication of eligibility, the SUEZ Group in its current form did not exist. The Group's consolidated financial statements at December 31, 2022, correspond to the first

consolidated financial statements of SUEZ S.A., following the acquisition on January 31, 2022, of the SUEZ business lines sold by Veolia. As a result, this is the first Taxonomy report for SUEZ S.A. for the year 2022.



## 5.3 | Outlook

The taxonomy will be a key tool for steering SUEZ's strategic choices. The publication of future delegated acts and the extension of alignment reporting to the international scope will lead to an increase in the alignment of SUEZ activities at equivalent scope.

For the financial year 2022, the analysis of eligibility and alignment with the European Taxonomy highlighted areas for improvement for future Taxonomy reporting exercises, as well as drawing strategic lessons for the company in terms of its contribution to the environmental transition.

As such, the SUEZ Group has identified several actions to be implemented over the next few years:

- Examination of the next four objectives, which include sorting and recycling activities, hazardous waste collection and treatment activities, wastewater reuse after treatment, desalination, etc.;
- Alignment of the vigilance plan with the requirements of the taxonomy and implementation of the associated action plan;
- Raising awareness among internal stakeholders of the challenges of the taxonomy;
- Alignment with federations to share interpretations of regulations between players in the same sector, and to best reflect the spirit of the taxonomy regulations.

## 5.4 | Methodology for applying the Taxonomy regulation to the SUEZ Group

In order to identify the activities covered by the nomenclature used in the European taxonomy, and to analyze compliance with the technical review criteria, the Group relied on the following documents:

- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to promote sustainable investment and amending Regulation (EU) 2019/208841;
- Delegated Regulation 2021/2178 of the European Commission of July 6, 2021, and its annexes supplementing Regulation (EU) 2020/852 by specifying how to calculate the KPIs and the narrative information to be published (known as "Article 8");
- Delegated Regulation of the European Commission of June 4, 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by defining the technical examination criteria for determining the conditions under which an economic activity is considered to contribute substantially to climate change mitigation and adaptation and for determining whether the economic activity causes significant harm to any of the other environmental objectives (so-called "Delegated Act to Objectives 1 and 2");
- Sustainable Finance Platform technical report, "Taxonomy pack for feedback", parts A and B, August 2021;
- Draft Commission Communication on the interpretation of certain legal provisions of the Delegated Act pursuant to Article 8 of the EU Taxonomy Regulation of February 2, 2022, on the statement of eligible economic activities and assets;
- Final report of the Platform for Sustainable Finance (PSF) on *Minimum Safeguards* and on *Data usability of the EU Taxonomy* in 2022;
- AMF report "Insights into initial taxonomy reporting by listed companies" in 2022;
- Publication of two FAQs by the European Commission on December 19, 2022, on the interpretation and implementation of the Climate Delegated Acts and Article 8.

## 5.4.1 | Methodology for analyzing the eligibility of activities

### 5.4.1.1 | Identification and classification of activities covered by the European Taxonomy

The Group has drawn up a correspondence table cross-referencing (1) SUEZ's activity matrix, (2) its internal accounting nomenclature, and (3) the activity sheets specified in the appendix to the delegated act on climate objectives 1 & 2 of June 4, 2021.

It should be emphasized that, in line with those analyses and in an effort to prioritize, a "cross-functional" category representing 5% of total Group sales was not examined, as it consisted of too many and too varied aggregates. That category will be the subject of further analysis in future years.

### 5.4.1.2 | Eligible activities

In accordance with the provisions of Article 10 of the "Article 8" delegated regulation on sustainability indicators, the 2022 regulatory publication exercise focuses solely on the eligibility of activities contributing to climate change mitigation and adaptation. Those are identified in appendices I and II of the Delegated Regulation of June 4, 2021. They are recognized as making a substantial contribution to:

- climate change mitigation when they stabilize greenhouse gas concentrations in the atmosphere, avoid or reduce greenhouse gas emissions, or improve their absorption;
- climate change adaptation when they can demonstrate measures to adapt to physical climate risks, or their contribution to the adaptation of other entities to the same physical risks.

#### ⇒ Water Activities

NACE code (nomenclature of economic activities)	Activities as described in the delegated act and its annexes	Corresponding SUEZ activities
<b>E 36.00</b> <b>F 42.99</b>	5.1. Construction, extension and operation of water collection, treatment and supply systems	<ul style="list-style-type: none"> <li>• Drinking water production</li> <li>• Drinking water distribution</li> <li>• Operation of drinking water networks</li> </ul>
<b>E 36.00</b> <b>F 42.99</b>	5.2. Renewal of water collection, treatment and supply systems	<ul style="list-style-type: none"> <li>• Renewal of drinking water networks</li> </ul>
<b>E 37.00</b> <b>F 42.99</b>	5.3. Construction, extension and operation of waste water collection and treatment	<ul style="list-style-type: none"> <li>• Wastewater treatment</li> <li>• Operation and maintenance of wastewater networks</li> </ul>
<b>E 37.00</b>	5.4. Renewal of waste water collection and treatment	<ul style="list-style-type: none"> <li>• Renewal of wastewater networks</li> </ul>

The structure of water and wastewater service contracts makes it impossible to separate out revenue corresponding to renewal of the networks. The Group has chosen to allocate the corresponding revenues to water activities eligible for classification under headings 5.1 or

5.3 only, without taking into account the differentiation between renewal and construction, extension, and operation of water collection, treatment and supply systems.

## ⇒ Recycling and Recovery activities

NACE code	Activities as described in the delegated act and its annexes	Corresponding SUEZ activities
<b>E 38.11</b>	5.5. Collection and transport of non-hazardous waste in source segregated fractions	<ul style="list-style-type: none"> <li>• Mixed collection of municipal and non-hazardous industrial waste sent for recycling and recovery<sup>13</sup></li> <li>• Separated collection<sup>14</sup> of municipal and non-hazardous industrial waste</li> </ul>
<b>E 37.00</b> <b>F 42.99</b>	5.6. Anaerobic digestion of sewage sludge	<ul style="list-style-type: none"> <li>• Methanization of sewage sludge with biogas production and recovery</li> </ul>
<b>E 38.21</b> <b>F 42.99</b>	5.7. Anaerobic digestion of bio-waste	<ul style="list-style-type: none"> <li>• Methanization of biowaste with production and recovery of biogas and digestate<sup>15</sup></li> </ul>
<b>E 38.21</b> <b>F 42.99</b>	5.8. Composting of bio-waste	<ul style="list-style-type: none"> <li>• Aerobic digestion of biowaste with compost production and recovery<sup>16</sup></li> </ul>
<b>E 38.32</b> <b>F 42.99</b>	5.9. Material recovery from non-hazardous waste	<ul style="list-style-type: none"> <li>• Sorting and recycling non-hazardous waste for the recovery of materials</li> <li>• Recycling of plastics</li> <li>• Recycling paper, cardboard, metals, and other valuable materials</li> </ul>
<b>E 38.21</b>	5.10. Landfill gas capture and utilisation	<ul style="list-style-type: none"> <li>• Capture and recovery of biogas from landfill sites</li> </ul>

## ⇒ Individual measures

Within SUEZ, investments eligible under "individual measures", as defined by the Taxonomy Regulation, correspond to the following activities:

- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 6.6. Freight transport services by road
- 7.1. Construction of new buildings
- 7.2. Renovation of existing buildings
- 7.3. Installation, maintenance, and repair of energy-efficient equipment
- 7.4. Installation, maintenance, and repair of charging stations for electric vehicles inside buildings (and in parking lots attached to buildings)
- 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
- 7.6. Installation, maintenance, and repair of renewable energy technologies
- 7.7. Acquisition and ownership of buildings
- 8.1. Data processing, hosting, and related activities
- 9.1. Close to market research, development and innovation
- 9.2. Research, development and innovation for direct air capture of CO<sub>2</sub>

<sup>13</sup> As the choice of strictly separate collection and treatment of waste is generally the responsibility of the Group's customers (in particular municipal customers), it is not SUEZ's responsibility to define the waste collection and transportation methods. However, the industrial techniques and processes put in place by the SUEZ Group ensure the preparation of the volumes of mixed waste collected in order to redirect part of it to recycling and recovery channels with a view to reuse and recycling. Where identified, those specific volumes have been included in eligible revenue, OPEX and CAPEX.

<sup>14</sup> "Co-mingled" collection is considered separate here. "Co-mingled" flows are recyclable waste flows sent for recovery of materials, but collected and transported together before being sorted a second time prior to processing.

<sup>15</sup> The industrial techniques and processes implemented by the SUEZ Group ensure the preparation and sorting of the volumes of mixed organic waste collected to enable their recovery in methanization processes. As such, these specific volumes have been included in eligible revenue, OPEX and CAPEX.

<sup>16</sup> The industrial techniques and processes implemented by the SUEZ Group ensure the preparation and sorting of the volumes of mixed organic waste collected to enable their recovery in composting processes. As such, these specific volumes have been included in eligible revenue, OPEX and CAPEX.

### 5.4.1.3 | Non-eligible activities

#### ⇒ Activities not identified in the reference framework as of the date of this report

Based on the method applied by the Group, the activities below do not correspond to the current European taxonomy, or to the definition of objectives as specified in the June 2020 Regulation.

- Treatment of industrial water
- Revenue from the invoicing of services (consulting, project management) specific to local contractual frameworks and/or corresponding to one-off services provided by the Group.

These revenue sources derive from activities and business models not covered by the taxonomy, and specific to the Group's business sector. Furthermore, these activities play a full part in the environmental transition needed to meet international targets for combating climate change and protecting natural capital and water resources.

- **Treatment of industrial water** enables the Group's customers to benefit from water whose composition and quality are adapted to their manufacturing processes and consumption. These treatment processes are tailored to the needs of each particular industrial sector: food processing, microelectronics, pulp and paper, etc.
- **Invoicing for the provision of services** on a one-time basis or as part of the contractual framework for the management and operation of water and waste sites is commonplace for the Group, and includes various types of service provision, such as conducting studies, drawing up master plans and modeling in the water sector, engineering projects, environmental consulting assignments, and the collection and processing of data and the design of innovative digital applications for the environmental efficiency of cities and users. These service provisions help maintain or improve the efficiency and effectiveness of water and waste treatment activities, thereby contributing to better management of water resources and protection of natural resources.

#### ⇒ Activities excluded from the reference system

- Heat recovery from waste

In addition to its ambitious carbon trajectory, SUEZ intends to accelerate the roll-out of solutions that contribute to the circular economy and the prevention and reduction of pollution.

As such, the Group offers its municipal and industrial customers waste-to-energy technologies, including thermal treatment of municipal or industrial waste with energy production.

This treatment method includes residual waste<sup>17</sup> in a circular economy loop: the isolated waste, for example when first selected at the sorting center, is redirected to energy recovery units to produce electricity or heat. In this way, that type of waste can supply energy to local authorities and become part of a local energy production and consumption loop.

As such, energy recovery makes it possible to (1) recover waste that is not eligible for recycling processes and thereby help prevent any negative impact on human health and the environment by avoiding uncontrolled dumping, and (2) support efforts to reduce GHG emissions by providing municipalities and industry with low-carbon energy in a short circuit, thereby reducing the need for fossil fuels.

**The Group considers that this activity, which has so far been excluded from the standards, should be included in the European taxonomy as part of its contribution to the transition to a circular economy.**

- Landfill excluding biogas capture and valorization

Landfill of final waste replaces uncontrolled dumping of waste whose untreated, unsupervised degradation poses risks to human health and the environment as a result of air, water, and soil pollution. It is therefore an activity that contributes directly to public health in regions.

More specifically, the waste storage solutions offered by SUEZ to its customers in emerging countries initiate environmental management and protection initiatives in areas where waste treatment facilities are still being developed. These solutions take the place of uncontrolled landfills, which are significant sources of methane emissions and industrial accidents. Furthermore, rehabilitating unauthorized landfills involves integrating the site into the local environment by redeveloping the area, and installing a drainage and collection network for leachates and rainwater to reduce pollution for the environment and human health.

**The Group considers that such activities, which have so far been excluded from the standard, should be included in the European taxonomy as part of the objective of preventing and reducing pollution, when they contribute to preventing pollution impacting the environment and human health in emerging countries.**

<sup>17</sup> Residual waste includes waste that is not compatible with recycling processes, such as degraded material and waste containing substances incompatible with recycling and reclamation processes.

- **Mixed waste collection**

In a similar way to strictly separate collection, mixed waste collection, if combined with a thorough downstream sorting process, can also ensure the recovery of a proportion of non-hazardous waste by redirecting some of it to existing recycling and reclamation channels. Moreover, separate collection is not always possible due to specific local conditions, particularly in certain developing countries; a mixed collection process coupled with an efficient sorting system therefore makes for a more circular model.

**In the Group's opinion, this activity, which has so far been excluded from the standards, should be included in the European taxonomy as part of its contribution to the transition to a circular economy.**

- **Sorting and material preparation facilities for recycling**

This activity was excluded from activity 5.9 in the answer to question 68 of the FAQ of December 19, 2022, and

consequently excluded "pure" sorting facilities from eligibility and alignment. This FAQ clarification runs counter to the principle of the circular economy and climate change mitigation, since sorting facilities are an essential link provided by SUEZ in the recycling chain. This position is also supported by the FEAD and Euric federations.

This activity is a key link in the circular economy chain, alongside waste collection and the final recycling stage. Excluding that activity would be tantamount to breaking the chain, and would undermine the efforts made by local authorities and manufacturers to strengthen the circular economy, which is an essential factor in mitigating climate change.

**The Group considers this activity, which has so far been excluded from the standard, should be included in the European taxonomy for its contribution to climate change mitigation, as well as for its contribution to the circular economy.**

## 5.4.2 | Methodology for analyzing technical alignment review criteria and key arbitration decisions

SUEZ's eligible activities were evaluated with regard to the three Technical Review Criteria (TRC) categories:

- activity-specific TRCs, including substantial contribution criteria and activity-specific DNSH criteria;
- Generic DNSH criteria, which are applicable in the same way to the activities in question;
- minimum safeguards criteria, which must be verified at the Group level.

### 5.4.2.1 | Specific technical review criteria and arbitration decisions

The tables below set out the information used to qualify the alignment of eligible activities, and the details of the methodological approach. The work was primarily focused on the French BUs (Water France and Recycling & Recovery France), which account for 79% of total revenue.

It is worth noting that, in strict application of the taxonomy, Suez carried out the analysis work over the whole of its scope, but was unable to complete the alignment work with international BUs. This was due to the complexity of identifying local regulations comparable to the European regulations cited in the Taxonomy regulations.



## ⇒ Water activities (revenue, CAPEX, OPEX)

The alignment work was primarily focused on the Water France BU, which accounts for 68% of revenue in the Water activities. In order to fully understand the technical review criteria and their application to Suez's activities

for this first financial year, the criteria verification work was carried out on the 150 largest sites, which account for 46% of Water France revenue in eligible activities.

	Substantial contributions	Specific DNSH criteria	Approach and arbitration decisions
<b>5.1. Construction, extension and operation of water collection, treatment and supply systems</b>	Of the 67 sites examined in France, 34 drinking water treatment plants record an average net energy consumption for collection and treatment equal to or less than 0.5 kWh per cubic meter of water produced, and as such meet the substantial contribution criteria.	N/A	In Activity 5.1, the examination was done on 67 sites, accounting for 38% of total revenue in Activity 5.1.  International activities were included in the analysis, but did not qualify for alignment due to the complexity of transposing the criteria applied to non-EU countries.
<b>5.3. Construction, extension and operation of wastewater collection and treatment</b>	Of the 80 sites studied in France, six SUEZ wastewater treatment plants meet the taxonomy thresholds.  The criteria for the construction and extension of a wastewater treatment plant or a wastewater treatment plant with a collection system have not been analyzed, as they are too complex for this first year of reporting and relate to only an insignificant part of SUEZ's activities.	N/A	The verification of the criteria for activity 5.3 was carried out on the 80 largest sites, which account for 54% of total revenue for activity 5.3.  International activities were included in the analysis, but did not qualify for alignment due to the complexity of transposing the criteria applied to non-EU countries.  With regard to average net energy consumption, SUEZ has taken into account in its calculations the energy produced, whether self-consumed or sold.  With regard to population equivalents, SUEZ has taken into account in its calculations the capacity corresponding to the volumes actually treated (based on the biochemical oxygen demand over five days: BOD5) rather than the nominal capacity of the plant.

## ⇒ Recycling & recovery activities (revenue, CAPEX, OPEX)

The alignment work was primarily focused on the Recycling and Recovery France BU, which accounts for over 90% of revenue in the waste activities.

The analysis of the technical review criteria and their application to SUEZ's activities was carried out on all the sites within that scope.

	Substantial contributions	Specific DNSH criteria	Approach and arbitration decisions
<b>5.5. Collection and transport of non-hazardous waste in source segregated fractions</b>	In order to analyze the eligibility and substantial contribution of collection activities, separately collected non-hazardous waste flows, transported after sorting at the source and intended to be prepared for reuse or recycling operations, have been identified.	SUEZ strictly complies with the Circular Economy DNSH criteria in its separate collection of sorted waste: separately collected waste fractions are not mixed in waste storage and transfer facilities with other waste or materials with different properties.	<p>As the choice of strictly separate collection and treatment of waste is generally the responsibility of the Group's customers (particularly municipal customers), it is not SUEZ's responsibility to set out the waste collection and transportation methods.</p> <p>However, the industrial techniques and processes put in place by the SUEZ Group ensure that the volumes of mixed waste collected are prepared so that some of it can be redirected to recycling and recovery channels for reuse and recycling.</p> <p>Where identified, those volumes have been included in eligible revenue, OPEX and CAPEX.</p> <p>"Co-mingled" collection is considered separate here. Co-mingled" flows are recyclable waste flows sent for recovery of materials, but collected and transported together before being sorted a second time prior to processing.</p> <p>For municipal waste collection activities, the proportion of waste collected separately has been identified among the total volumes of waste collected during the year. It should be noted that pre-sorted mixed fractions have been included. The associated financial data have been calculated in proportion to those identified volumes.</p> <p>For industrial collection activities, financial indicators are associated with flow categories: all incoming flows have been considered for eligibility and substantial contribution, excluding unsorted non-hazardous industrial waste.</p> <p>SUEZ accounts for the transportation of sludge and green waste upstream of treatment and recovery through land application or composting under activity 5.5, as the flows collected are sorted at source and collected separately.</p>
<b>5.6. Anaerobic digestion of sewage sludge</b>	The SUEZ sites declared aligned under criterion 5.6 strictly comply with the criteria for substantial contributions.	SUEZ sites declared aligned under criterion 5.6 strictly comply with the Pollution DNSH criteria.	<p>In category 5.6, SUEZ only considers sludge anaerobic digestion sites for wastewater treatment activities.</p> <p>In the waste management activity, the majority of SUEZ's anaerobic digestion treat are fed with biowaste, but some sites are authorized to process sludge. As proportion of the sludge is low in terms of volume, SUEZ decided to include everything in the majority category 5.7 (bio-waste), as details by activity are not available for the financial data requested.</p>
<b>5.7. Anaerobic digestion of bio-waste</b>	The SUEZ sites declared aligned under criterion 5.7 strictly comply with the criteria for substantial contributions.	SUEZ sites declared aligned under criterion 5.7 strictly comply with the Pollution DNSH criteria.	

<b>5.8. Composting of bio-waste</b>	<p>In order to meet the alignment criteria below, SUEZ considers the volumes of biowaste composted at biowaste or mixed sludge/bio-waste composting facilities.</p>	<p>SUEZ sites declared aligned under criterion 5.8 strictly comply with the Pollution DNSH criteria.</p>	<p>SUEZ takes into account all revenue from bio-waste composting facilities in France, including green waste. For mixed bio-waste and sludge sites, SUEZ will only include the revenue associated with the bio-waste component, and for the associated OPEX and CAPEX, applied pro rata based on revenue.</p>
<b>5.9. Material recovery from non-hazardous waste</b>	<p>120 SUEZ recycling sites convert at least 50%, by weight, of separately collected non-hazardous waste into secondary raw materials suitable for replacing virgin materials in production processes.</p>	<p>N/A</p>	<p>SUEZ takes into account all the revenue that may include sorting, processing, and sales of materials.</p> <p>It is important to note that SUEZ has complied with question 68 of the FAQ of December 19, 2022, and, as such, has excluded "pure" sorting centers from eligibility and alignment. This FAQ clarification runs counter to the principle of the circular economy and climate change mitigation, since sorting centers are an essential link provided by SUEZ in the recycling chain. This position is also supported by the FEAD and Euric federations.</p> <p>In order to comply with FAQ 68, without necessarily agreeing with the way it is interpreted, SUEZ has calculated the revenue indicator by including its sorting centers. The trends in the indicators over time would be as follows:</p> <ul style="list-style-type: none"> <li>- 60% to 67% for eligible revenue</li> <li>- 24% to 27% for aligned revenue</li> </ul> <p>This corresponds to 71 aligned sorting facilities, including 42 sites for sorting flows from industrial customers and 29 sites for sorting municipal flows.</p> <p>To calculate the proportion of waste recycled, SUEZ compares outgoing flows with incoming flows in terms of metric tons per site. The outgoing flows taken into consideration are those that can be recycled.</p> <p>SUEZ takes into account the recovery of secondary raw materials used for energy production under activity 5.9, but carries out special monitoring of those flows in the event that an activity with a new taxonomic objective is better suited to such materials.</p>

<b>5.10. Landfill gas capture and utilisation</b>	<p>SUEZ strictly complies with the following criteria:</p> <ol style="list-style-type: none"> <li>1. The landfill has not been opened after July 8, 2020.</li> <li>2. The produced landfill gas is used for the generation of electricity or heat as biogas, or upgraded to bio-methane for injection in the natural gas grid, or used as vehicle fuel or as feedstock in chemical industry.</li> <li>3. Methane emissions from the landfill and leakages from the landfill gas collection and utilisation facilities are subject to control and monitoring procedures set out in Annex III to Council Directive 1999/31/EC.</li> <li>4. The landfill or unit where the gas collection system is newly installed, expanded, or modernized is permanently decommissioned and no longer accepts new biodegradable waste.</li> </ol>	<p>SUEZ sites declared aligned under criterion 5.10 strictly comply with the Pollution DNSH criteria.</p>	<p>In order to encourage investment in biogas capture and recovery infrastructure, the scope of this study also includes landfill sites that are still in commercial operation, which are always installed before the landfill ceases operations.</p> <p>The revenue reported for that activity corresponds strictly to that generated by the sale of energy from landfill gas that has been closed or is still in commercial operation, as well as the associated capital expenditure.</p> <p>SUEZ is not in a position to identify the gas captured from its landfill units still in operation, which moreover represents a non-significant proportion of the total quantities captured. The gas is collected via collection networks common to the whole site, which includes the collection facilities of the open units (the minority) and those of the closed units (the majority). In this context, Suez has chosen to account for all its landfill gas capture activities in the financial year 2022, considering that gas capture activities offer the significant environmental benefit of avoiding the release of greenhouse gases into the atmosphere.</p>
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### ⇒ Individual measures (CAPEX, OPEX)

Due to the complexity and diversity of the criteria relating to individual actions, the Group was unable to verify the alignment criteria. As a result, CAPEX and OPEX eligible for individual actions are not aligned.

An exception was made for the activity "7.6 Installation, maintenance and repair of renewable energy technologies", for which the eligible CAPEX and OPEX were considered aligned, since they correspond to the list of aligned activities described in the Delegated Act for Climate Change Mitigation.

## 5.4.3 | Generic DNSH criteria

### 5.4.3.1 | DNSH Adaptation

In accordance with Appendix A of Annex I of the Delegated Regulation (EU) 2021/2139 on Climate Change Mitigation, the Group has verified compliance with the generic DNSH adaptation criteria for all its eligible activities.

The DNSH adaptation criteria require:

- identification of physical climatic risks that could have a negative impact on the Group's activities;
- an evaluation of the vulnerability of activities to these risks according to relevant scenarios linked to the expected duration of activities and use of assets;
- where major risks are identified, an evaluation of the adaptation measures and implementation of an adaptation plan.

#### ⇒ An analysis of climate resilience and a diagnostic of the physical risks

The identification of the risks and the analysis of asset vulnerability were carried out as part of the analysis carried out by consulting firm Carbone 4 according to the "OCARA" (Operational Climate Adaptation and Resilience Assessment) methodology.

This analysis, carried out in 2021, covers the entire SUEZ S.A. scope, with the exception of the Water France BU. It is used to assign a risk level to SUEZ sites based on the vulnerability of the site's processes, its location, climatic hazards, and the IPCC climate projection SS5-8.5.

#### ⇒ Additional analysis for Water France scope

A specific analysis was initiated on the Water France scope, not covered by the previous analysis, in collaboration with consulting firm EcoAct.

The results of the sites' exposure to physical climate risks were reported in 2022/2023 in order to identify physical climate risks and assess the vulnerability of activities and assets. The results of this analysis will be available in the financial year 2023.

#### ⇒ Adaptation measures

For waste activities, adaptation measures have been identified and sites have been prioritized in order to pace the implementation of such actions over the coming months and years.

For water activities, as the analysis of exposure to climate risks is more recent, analyses of vulnerability to risks are currently underway and will rapidly enable us to identify the adaptation measures to be put in place.

Defining, implementing, and financing action plans is a priority integrated into the Group's new 2023-2027 SD roadmap.

### 5.4.3.2 | DNSH Protection and restoration of biodiversity and ecosystems

Under the generic DNSH criteria on biodiversity, detailed in Appendix D of Annex 1 of the delegated regulation, in accordance with European regulation 2011/92/EU, projects must undergo a preliminary analysis to determine whether an environmental impact assessment (EIA) is required. Depending on the results of the assessment, the project may be exempt. Conversely, if an environmental impact assessment (EIA) is required, the assessment must be carried out and mitigation and compensation measures must be implemented to protect the environment.

All of SUEZ's eligible activities (with the exception of waste collection [5.5]) are subject to compliance with those DNSH Biodiversity criteria.

Most of the facilities built or operated by SUEZ in France have the ICPE classification as environmental protection facilities.

Facilities with the ICPE classification are subject to environmental authorization and registration. They are among the categories of projects subject to environmental assessment or case-by-case review, according to the appendix to article R122-2 of French environmental law. As a result, they are aligned with the DNSH criteria.

For the other sites (ICPE-classified and subject to declaration and sites not classified as ICPE), there are two cases:

- the facility falls into another project category listed in the appendix to article R122-2, and consequently is aligned with the DNSH criteria because it is subject to an environmental assessment or case-by-case review;
- the type of facility is not listed in the Annex to Article R122-2, which means that, in the sense of Directive 2011/92/EU, the project is not likely to have any significant impact on the environment, and as such is deemed to satisfy the DNSH criterion.



For activities in the Water perimeter (5.1 and 5.3) carried out outside the European Union, work is underway to identify local regulations or international standards equivalent in terms of requirements to the European Directive.

### 5.4.3.3 | DNSH Sustainable use and protection of water and marine resources

Following the example of biodiversity due diligence, the generic DNSH criteria for water, whose requirements are detailed in Appendix B, follows the same approach: in accordance with Directive 2011/92/3U, the environmental impact assessment (EIA) identifies, describes, and evaluates the environmental effects of projects likely to have a significant impact on the environment. The environmental impact assessment (EIA) must include a water impact assessment in accordance with Directive 2000/60/EC.

SUEZ's water and methanization activities in France are subject to and comply with the DNSH Water criteria, see paragraph 5.4.3.2 on DNSH Biodiversity.

For activities in the Water perimeter (5.1 and 5.3) carried out outside the European Union, work is underway to identify local regulations or international standards equivalent in terms of requirements to the European Directive. For 2022, no alignment has been approved outside France, as a precautionary measure.



## 5.4.4 | Minimum safeguards

In accordance with the guidelines concerning the minimum safeguards described in article 4 of the Taxonomy regulation, economic activities contributing substantially to one of the climate objectives and complying with the relevant generic and specific DNSH criteria must also implement procedures to align themselves with the OECD Guidelines for Multinational Enterprises and the UN Guidelines on Business and Human Rights (including the principles and rights set out in the eight core conventions cited in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights).

The "Final Report on Minimum Safeguards" published by the European Sustainable Finance Platform in October 2022 clarified the scope of the requirements to be met as part of that first alignment process. The report highlights four areas which must be covered by minimum safeguards: human rights (including worker and consumer rights), corruption, taxation, and competition law. The Group's compliance with minimum safeguards has been analyzed in the light of the non-alignment criteria proposed in that report. These criteria are designed to ensure that the Group has not been at the origin of any violations of rights and regulations in those four areas, and that procedures are in place within the Group to identify, assess, avoid, and mitigate any such violations.

The Group's review of minimum safeguards was carried out centrally via workshops with the relevant departments. In light of those analyses, the Group has concluded that the minimum safeguards are met, based on the following guidelines:

### ⇒ Human rights

SUEZ is committed to respecting and promoting recognized human rights and fundamental freedoms. Details of SUEZ's initiatives to support the respect and promotion of human rights are detailed in chapter 2.5.2.1 of the non-financial performance statement.

The Group has not been condemned for any human rights violations. No referrals have been accepted by an OECD National Contact Point (NCP), and no allegations have been made against the Group and published on the Business and Human Rights Resource Center (BHRC) website.

### ⇒ Fighting corruption

The Group and its executives have not been condemned for any corruption offenses.

Anti-corruption procedures are in place within the Group and are described in section 2.8 of the non-financial performance statement.

### ⇒ Best practices in taxation

The Group has not been condemned for any violation of tax law.

The company considers tax governance and compliance as important elements of oversight, and adequate tax risk management strategies and processes are in place. Managing those risks is part of the Enterprise Risk Management (ERM) process described in the "Risk and opportunity management approach" section on page 14 of the non-financial performance statement.

### ⇒ Competition law

The SUEZ Group has not been condemned for non-compliance with competition law.

The company makes its employees aware of the importance of complying with applicable competition laws and regulations, as set out in section 2.8 of the non-financial performance statement.





## 5.5 | Methodology for identifying and calculating the indicators in the SUEZ Group taxonomy

The financial information used for this analysis was the subject of additional reporting as part of the annual accounts closing process. They have been analyzed and checked jointly by local and central teams, to ensure consistency with consolidated revenue, capital expenditure (CAPEX), and operating expenditure (OPEX) for the financial year 2022. The published figures are the consolidated figures for eleven months (February 1, 2022, to December 31, 2022) and include information on the

following three entities from the date of their integration in the financial year 2022: EnviroServ on September 30, 2022, IWS on December 1, 2022, and SUEZ Recycling and Recovery United Kingdom (R&R UK) on December 5, 2022.

For this first publication on the alignment, the SUEZ Group was assisted and advised by KPMG Advisory in interpreting the regulatory texts, producing the reporting, and drafting this report (chapter 5 Taxonomy only).

## 5.5.1 | Turnover

### 5.5.1.1 | Presentation of the indicator

The eligible revenue indicator corresponds to the sum of consolidated net revenue generated by Taxonomy-eligible activities divided by the total consolidated net revenue of the SUEZ Group for the financial year 2022 (from February 1 to December 31, 2022).

The aligned revenue corresponds to the sum of consolidated net revenue generated by Taxonomy-eligible and aligned activities, i.e. activities that both correspond to the definition of Taxonomy activity and meet all the technical criteria, divided by the total consolidated net revenue of the SUEZ Group in the financial year 2022.

#### ⇒ Numerator

The eligible and aligned numerator corresponds to the sum of consolidated net revenue generated by the

proportion of revenue derived from products and services associated with economic activities eligible and aligned with the Taxonomy. The identification of eligible and aligned revenue was carried out in consultation with the technical and financial teams.

#### ⇒ Denominator

The denominator of the revenue eligibility and alignment indicators is based on consolidated revenue for the year.

The accounting principles applied to consolidated revenue can be reconciled with the financial statements.

The definition of revenue is detailed in note 1.5.12 of the Group's 2022 financial statements.

### 5.5.1.2 | Regulatory table

#### Turnover in M€

Economic activities (1)	Code (2)	Absolute turnover (3) (M€)	Proportion of turnover (4)	Substantial criteria										DNSH										Taxonomy-aligned proportion of turnover Year N (18)	Taxonomy-aligned proportion of turnover N-1 (19)	Category (enabling activity or ) (20)	Category (transitional activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Minimum safeguards (17)	Biodiversity and ecosystems (16)	Pollution (15)											
TAXONOMY-ELIGIBLE ACTIVITIES																											
A.1. Environmentally sustainable activities (taxonomy-aligned)																											
5.1. Construction, extension and operation of water collection, treatment and supply systems	5.1	233,0	3%	100%	0%	0%	0%	0%	0%	0%	YES	YES	YES	N/A	N/A	YES	YES	3%	N/A	N/A	N/A	N/A					
5.3. Construction, extension and operation of waste water collection and treatment	5.3	102,0	1,5%	100%	0%	0%	0%	0%	0%	0%	YES	YES	YES	N/A	YES	YES	YES	1%	N/A	N/A	N/A	N/A					
5.5. Collection and transport of non-hazardous waste in source segregated fractions	5.5	197,7	3%	100%	0%	0%	0%	0%	0%	0%	YES	YES	N/A	YES	N/A	YES	YES	3%	N/A	N/A	N/A	N/A					
5.7. Anaerobic digestion of bio-waste	5.7	7,3	0%	100%	0%	0%	0%	0%	0%	0%	YES	YES	YES	N/A	YES	YES	YES	0%	N/A	N/A	N/A	N/A					
5.8. Composting of bio-waste	5.8	6,2	0%	100%	0%	0%	0%	0%	0%	0%	YES	YES	N/A	N/A	YES	YES	YES	0%	N/A	N/A	N/A	N/A					
5.9. Material recovery from non-hazardous waste	5.9	1 041,1	15%	100%	0%	0%	0%	0%	0%	0%	YES	YES	N/A	N/A	N/A	YES	YES	15%	N/A	N/A	N/A	N/A					
5.10. Landfill gas capture and utilisation	5.10	48,1	1%	100%	0%	0%	0%	0%	0%	0%	YES	YES	N/A	N/A	YES	YES	YES	1%	N/A	N/A	N/A	N/A					
A.2. Taxonomy-aligned but not environmentally sustainable activities (not Taxonomy-aligned activities)		1 635,5	24%	100%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	24%	N/A	N/A	N/A	N/A					
A.2. Taxonomy-aligned but not environmentally sustainable activities (not Taxonomy-aligned activities)																											
5.1. Construction, extension and operation of water collection, treatment and supply systems	5.1	1 089,6	16%																								
5.3. Construction, extension and operation of waste water collection and treatment	5.3	1 201,5	18%																								
5.5. Collection and transport of non-hazardous waste in source segregated fractions	5.5	1,7	0%																								
5.7. Anaerobic digestion of bio-waste	5.7	23,0	0%																								
5.8. Composting of bio-waste	5.8	62,8	1%																								
5.9. Material recovery from non-hazardous waste	5.9	90,0	1%																								
5.10. Landfill gas capture and utilisation	5.10	4,3	0%																								
Turnover of Taxonomy-aligned but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		2 473,0	36,1%																								
TOTAL (A.1. + A.2.)		4 108,5	60%																								
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																											
Turnover of Taxonomy-non-eligible activities (B.)		2 735,0	40%																								
TOTAL (A. + B.)		6 843,5	100%																								

## 5.5.2 | Capital expenditure (CAPEX)

### 5.5.2.1 | Presentation of the indicator

The CAPEX indicator includes an eligibility ratio and an alignment ratio. Those two ratios are defined respectively as Taxonomy-eligible CAPEX (numerator) divided by total CAPEX (denominator), and Taxonomy-aligned CAPEX (numerator) divided by total CAPEX (denominator).

eligible (for the eligibility ratio) and aligned (for the alignment ratio) with the taxonomy under individual measures.

#### ⇒ Denominator

The CAPEX considered for the analysis of eligibility and alignment with the European Taxonomy are not part of a CAPEX plan.

Total CAPEX, the common denominator of the two ratios, comprises acquisitions of tangible and intangible fixed assets during the year, before depreciation and amortization and excluding changes in fair value. It includes acquisitions of fixed assets (IAS 16), intangible assets (IAS 38), new concession work (IFRIC 12) for models classified as intangible assets, and lease repayments (IFRS 16).

The accounting principles applied to CAPEX can be reconciled with the financial statements.

#### ⇒ Numerator

The numerators of the ratios include capital expenditure linked to the associated assets or processes, i.e.:

- Activities that are eligible (for the eligibility ratio), or aligned (for the alignment ratio) with the taxonomy
- The "purchase" of products from activities that are

### 5.5.2.2 | Regulatory table

#### CapEx in M€

Economic activities (1)	Code (2)	Absolute CapEx (3) (M€)	Proportion of capEx (4)	Substantial criteria										DNSH										Taxonomy-aligned proportion of capEx Year N (18)	Taxonomy-aligned proportion of CapEx N-1 (19)	Category (enabling activity or ) (20)	Category (transitional activity) (21)
				(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)							
TAXONOMY-ELIGIBLE ACTIVITIES																											
A.1. Environmentally sustainable activities (taxonomy-aligned)																											
5.1. Construction, extension and operation of water collection, treatment and supply systems	5.1	21,4	5%	100%	0%	0%	0%	0%	0%	0%	YES	YES	YES	N/A	N/A	YES	YES	5%	N/A	N/A	N/A						
5.3. Construction, extension and operation of waste water collection and treatment	5.3	6,0	1%	100%	0%	0%	0%	0%	0%	0%	YES	YES	YES	N/A	YES	YES	YES	1%	N/A	N/A	N/A	N/A					
5.5. Collection and transport of non-hazardous waste in source segregated fractions	5.5	17,5	4%	100%	0%	0%	0%	0%	0%	0%	YES	YES	YES	N/A	YES	N/A	YES	4%	N/A	N/A	N/A	N/A					
5.7. Anaerobic digestion of bio-waste	5.7	1,9	0%	100%	0%	0%	0%	0%	0%	0%	YES	YES	YES	N/A	YES	N/A	YES	0%	N/A	N/A	N/A	N/A					
5.8. Composting of bio-waste	5.8	1,5	0%	100%	0%	0%	0%	0%	0%	0%	YES	YES	N/A	N/A	YES	YES	YES	0%	N/A	N/A	N/A	N/A					
5.9. Material recovery from non-hazardous waste	5.9	22,8	5%	100%	0%	0%	0%	0%	0%	0%	YES	YES	N/A	N/A	N/A	YES	YES	5%	N/A	N/A	N/A	N/A					
7.6. Installation, maintenance and repair of renewable energy technologies	7.6	0,7	0%	100%	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0%	N/A	N/A	N/A	N/A					
CapEx of Environmentally sustainable activities (Taxonomy-aligned) (A.1.)		71,8	15,4%	100%	0%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	15%	N/A	N/A	N/A	N/A					
A.2. Taxonomy-aligned but not environmentally sustainable activities (not Taxonomy-aligned activities)																											
5.1. Construction, extension and operation of water collection, treatment and supply systems	5.1	86,2	19%																								
5.3. Construction, extension and operation of waste water collection and treatment	5.3	61,3	13%																								
5.5. Collection and transport of non-hazardous waste in source segregated fractions	5.5	0,0	0%																								
5.6. Anaerobic digestion of sewage sludge	5.6	0,2	0%																								
5.7. Anaerobic digestion of bio-waste	5.7	0,6	0%																								
5.8. Composting of bio-waste	5.8	8,8	2%																								
5.9. Material recovery from non-hazardous waste	5.9	2,8	1%																								
5.10. Landfill gas capture and utilisation	5.10	1,4	0%																								
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	6.5	4,3	1%																								
6.6 Freight transport services by road	6.6	5,1	1%																								
7.2. Renovation of existing buildings	7.2	0,4	0%																								
7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	0,1	0%																								
7.7. Acquisition and ownership of buildings	7.7	3,0	1%																								
9.1. Close to market research, development and innovation	9.1	0,1	0%																								
9.2 Research, development and innovation for direct air capture of CO2	9.2	0,0	0%																								
CapEx of Taxonomy-aligned but not environmentally sustainable activities (not Taxonomy-aligned activities)		174,4	37%																								
TOTAL (A.1. + A.2.)		246,2	53%																								
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																											
CapEx of Taxonomy-non-eligible activities (B.)		219,7	47%																								
TOTAL (A. + B.)		465,9	100%																								



## 5.5.3 | Operating expenditure (OPEX)

### 5.5.3.1 | Presentation of the indicator

The OPEX indicator includes an eligibility ratio and an alignment ratio. Those two ratios are defined respectively as Taxonomy-eligible OPEX (numerator) divided by total OPEX (denominator), and Taxonomy-aligned OPEX (numerator) divided by total OPEX (denominator).

#### ⇒ Numerator

The numerators of the ratios include operating expenditure related to assets or associated processes, i.e.

- Activities that are eligible (for the eligibility ratio), or aligned (for the alignment ratio) with the taxonomy;
- Individual measures enabling activities to become low-carbon, or individual building renovation measures.

#### ⇒ Denominator

Total operating expenditure (common denominator for the two ratios) includes direct non-capitalized costs related to

R&D, building renovation measures, short-term rentals, maintenance and repairs, and all other direct expenses related to the day-to-day upkeep of property, plant, and equipment by the company or a third-party subcontractor that are necessary to ensure the ongoing, efficient operation of these assets. Direct costs for training and other human resource adaptation needs are excluded from the calculation of the ratio in the numerator and denominator, as Annex I to art. 8 of the delegated act only includes these costs in the numerator.

As we do not have the detailed information that would be needed to separate out that operating expenditure in our consolidation tool at the Group level, each Business Unit CFO has signed a report confirming the numerator amount to be used for OPEX as defined in the taxonomy above.

### 5.5.3.2 | Regulatory table

#### OpEx in M€

Economic activities (1)	Code (2)	Absolute OpEx (B) (M€)	Proportion of OpEx (4)	Substantial criteria										DNSH					Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx Year N (18)	Taxonomy-aligned proportion of OpEx N-1 (19)	Category (enabling activity or ) (20)	Category (transitional activity) (21)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Climate change adaptation (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)								
TAXONOMY-ELIGIBLE ACTIVITIES																							
A.1. Environmentally sustainable activities (taxonomy-aligned)																							
5.1. Construction, extension and operation of water collection, treatment and supply systems	5.1	33,1	6%				0%	0%	0%	0%		YES	YES	YES	N/A	N/A	YES	YES	6%	N/A	N/A	N/A	
5.3. Construction, extension and operation of waste water collection and treatment	5.3	12,0	2%	100%	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	N/A	YES	YES	YES	2%	N/A	N/A	N/A	
5.5. Collection and transport of non-hazardous waste in source segregated fractions	5.5	20,7	4%	100%	0%	0%	0%	0%	0%	0%	YES	YES	N/A	YES	N/A	N/A	YES	YES	4%	N/A	N/A	N/A	
5.8. Composting of bio-waste	5.8	0,4	0%	100%	0%	0%	0%	0%	0%	0%	YES	YES	N/A	N/A	YES	YES	YES	YES	0%	N/A	N/A	N/A	
5.9. Material recovery from non-hazardous waste	5.9	9,7	2%	100%	0%	0%	0%	0%	0%	0%	YES	YES	N/A	N/A	N/A	YES	YES	YES	2%	N/A	N/A	N/A	
5.10. Landfill gas capture and utilisation	5.10	2,1	0%	100%	0%	0%	0%	0%	0%	0%	YES	YES	N/A	N/A	YES	YES	YES	YES	0%	N/A	N/A	N/A	
OpEx of Environmentally sustainable activities (taxonomy-aligned) (A.1.)	N/A	78,0	15%		100%	0%	0%	0%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	15%	N/A	N/A	N/A	
A.2. Taxonomy-aligned but not environmentally sustainable activities (not Taxonomy-aligned activities)																							
5.1. Construction, extension and operation of water collection, treatment and supply systems	5.1	108,1	21%																				
5.3. Construction, extension and operation of waste water collection and treatment	5.3	89,4	17%																				
5.5. Collection and transport of non-hazardous waste in source segregated fractions	5.5	0,0	0%																				
5.6. Anaerobic digestion of sewage sludge	5.6	0,6	0%																				
5.7. Anaerobic digestion of bio-waste	5.7	6,4	1%																				
5.8. Composting of bio-waste	5.8	0,1	0%																				
5.9. Material recovery from non-hazardous waste	5.9	5,8	1%																				
5.10. Landfill gas capture and utilisation	5.10	0,4	0%																				
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	6.5	1,8	0%																				
6.6 Freight transport services by road	6.6	0,9	0%																				
7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	0,0	0%																				
7.7. Acquisition and ownership of buildings	7.7	1,4	0%																				
8.1. Data processing, hosting and related activities	8.1	0,0	0%																				
9.1. Close to market research, development and innovation	9.1	0,4	0%																				
9.2 Research, development and innovation for direct air capture of CO2	9.2	0,0	0%																				
OpEx of Taxonomy-aligned but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		215,3	41%																				
TOTAL (A.1. + A.2.)		293,2	56%																				
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																							
OpEx of Taxonomy-non-eligible activities (B.)		229,9	44%																				
TOTAL (A. + B.)		523,2	100%																				

# 6 | Independent third-party report on the non-financial performance statement



## 6.1 | Reasonable assurance assessment



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*This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

### SUEZ

Year ended December 31, 2022

To the General Assembly,

Pursuant to your request and in our capacity as an independent third party organization ("third party"), accredited by the COFRAC (Accreditation COFRAC Inspection, n°3-1681, scope available on [www.cofrac.fr](http://www.cofrac.fr)) and network member of one of the statutory auditors of your company (hereinafter the "Entity"), we have carried out procedures to issue a conclusion expressing limited assurance on the compliance of the consolidated statement of non-financial performance for the year ended December 31, 2022 (hereinafter the "Statement") with the requirements of article R. 225-105 of the French Commercial Code, and on the historical information fairness (observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code (hereinafter the "Information") prepared in accordance with Entity procedures (hereinafter the "Guidelines"), presented in the management report in accordance with the provisions of Articles L. 225-102-1, R.225-105 and R.225-105-1 of the French Commercial Code.

It is also our responsibility to express, at the request of the Entity and outside accreditation scope, an opinion in the form of reasonable assurance on the fact that information selected by the Entity and identified by the sign \* in Appendix 1 (hereinafter the "Selected Information") has been prepared, in all material respects, in accordance with the Guidelines of the entity.

#### **Conclusion in the form of a limited assurance on the conformity of the Statement and the fairness of Information**

On the basis of the procedures we have performed as described in the "Nature and scope of work", and the evidence we have obtained, we have not identified any material misstatements that would question that the consolidated statement of non-financial performance complies with the applicable regulatory requirements and that information, taken together, is presented fairly in accordance with the Guidelines of the entity.

We believe, on the basis of the procedures we have performed and the elements we have gathered, that the Information has been drawn up, in all significant aspects, in accordance with the Guidelines used by the Entity.



### Statement preparation

The absence of a generally accepted and commonly used reference framework of established practices on which to base the assessment and measurement of the Information enables the use of different, but acceptable, measurement techniques that may impact comparability between entities and over time.

Accordingly, information and selected Information must be read and interpreted with reference to the Guidelines, a summary of which is included in the Statement.

### Limits inherent to the preparation of Information and selected Information

As stated in the management report, the Information may be subject to uncertainty inherent to the state of scientific or economic knowledge and the quality of the external data used. Some Information is sensitive to the choice of methodologies, assumptions and/or estimates used for its preparation and presented in the Statement.

### Responsibility of the Entity

The Entity executive management is responsible for:

- selecting or establishing the appropriate criteria to prepare the social and environmental information, taking into account the applicable laws and regulations relating to the submission of social and environmental information;
- preparing information on the subject in accordance with the Guidelines, including the design, a description of the main non-financial risks, a presentation of the policies applied to these risks and associated results, including key performance indicators and also the information required by Article 8 of Regulation (EU) 2020/852 (taxonomy);
- and to implement internal control procedures considered as necessary to ensure that information and selected information are free from significant inaccuracies, whether due to fraud or error.

The Statement has been prepared by applying the entity's Guidelines as mentioned above.

### Responsibility of the third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks.



It is also our responsibility to express, at the request of the Entity, an opinion in the form of reasonable assurance that the Selected Information has been prepared, in all material respects, in accordance with the entity's Guidelines.

As our responsibility is to express an independent conclusion on the Information and Selected Information as prepared by management, we are not permitted to be involved in the preparation of the Information and Selected Information as this could impair our independence.

It is not our responsibility to express our opinion on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular with regard to the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the vigilance plan and the fight against corruption and tax avoidance);
- the fairness of the information provided for in Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- the compliance of products and services with applicable regulations.

#### **Professional standards applied**

Our work described below was performed in accordance with the provisions of Articles A. 225-1 of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) and with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000, revised') published by the International Auditing and Assurance Standards Board (IAASB).

#### **Independence and quality control**

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

#### **Human resources**

Our work mobilized the skills of 8 people and was carried out between October 2022 and April 2023.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted some 30 interviews with the people responsible for preparing the Statement, representing in particular the General Management, Administration and Finance, Innovation, Human Resources, Health and Safety, Environment and Purchasing Departments.

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<sup>1</sup> ISAE 3000 (révisée) - Assurance engagements other than audits or reviews of historical financial information





### Nature and scope of procedures

The nature, timing and extent of the procedures selected depend on our professional judgment, in particular our assessment of the risks of the Information containing material misstatements, whether due to fraud or error. We believe that the procedures conducted allow us to reach a conclusion in the form of limited assurance :

- we reviewed the activities of all the entities included in the scope of consolidation and the description of the principal risks;
- we assessed the appropriateness of the Guidelines with respect to its relevance, completeness, reliability, neutrality and clarity, by taking into consideration, when relevant, the sector's best practices;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III ; as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation.
- we verified that the Statement presents the information required by Article II of R. 225-105 of the French Commercial Code when it is relevant to the principal risks and includes, where appropriate, an explanation of the reasons for the absence of the information required by the second paragraph of III of Article L. 225-102-1 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews with the relevant people from the Group Environmental and Social Responsibility Department, the Group Health and Safety Department and the Group Human Resources Department in order to analyze the deployment and application of the Guidelines and to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. Concerning certain risks (local employment), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities:
    - Environmental information:  
Audits carried out at the level of the entities: RVF Infra UVE (France), Eau France Métropole (EAU- 202), Water ANE (Senegal) and Water Australia;
    - Social and Health and Safety information:  
Audits carried out at the entity level: Eau France, OVAK (Czech Republic) and R&V France;



- we verified that the Statement covers the scope of consolidation, i.e. all consolidated entities in accordance with Article L. 233-16 of the French Commercial Code;
- we obtained an understanding of internal control and risk management procedures put in place by the Entity and appreciated the data collection process to ensure the completeness and fairness of the Information ;
- for key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of data collected as well as the consistency of their evolutions;
  - at the level of the trades most contributing to social and environmental impacts, tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities listed above and covers on average 20% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of the entity .

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

#### **Nature and extent of work on Selected Information**

- With respect to Entity Selected Information, we have conducted work of the same nature as described in the "Nature and extent of Information work" section for the key performance indicators and other quantitative results that we considered most important, but in greater depth, particularly with respect to the scope of testing.
- The selected sample thus represents between 41% and 51% of the key performance indicators and results selected for these tests (49% of occupational accidents, 51% of Scope fuel consumption, 1.41% of Scope energy consumption and 2.44% of water volumes distributed and consumed).

We believe that these procedures allow us to express reasonable assurance that the Information has been prepared, in all material respects, in accordance with the Guidelines.

Paris-La Défense, the 6th April 2023

French original signed by:

Independent third party  
EY & Associés

Alexis Gazzo



#### **Appendix 1: List of Selected Information (under reasonable assurance)**

##### **Social information and health and safety:**

- Frequency rate of accidents at work.

##### **Environmental Information:**

- Technical performance from drinking water distribution (%);
- Direct greenhouse gas emissions (scope 1 GHG ; tCO<sub>2</sub>-e);
- Indirect greenhouse gas emissions (scope 2 location-based; tCO<sub>2</sub>-e);
- Indirect greenhouse gas emissions (scope 2 market-based; tCO<sub>2</sub>-e).

## 6.2 | Moderate assurance assessment



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### SUEZ

Year ended December 31, 2022

#### Independent third party's report on consolidated non-financial statement presented in the management report

*This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

To the General Assembly,

In our quality as an independent third party, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website [www.cofrac.fr](http://www.cofrac.fr)), and as a member of the network of one of the statutory auditors of your group (hereinafter "entity"), we conducted our work in order to provide a conclusion expressing a limited level of assurance on the compliance of the consolidated non-financial statement for the year ended December 31, 2022 (hereinafter the "Statement") with the provisions of Article R. 225-105 of the French Commercial Code (Code de commerce) and on the fairness of the historical information (whether observed or extrapolated) provided pursuant to 3° of I and II of Article R. 225-105 of the French Commercial Code (hereinafter the "Information") prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), included in the management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (Code de commerce).

#### Conclusion

Based on the procedures performed, as described in "Nature and scope of the work", and on the elements we have collected, we did not identify any material misstatements that would call into question the fact that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

#### Comments

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comment:

- Some improvements shall be performed on Group procedures' formalization and application regarding the following KPIs reporting: "Number of employees trained in ethics" and "Share of suppliers' contracts that include CSR clauses".



### **Preparation of the non-financial performance statement**

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

### **Limitations inherent in the preparation of the Information**

The information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

### **The entity's responsibility**

It is the responsibility of the Board of Directors to :

- select or establish appropriate criteria for the preparation of the Information ;
- prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators and, in addition, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- and to implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been prepared in accordance with the entity's procedures, the main elements of which are presented in the Statement.

### **Responsibility of the independent third party**

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks.



As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.

However, it is not our responsibility to comment on :

- the entity's compliance with other applicable legal and regulatory requirements, in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax avoidance legislation
- the fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy)
- the compliance of products and services with the applicable regulations.

#### **Regulatory provisions and applicable professional standards**

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000 .

#### **Independence and quality control**

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

#### **Means and resources**

Our verification work mobilized the skills of eight people and took place between October 2022 and April 2023 on a total duration of intervention of about twenty-four weeks.

We conducted about fifteen interviews with people responsible for the preparation of the Statement representing notably the Sustainability Direction, Ethics and Compliance Direction, Health and Safety Direction, or Industrial Risks and Performance Direction.

#### **Nature and scope of the work**

We planned and performed our work taking into account the risks of material misstatement of the Information.

<sup>1</sup> ISAE 3000 (révisée) - Assurance engagements other than audits or reviews of historical financial information





In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a limited level of assurance:

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III of the French Commercial Code;
- we verified that the Statement provides the information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as its their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1. Our work was carried out on the consolidating entity, and on a selection of entities listed below:
    - For environmental information : RVF Infra UVE, Eau France Métropole, Water ANE, Water Australia ;
    - For social information : Eau France, OVAK (Water), R&V France ;



- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information.
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1 , we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 15 % and 68 % of the consolidated data relating to the key performance indicators and outcomes selected for these tests.
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, the 6th April 2023

French original signed by:

Independent third party  
EY & Associés

Alexis Gazzo



# Appendix 1 : The most important information

Social Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Share of women in management (%) Share of employees covered under a social dialog system (%) Number of fatal accidents (employees' perimeter) Number of worked hours (employees' perimeter) Frequency rate (employees' perimeter) Shares of trained employees, including digital trainings	Health and safety (prevention actions), Social relations (social dialogue, collective agreements), Equal treatment (equality between men and women, fight against discrimination, insertion of people with disabilities) Maintaining key competencies in the Group's employees
Environmental Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Share of recovered wastes (%) Technical performance from drinking water distribution network (%) Share of reused wastewater (%) Direct greenhouse gas emissions (Scope 1, tCO2e) Indirect greenhouse gas emissions (Scope 2, location-based, tCO2e) Indirect greenhouse gas emissions (Scope 2, market-based, tCO2e) Scope 3 emissions (tCO2e) Avoided emissions to customers by Suez (tCO2e) Share of priority sites with a biodiversity plan deployed (%)	Optimized water and waste management (circular economy) Securing water supply Fighting climate change Protection of biodiversity and ecosystems
Societal Information	
Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
Number of employees trained in ethics Share of suppliers' contract that include CSR clause (%)	Actions taken to prevent corruption Promotion of sustainable purchases and Human Rights within the Group