

Second-Party Opinion

SUEZ Gíeen Bond Fíamewoík



Evaluation Summaíy

Sustainalytics is of the opinion that the SUEZ Gíeen Bond Fíamewoík is crédible and impactful and aligns with the four coé components of the Gíeen Bond Píinciples 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categorías foí the use of píoceeds – Water, Waste, and Smart Envióonmental Solutions – aie aligned with those íecognized by the Gíeen Bond Píinciples. Sustainalytics consideís that investments in the eligible categorías will lead to positive envióonmental impacts and advance the UN Sustainable Development Goals, specifically SDG 3, 6, 9, 11, and 12.



PROJECT EVALUATION / SELECTION SUEZ has established a dedicated Gíeen Bond Committee (GBC) to select píojects based on the Fíamewoík's eligibility cíiteíia. The Issueí's envióonmental and social íisk assessments and mitigation píocesses, as well as the ESG assessment applies to all allocation decisions made undeí the Fíamewoík. Sustainalytics consideís the píoject selection píocess in line with maíket píactice.



MANAGEMENT OF PROCEEDS SUEZ's Fíreasuíy Department will manage the net píoceeds from the gíeen bonds using a poítfolio apíoach. The Company will ensúe the tráceability of the píoceeds via an inteínal infoímatíon system. The Issueí intends to allocate the píoceeds within a peíod of 24 months from each issuance. Pending full allocation, unallocated píoceeds shall be invested in cash and cash equivalents of any otheí shoít-teírm and liquid instfument. This is in line with maíket píactice.



REPORTING SUEZ intends to íepoít on allocation of píoceeds on its website, on an annual basis, until full allocation. Allocation íepoítíng may include the total amount of píoceeds allocated to eligible gíeen píojects, the total amount of unallocated píoceeds and type of tempoíaiy investments and descíeption of the unallocated píoceeds management, bíeakdown of the total amount of píoceeds allocated by categorías, size of the eligible gíeen poítfolio, including a split between type of investments oí financings, the shaíe of píoceeds allocated to financing and íefinancing, and the shaíe of íevenue deíved from eligible activities in case of an acquisition of entities and/oí assets (in %). In addition, SUEZ is committed to íepoítíng on íelevant impact metíics, such as íenewable eneígy píoDUCTION oí avoided GHG emissions. Sustainalytics views SUEZ's allocation and impact íepoítíng as aligned with maíket píactice.

Evaluation Date Maích 18, 2022

Issueí Location País, Fíance

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Intíoduction

SUEZ (heíeaftéí the “Issueí”, the “Gíoup” oí the “Company”) is the Fíench company holding Foímeí SUEZ¹'s Fíench wateí and waste assets, some of its inteínational assets – mainly in Italy, Centíal Euíope (Poland, Cíoatia, Romania), Afíica (Moíocco, Algeíia, Egypt, Senegal and otheí sub-Sahaían countíies), Centíal Asia, India, China and Austíalia – as well as global digital and enviíonmental activities.

On 14 May 2021, Veolia Enviíonnement S.A. and Foímeí SUEZ enteíed into a meígeí agíeement between themselves and a consoítium of financial investoís (heíeaftéí the “Consoítium”), led by the infíastíuctuúe funds Meííam and Global Infíastíuctuúe Paítneís (“GIP”) (holding 40% each), alongside the Caisse des Dépôts et Consignations (“CDC”) (holding 12%) and Infíia-Invest Fíance (holding 8%), foí the acquisition of the new peíímeteí of activities of SUEZ, which was completed on 31 Januaíy 2022.

SUEZ has developed the SUEZ Gíeen Bond Fíamewoík (the “Fíamewoík”) undeí which it intends to issue multiple gíeen bonds and use the píoceeds to finance oí íefinance, in whole oí in paít, existing and futuúe projects² that aíe expected to píovide positive enviíonmental benefits by píoviding sustainable wateí and waste management seívices globally. The Fíamewoík defines eligibility cíteíeíia in three aíeas:

1. Wateí
2. Waste
3. Smaít Enviíonmental Solutions

SUEZ engaged Sustainalytics to íeview the Fíamewoík, dated Maích 2022, and píovide a Second-Party Opinion on the Fíamewoík's enviíonmental cíedentials and its alignment with the Gíeen Bond Píínciples 2021 (GBP).³ The Fíamewoík will be published in a sepaíate document.⁴

Scope of woík and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion íeílects Sustainalytics' independent⁵ opinion on the alignment of the íeviewed Fíamewoík with the cuííent market standaíds and the extent to which the eligible píoject categoíies aíe cíedible and impactful.

As paít of the Second-Party Opinion, Sustainalytics assessed the following:

- The Fíamewoík's alignment with the Gíeen Bond Píínciples 2021, as administeíed by ICMA;
- The cíedibility and anticipated positive impacts of the use of píoceeds; and
- The alignment of the issueí's sustainability stíategy and peífoímance and sustainability íisk management in íelation to the use of píoceeds.

Foí the use of píoceeds assessment, Sustainalytics íelied on its inteínal taxonomy, veííon 1.11.2, which is infoímed by maíkét píactice and Sustainalytics' eípeíteise as an ESG íeseaích píovideí.

As paít of this engagement, Sustainalytics held conveísations with vaííous membeís of SUEZ's management team to undeístand the sustainability impact of theíí business píocesses and planned use of píoceeds, as well as management of píoceeds and íepoíting aspects of the Fíamewoík. SUEZ íepíesentatives have coníírmed (1) they undeístand it is the sole íesponsibility of SUEZ to ensuie that the infoímation píovided is complete, accuúate oí up to date; (2) that they have píovided Sustainalytics with all íelevant infoímation and (3) that any píovided mateíial infoímation has been duly disclosed in a timely manneí. Sustainalytics also íeviewed íelevant public documents and non-public infoímation.

This document contains Sustainalytics' opinion of the Fíamewoík and should be íeád in conjunction with that Fíamewoík.

¹ Foímeí SUEZ is a Fíench *société anonyme* íegisteíed with the Nanteíie Ííade and Companies Registeí undeí numbeí 433 466 570 which enteíed into a meígeí agíeement with Veolia and the Consoítium. On 21 Octobeí 2021, the puíchase agíeement foí the acquisition of the new peíímeteí of activities of the Issueí was signed by the Boaíd of Díírectoís of Foímeí SUEZ.

² As defined in the Fíamewoík.

³ The Gíeen Bond Píínciples aíe administeíed by the Inteínational Capital Maíkét Association and aíe available at <https://www.icmagíoup.oíg/gíeen-social-and-sustainability-bonds/gíeen-bond-píínciples-gbp/>.

⁴ The Gíeen Bond Fíamewoík is available on SUEZ's website at: www.suez.com

⁵ When oípeíating multiple lines of business that seíve a vaííety of client types, objective íeseaích is a coíneístone of Sustainalytics and ensuíng analyst independence is paímamout to píoducing objective, actionable íeseaích. Sustainalytics has theíeífoíe put in place a íobust conflict management fíamewoík that specifically addresses the need foí analyst independence, consistency of píocess, stíuctuúal sepaíation of commecíial and íeseaích (and engagement) teams, data pírotection and systems sepaíation. Last but not the least, analyst compensation is not dííectly tied to specific commecíial outcomes. One of Sustainalytics' hallmaíks is íegítíty, anotheí is tránspaíency.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and SUEZ.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written for a period of twenty-four (24) months from the evaluation date stated herein.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realized allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related supporting circumstances that SUEZ has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Green Bond Framework

Sustainalytics is of the opinion that the Green Bond Framework is credible and impactful and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of the Green Bond Framework:

- Use of Proceeds:
 - The eligible categories – Water, Waste, and Smart Environmental Solutions – are aligned with those recognized by the GBP.
 - SUEZ has defined a 36-month look-back period for operational expenditures, in line with market practice.
 - SUEZ intends to finance several types of eligible investments, including assets, capex and acquisition of entities that derive 90% or more of their revenue from activities that comply with the eligibility criteria set in the Framework. Sustainalytics recognizes that the GBP requires project-based lending and financing, which provide more transparency than non-project-based lending in general. Nevertheless, Sustainalytics recognizes that the financing of play companies through green bonds is commonly accepted as an approach which can generate positive impacts. Sustainalytics considers it market practice to clearly define play companies using a revenue threshold, and views 90% as a credible threshold.
 - Under the Water category, SUEZ may finance the following activities:
 - Drinking water production and supply, including water collection, treatment and supply systems and facilities for both municipal and industrial clients.
 - Wastewater treatment, including wastewater collection network and infrastructure, sludge treatment and recovery processes for municipal and industrial clients. SUEZ may also finance infrastructure dedicated to wastewater reuse for non-domestic purposes.
 - Desalination of water, which includes construction and operation of desalination plants to produce drinking water in areas where conventional water resources are scarce. The desalination plants financed under the Framework will be powered by renewable energy. In addition, through operational mainline monitoring, the Company aims to minimize environmental impacts. Regarding reject brine from desalination processes,

- SUEZ shaíed íelevant adveise impacts mitigation píceduies from its existing opeiations.⁶
- Smart water management, including “smart” technologies to improve water management and efficiency by íeducing water consumption and leakages. This sub-category also includes íeduction of unaccounted water through asset peífoímance solutions and digital solutions. Examples of píjects include gíoundwater monitoíng, optimization of water píoduction systems, monitoíng of leakages in water networks, monitoíng of water tíeatment system and optimizing úban díainage and tíeatment systems.
 - SUEZ excludes water seívices and activities pívided to fossil fuel opeiations. Based on this exclusion and associated eligibility cíiteíia, Sustainalytics consideís the activities to align with maiket píactice.
- Under the Waste category, the Company may finance the following activities:
- Waste collection and tíanspoít and úban cleaning seívices, especially foí acquisition of entities. Sustainalytics notes that SUEZ does not intend to finance collection vehicles díirectly with the píceeds and that these activities suppoít souíce segregation of waste.
 - Waste soíting and íecycling, including waste soíting, pírocessing, and íecycling facilities and íelated ínfraíruítuies. SUEZ may finance the píoduction of íecycled píoducts as secondaíy raw mateíials afteí ensuíng appíopíate waste segregation. In the category, SUEZ may finance the píoduction and sale of solid íecoveíed fuel (“SRF”) and íefuse deíved fuel (“RDF”).
 - In addition, SUEZ may finance plastic íecycling via mechanical and chemical píocesesses. While the Company is cúíently only engaged in mechanical íecycling, it may use chemical pírocessing when mechanical íecycling is not technically feasible. Sustainalytics notes that SUEZ excludes plastic-to-oil and plastic-to-fuel from the Fíamewoík and limits the financing to plastic-to-plastic. Sustainalytics consideís the chemical íecycling of plastic to be a tíansition activity. Sustainalytics notes the absence of scientific evidence demonítrating that plastic-to-plastic is less caíbon-intensive than píoducing raw plastic. In addition, Sustainalytics notes that the Company may use íecycled plastic to píoduce single-use píoducts, all of which is a límitation of the Fíamewoík.
 - Waste tíeatment, including biowaste composting, sludge and biowaste anaeróbic díigestion. Biowaste is díefined accoíding to the Waste Fíamewoík Dííective i.e., biodegíadable gaíden and paík waste, food and kitchen waste from households, offices, íestaúíants, wholesale, canteens, cateíeís and íetail píemises and compaíable waste from food píocesessing plants.⁷
 - Biogas captuie and utilization from landfílling activities. Sustainalytics notes that landfíll gas captuie foí eneígy geneíation is one of the key waste management stíategies to íeduce methane emissions íelative to landfíll with no gas captuie oí open dumps. In addition, Sustainalytics notes that SUEZ monitoís and íeports on the gas captuie efficiency in oídeí to estimate the oveíall benefits to be achieved oveí the gas geneíation líifetime of the landfíll.
 - Collection and tíanspoít of hazaríous waste, including hazaríous waste fracíons from households, waste oils, batteíies, non-depolluted waste from electícal and electíonic equipment, non-depolluted end-of-life vehicles and medical waste. SUEZ commits to follow best píactices waste management píceduies if the Company allocates píceeds to hazaríous waste management activities.
 - Fíeatment of hazaríous waste, including díedicated íncíneíation with eneígy íecoveíy. SUEZ confímed that all íecyclables will be segregated, and that íadioactive waste is excluded. Foí additional ínfomíation on envíonmental and social rísk management píceduies, please íefeí to Section 2.

⁶Liquid waste is íeturned to the ocean at the end of the píocess afteí míxing it with standaíd seawater. The Company expects the salt content of the míxed water to dírop back to standaíd seawater concenítrations within a shoít díistance from the ínfraíruítuie, píroteícting 99% of maíne líife in the local ecosystem.

⁷ Euíopean Comíssion, “Waste Fíamewoík Dííective”, at: https://ec.euíopa.eu/envíonment/topics/waste-and-íecycling/waste-fíamewoík-dííective_en

- Energy-from-waste facilities with Municipal Solid Waste (“MSW”) as feedstock. Energy-from-waste facilities will be limited to counties with public waste management that includes collection, sorting and recycling systems following the waste hierarchy.
 - Sustainalytics recognizes that energy-from-waste⁸ could take out of circulation potentially recyclable materials and undermine the objectives of zero-waste circular economy i.e., waste prevention and recycling. Additionally, in order to have low emissions intensity of such projects, the composition of residual waste, particularly fossil carbon content, is a crucial consideration. However, Sustainalytics also notes that, due to current constraints of recycling in many parts of the world, energy from waste can offer better residual waste management option than landfills in many cases. Nonetheless, Sustainalytics notes that SUEZ promotes the removal of recyclables, especially plastics and metals, and monitors the thermal efficiency of the financed facilities.
- Within the Smart Environmental Solutions category, SUEZ may finance solutions and technologies to monitor and reduce air pollution and GHG emissions,⁹ and increase water networks efficiency, as follows:
 - Air pollution monitoring solutions of filtration systems for fine particles, excluding carbon-intensive industries and systems. For example, the Company may finance air purification solutions to eliminate fine particulate matter and aerosols in public spaces (e.g., underground metro stations, education facilities).
 - Environmental quality monitoring focusing on environmental analysis services for water, soil, and air through a network of laboratories.
 - Digital solutions to increase water cycle efficiency such as real-time performance of drinking water distribution networks, real-time optimization of urban drainage systems, real-time hyper-visibility of water and wastewater plants.
 - SUEZ may finance operational expenditures for environmental consulting services directly supporting activities complying with the Framework’s eligibility criteria.
 - Sustainalytics considers the expenditure to align with market practice and encourages SUEZ to report on the environmental benefits achieved.
 - Project Evaluation and Selection:
 - SUEZ has set up a dedicated Green Bond Committee (GBC) which is chaired by its CFO and comprises the SVP Sustainable Development, SVP Financing & Treasury, SVP Investment (CAPEX, M&A, Project Finance), Head of Controlling, and SVP Consolidation. The GBC validates projects of acquisitions based on the Framework’s eligibility criteria. The GBC will meet annually or whenever required to manage and review eligible projects.
 - The Issuer’s environmental and social risk assessments and mitigation processes, as well as the ESG assessment described in the Framework apply to all acquisition decisions made under the Framework. Sustainalytics considers these risk management systems to be adequate. For additional detail, please see Section 2.
 - Based on the clear delineation of responsibility for project evaluation and selection and the presence of risk management processes, Sustainalytics considers these processes to be in line with market practice
 - Management of Proceeds:
 - SUEZ’s Treasury Department will manage the net proceeds from the green bonds using a portfolio approach. The Company will ensure the traceability of the proceeds via an internal information system.
 - SUEZ intends to allocate the proceeds within a period of 24 months from each issuance. Pending full allocation, SUEZ commits to hold unallocated proceeds invested in cash and cash equivalents or any other short-term and liquid instrument managed in accordance with the Company’s treasury policy.
 - Based on the presence of internal tracking system, the allocation timeframe, and temporary allocation of proceeds, Sustainalytics considers this process to be in line with market practice.

⁸ The commentary applies to both waste-to-energy projects from MSW and those with hazardous waste (incineration).

⁹ SUEZ, “Air solutions”, at: <https://www.suez.com/en/who-we-are/innovating-for-the-future/protecting-air-quality>

- Reporting:
 - SUEZ intends to report on the allocation and impact of the portfolio of financed companies on an annual basis. This reporting will be made available publicly on company website. SUEZ intends to have the allocation report audited by an external party on an annual basis.
 - Allocation reporting may include the total amount of proceeds allocated to eligible green projects, the total amount of unallocated proceeds and type of temporary investments and description of the unallocated proceeds management, breakdown of the total amount of proceeds allocated by categories, size of the eligible green portfolio, including a split between type of investments or financings, the share of proceeds allocated to financing and refinancing, and the share of revenue derived from eligible activities in case of an acquisition of entities and/or assets (in %).
 - Impact reporting may include several quantitative and qualitative environmental indicators, such as annual drinking water volume distributed, annual volume of wastewater treated, tonnage of waste collected share of waste recovered, and yield of energy distribution network.
 - Based on SUEZ's commitment to allocation and impact reporting on an annual basis, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Green Bond Framework aligns with the four core components of the GBP. For detailed information, please refer to Appendix 1: Green Bond/Green Bond Píogíamme External Review Form.

Section 2: Sustainability Strategy of SUEZ

Contribution of the Framework to SUEZ's sustainability strategy

As mentioned in the Framework, SUEZ plans to develop its ESG roadmap during 2022. Under its new ESG roadmap, SUEZ plans to focus on three key environmental and social priorities: (i) acting for climate; (ii) protecting natural capital; (iii) developing human capital.

- SUEZ aims to set short- and long-term GHG emissions and energy reduction targets. SUEZ intends to implement several measures, such as improving energy efficiency, developing on-site renewable energy capacity, and increasing digitization. For example, SUEZ could modernize the park of water pumps or improve treatment processes to increase energy efficiency across its operations. Regarding electricity generation, while SUEZ produced 3.6 TWh of renewable electricity in 2021, it intends to increase further available capacity. In addition, to increase the positive environmental impacts of its operations, SUEZ plans to accelerate the deployment of landfill gas recovery and biogas valorisation (including to biomethane) on its assets (such as waste water treatment plants or biowaste plants) along with the generation of avoided emissions for its customers and value chain through recycling and recovery of secondary materials and innovative sorting technologies, such as those contemplated for green financing under the Framework.
- Regarding water resources preservation, SUEZ commits to decreasing water use and optimizing and diversifying its use by adopting a circular model. SUEZ aims at increasing the use of smart water solutions that locate and reduce water leaks or the deployment of inflow pressure meters that prevent over-pressurization and reduce bursts. In addition, SUEZ promotes other initiatives related to the design and build of its existing portfolio of solutions and related innovation capabilities, such as decentralized and stand-alone water treatment solutions for emerging countries.

While Sustainalytics views positively the commitments and initiatives undertaken by SUEZ, Sustainalytics encourages the Group to set short, medium and long-term GHG emission reduction targets. Sustainalytics is of the opinion that the SUEZ Green Bond Framework is aligned with SUEZ's overall ESG roadmap and activities and will further SUEZ's action on its key environmental priorities.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the net proceeds from the bonds issued under the Framework will be directed towards investment into eligible projects and companies that are expected to have positive environmental impact. However, Sustainalytics is aware that investments in the eligible projects and companies could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects could include land use and biodiversity issues associated with large-scale

infiaíúctúe development, íisks íelated to hazaídous waste management, and occupational health and safety.

Sustainalytics is of the opinion that SUEZ is able to manage and/oí mitigate potential íisks thóugh implementation of the following:

- SUEZ conducts ESG due diligence dúing its píe-investment and management píocesses, supported by inteínal and exteínal expeíts. In case of ESG issues identified, SUEZ will implement íisk mitigation píoceduies and action plans accoídngly. In addition, SUEZ monitoís peifoímance indicatoís to enhance positive impacts from specific píojects. Regaídng post-acquisition píocesses, SUEZ aims to implement due diligence findings.
- Regaídng land use and biodiveísity issues, SUEZ will benefit from the foímeí góup's existing envíonmental and opeíational íepoítng system to contíol envíonmental and industíal íisks, and to ensúe the implementation of its vigilance plan. In addition, SUEZ commits to avoiding oí íeduceíng negative impacts on biodiveísity. Íhe Góup aims at íncóporatng avoidance, íeduceíng, and offsettng actions ínto the Góup's envíonmental management and íisk píeívention systems.
- Regaídng íisks íelated to hazaídous waste management, SUEZ commits to comply with all laws and íegulations of the countíes whee ít opeíates, such as the EU Waste Ííamewoík Dííective,¹⁰ which focuses on waste management, íecoveíy, and íecycíng. In addition, SUEZ commits to follow best píactices waste management píoceduies íf the Góup allocates píoceds to hazaídous waste management activities, such as handling Waste from Electícal and Electíoníc Equípment ("WEEE").
- Ío manage occupational health and safety íisks, SUEZ aims at ímplementng health and safety standaíds and opeíatng píoceduies, íncíeasng the numbeí of employees tíatng houís with íegaíds to health and safety aspects, and stíengtng the selection píocess of its supplíes and contíactoís with a hígher level of health and safety íequíemets. In addition, most of SUEZ's opeíatngs aie certííed undeí the ISO 14001 and the ISO 45001 standaíd. SUEZ íntends to follow the foímeí góup's ínítíatives and maintain adequate health and safety standaíds.

Based on these policies, standaíds and assessments, Sustainalytics is of the opinion that SUEZ has ímplemented adequate measúes and ís well-poítíed to manage and ímitigate envíonmental and social íisks commonly associated with the elígbíe categóíes.

Section 3: Impact of Use of Píoceds

All thíee use of píoceds categóíes aie alígned with those íecogízed by the GBP. Sustainalytics focuses below on two whose ímpact ís específícally íeíevant ín the local context.

Impact of wateí and wastewateí management globally

Half of the woíld's populatíon will be lívng ín wateí-stressed aieas by 2025, accoídng to the WHO.¹¹ Íhe consequent ííse ín the lack of adequate díínkng wateí and píopeí sanitatíon affects not just human health, but economic development and the envíonment at laíge.¹² Globally, at least 2 bíllíon people aie estímatéd to use a díínkng wateí souce contamínated with faeces.¹¹ Ín thís context, ímpíovng wateí management íesouíces ís cíucíal foí íncíeasng access to safe wateí.

Moíe than 80% of all wastewateí ín the woíld ís estímatéd to be íeíeased ín the envíonment without adequate tíeatment.¹³ Populatíon gíowth degíades natúal envíonments and íncíeasng the need foí adequate wateí tíeatment ínfíastíúctúe.¹⁴ Píopeí wastewateí management has the poténtíal to contííbute to a moíe cíucíal and sustainable economy, paítícularly ín meetng the gíowng wateí demand ín íapidly expándng cítes, enhancng enegy píoduceíng and industíal development, and supportng sustainable agícultúe.¹⁵

Given thís context, Sustainalytics ís of the opinion that SUEZ's íncíeasng of wateí and wastewateí management systems ís expeíted to contííbute to ímitgatng climate change, enhancng wateí secuítý and íeduceíng wateí pollutant díscháge.

¹⁰ Eúropean Comíssíon, "Waste Ííamewoík Dííective", at: https://ec.europa.eu/environment/topics/waste-and-recycling/waste-framework-directive_n1_ecl-inpage-428

¹¹ WHO, "Díínkng Wateí", at: <https://www.who.int/news-room/fact-sheets/detail/dinking-water>

¹² Cosgíove, W. J. et al (2015), "Wateí management: Cúííent and futúe challenges and íesearch díírectíons", Wateí Resouíces Reseáíng Coméntaíy, at: <https://agupubs.onlinelíbráry.wiley.com/doi/full/10.1002/2014WR016869>

¹³ UNESCO, "Woíld Wateí Assessment Píogíamme", (2017), at: <http://www.unesco.org/new/en/natúal-sciences/environment/wateí/wwap/wwd/>

¹⁴ UN Wateí, "Wateí Quality and Wastewateí", (2017), at: <https://www.unwater.org/water-facts/quality-and-wastewater/>

¹⁵ UN, "Wateí Quality and Wastewateí", at: <https://www.unwater.org/water-facts/quality-and-wastewater/>

Impíoving waste management to íeduce the sector's contíbutíon to climate change

Moíe than half of the woíld's waste ís not collected, íeated noí safely dísposed.¹⁶ In 2016, the woíld's cíties geneíated appíoxímately two bíllíon tons of sólíd waste, equívalent to an aveíage of 0.74 kg of waste peí peíson peí day. Íhís ígure ís expeíted to íncíease by 70% by 2050 to 3.4 bíllíon tonnes.¹⁷ Waste management íemains a challenge foí many countíes and cíties and can accoínt foí 20-50% of munícípál búdíets.¹⁸ In addítíon, addíessíng management píoblems at the souíce can íesult ín gíeateí caíbon savíngs as waste ís a majoí emíteí of gíeeíhouse gases acíoss wíde íánge of sectoís.¹⁹ Ítotal GHG emíssíons írom waste management contííbute appíoxímately 5% of oveíall GHG emíssíons ínto the atíospheíe. Methane exelusívely accoínts foí 1–2% of GHG íelease írom the píocess of waste management.²⁰

Adoptíng a Reduce, Reuse, Recycle (oí the "3 R's") appíoach can be paít of the solutíons to íeduceíng the amoínt of waste geneíated. Some of the píojets íanced undeí the Fíamewoík, such as meíhancal íecycíng solutíons, aie expeíted to help íncíease íecycíng íates and allevíate landfílls dísposal.

Given thís context, Sustainalytics ís of the opíníon that íancing sustainable waste management actívíties ís expeíted to íeduce the sector's contíbutíon to climate change and pollutíon píevéntíon along wíth a tíansítíon to a cícúlaí eíconomy.

Alígnment wíth/contíbutíon to SDGs

Íhe Sustainable Development Goals (SDGs) weíe adopted ín Septembeí 2015 by the United Nations Geneíal Assembly and foím paít of an agenda foí achíevíng sustainable development by the yeá 2030. Íhe bonds íssued undeí the Gíeen Bond Fíamewoík aie expeíted to help advance the follówíng SDGs and taígets:

Use of Categoíy	Píocceeds	SDG	SDG taíget
Waterí		3. Good Health and Well-Being	3.9 By 2030, substantially íeduce the numbeí of deaths and íllnesses írom hazaírous chemicals and aír, waterí and soíl pollutíon and contamínatíon
		6. Clean Waterí and Sanítatíon	6.2 By 2030, achíeve access to adequate and equítáble sanítatíon and hígiene foí all and end open defecátíon, páyíng specíal atténtíon to the needs of women and gííls and those ín vulneíable sítuatíons
		9. Industíy, Innovatíon and Ínfástíuctúre	6.3 By 2030, ímpíove waterí quality by íeduceíng pollutíon, élímatíng díppíng and mínímízíng íelease of hazaírous chemicals and mateííals, halvíng the píopóítíon of untíeated wastewaterí and substantially íncíeasíng íecycíng and safe íeuse globally
Waste		9. Industíy, Innovatíon and Ínfástíuctúre	9.4 By 2030, upgíade ínfástíuctúre and íetíoít índustíes to make them sustainable, wíth íncíeaséd íesoúce use éffícíency and gíeateí adoption of clean and envíonmentally sound technologies and índustíal píocesses, all countíes táking actíon ín accoídance wíth theír íespectíve capabílítíes
		3. Good Health and Well-Being	3.9 By 2030, substantially íeduce the numbeí of deaths and íllnesses írom hazaírous chemicals

¹⁶ Waste Aid, "Waste and the Sustainable Development Goals"

¹⁷ Ínteínatíonal Ínstitute foí Sustainable Development, "Woíld Bank Repoít Waíns Global Solíd Waste Could Íncíease 70 Peícent by 2050", (2018), at: <https://sdg.iisd.org/news/world-bank-report-waíns-global-solid-waste-could-incíease-70-peícent-by-2050/>

¹⁸ Íhe Woíld Bank, "Solíd Waste Management", at : <https://www.woíldbánk.oíg/en/topic/uírbándévelopment/bíef/solíd-waste-management>

¹⁹ Waste Aid, "Waste and the Sustainable Development Goals"

²⁰ Gautam , M. (2020) , "Gíeeíhouse Gas Emíssíons írom Munícípál Solíd Waste Management: A Réview of Global Scenáío", Spíngéí Línk, at : https://línk.spíngéí.com/chapteí/10.1007/978-981-15-9577-6_5

		and air, water and soil pollution and contamination
	11. Make cities and human settlements inclusive, safe, resilient and sustainable	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Smart & Environmental Solutions	11. Sustainable Cities and Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

Conclusion

SUEZ has developed the Green Bond Framework under which it may issue green bonds and use the proceeds to finance a wide range of projects, mostly in water & wastewater, and waste management sectors. Sustainalytics considers that the projects funded by the green bond proceeds are expected to provide positive environmental impact.

The Green Bond Framework outlines a process for tracking, allocating and managing proceeds, and makes commitments for SUEZ to report on the allocation and impact of the use of proceeds. Sustainalytics believes that the Green Bond Framework is aligned with the overall sustainability strategy of the Company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 3, 6, 9, 11, and 12. Additionally, Sustainalytics is of the opinion that SUEZ has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that SUEZ is well positioned to issue green bonds and that the Green Bond Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021.

Appendix

Appendix 1: Gíeen Bond / Gíeen Bond Píogíamme - Exteínal Review Íoím

Section 1. Basic Infoímation

Issueí name:	SUEZ
Gíeen Bond ISIN oí Issueí Gíeen Bond Ííamewoík Name, if applicable:	Gíeen Bond Fíamewoík
Review píovideí's name:	Sustainalytics
Completion date of this foím:	Maích 18, 2022
Publication date of íeview publication: Oíiginal publication date <i>[please fill this out foí updates]</i> :	

Section 2. Review oveíview

SCOPE OÍ REVIEW

The following may be used oí adapted, where appíopíate, to summaríse the scope of the íeview.

The íeview assessed the following elements and confímed theír alignment with the GBP:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Use of Píoceeds | <input checked="" type="checkbox"/> Pírocess foí Píóject Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Píoceeds | <input checked="" type="checkbox"/> Repoíting |

ROLE(S) OÍ REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Ceítification |
| <input type="checkbox"/> Veríífication | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Otheí (<i>please specify</i>): | |

Note: In case of multiple íeviews / díffeíent píovideís, please píovide sepaíate foíms foí each íeview.

EXECUÍVE SUMMARY OÍ REVIEW and/oí LINK ÍO ÍULL REVIEW (*if applicable*)

Please íefeí to Evaluation Summaíy above.

Section 3. Detailed íreview

Revieweís aie encouíaged to pírovide the ínfoímatíon below to the extent píossible and use the comment section to explain the scope of theír íreview.

1. USE OÍ PROCEEDS

Óveíall comment on section (*if applicable*):

The eligible categorieís foí the use of píroceeds – Waterí, Waste, and Smaít Enviíonmental Solutions – aie aligned with those íecognized by the Gíeen Bond Píínciples. Sustainalytics consideís that ínvestments in the eligible categorieís will lead to píositive enviíonmental ímpacts and advance the UN Sustainable Development Goals, pípecifically SDG 3, 6, 9, 11, and 12.

Use of píroceeds categorieís as píeí GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable eneígy | <input type="checkbox"/> Eneígy efficiency |
| <input checked="" type="checkbox"/> Pollution pírevention and contíol | <input type="checkbox"/> Enviíonmentally sustainable management of living natuíał íesouíces and land use |
| <input type="checkbox"/> Terrestíal and aquatic bíodíveísity conseívation | <input type="checkbox"/> Clean tíanspóítation |
| <input checked="" type="checkbox"/> Sustainable waterí and wastewaterí management | <input type="checkbox"/> Climate change adaptation |
| <input checked="" type="checkbox"/> Eco-efficient and/oí cíiculał economy adapted píoducts, píoduction technologies and píócesses | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at íssue but cúíently expected to confoím with GBP categorieís, oí otheí eligible aieas not yet stated in GBP | <input type="checkbox"/> Otheí (<i>please specify</i>): |

If applicable please specify the enviíonmental taxonomy, if otheí than GBP:

2. PROCESS ÍOR PROJECÍ EVALUATÍON AND SELECÍON

Óveíall comment on section (*if applicable*):

SUEZ has established a dedicated Gíeen Bond Committee (GBC) to select pírojects oí acquisitions based on the Fíamewoík's eligibility cííteíia. The Íssue's enviíonmental and social íisk assessments and mítigation píócesses, as well as the ESG assessment applies to all allocation decíisions made undeí the Fíamewoík. Sustainalytics consideís the píroject selection píócess ín líne with maíkét píactice.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Cíedentials on the íssue's enviíonmental sustainability objeetives | <input checked="" type="checkbox"/> Documented píócess to deteímíne that pírojects fit wíthin defíned categorieís |
| <input checked="" type="checkbox"/> Defíned and tíanspaíent cííteíia foí pírojects eligible foí Gíeen Bond píroceeds | <input checked="" type="checkbox"/> Documented píócess to ídentify and manage píotential ESG íisks associated wíth the píroject |

- Summaíy cíteíia foí píoject evaluation and selection publicly available Otheí (*please specify*):

Information on Responsibilities and Accountability

- Evaluation / Selection cíteíia subject to external advice oí veíífication In-house assessment
- Otheí (*please specify*):

3. MANAGEMENT OÍ PROCEEDS

Overall comment on section (*if applicable*):

SUEZ's Ííreasuít Department will manage the net píoceeds fíom the gíeen bonds using a póítfolio apíioach. Ííhe Company will ensúe the tíaceability of the píoceeds via an internal infoíation system. Ííhe Issueí intends to allocate the píoceeds within a períod of 24 months fíom each issuance. Pending full allocation, unallocated píoceeds shall be invested in cash and cash equivalents oí any otheí shoít-teím and liquid instfíment. Ííhis is in line with maíkete píactice.

Ííacking of píoceeds:

- Gíeen Bond píoceeds segíegated oí tíacked by the issueí in an appíopíiate mannee
- Disclosuée of intended types of tempoíaít investment instfíments foí unallocated píoceeds
- Otheí (*please specify*):

Additional disclosuée:

- Allocations to futuée investments only Allocations to both existing and futuée investments
- Allocation to individual disbuísements Allocation to a póítfolio of disbuísements
- Disclosuée of póítfolio balance of unallocated píoceeds Otheí (*please specify*):

4. REPORTING

Overall comment on section (*if applicable*):

SUEZ intends to íeípoít on allocation of píoceeds on its website, on an annual basis, until full allocation. Allocation íeípoítíng may include the total amount of píoceeds allocated to eligible gíeen píojects, the total amount of unallocated píoceeds and type of tempoíaít investments and descíption of the unallocated píoceeds management, bíeakdown of the total amount of píoceeds allocated by cateíories, size of the eligible gíeen póítfolio, including a split between type of investments oí íinancíngs, the shaíe of píoceeds allocated to íinancíng and íeífinancíng, and the shaíe of íeívenue deíved fíom eligible activities in case of an acquísítion of entíties and/oí assets (in %). In addítion, SUEZ is commítteed to íeípoítíng on íeílevant ímpact metíícs, such as íeínewable eneígy píoductíon oí avoíded GHG emíssíons. Sustainalytics veíws SUEZ's allocation and ímpact íeípoítíng as alígned with maíkete píactice.

Use of proceeds reporting:

- Project-by-project
 On a project portfolio basis
- Linkage to individual bond(s)
 Other (please specify):

Information reported:

- Allocated amounts
 Green Bond financed share of total investment
- Other (please specify): total amount of unallocated proceeds, breakdown of total amount of proceeds allocated by categories, size of green portfolio and split between type of investments (capex, acquisitions, R&D etc.), share of proceeds allocated to financing and refinancing, share of revenue from green project categories

Frequency:

- Annual
 Semi-annual
- Other (please specify):

Impact reporting:

- Project-by-project
 On a project portfolio basis
- Linkage to individual bond(s)
 Other (please specify):

Information reported (expected or ex-post):

- GHG Emissions / Savings
 Energy Savings
- Decrease in water use
 Other ESG indicators (please specify): annual drinking water volume distributed, annual volume of wastewater treated, tonnage of waste collected share of waste recovered, and yield of energy distribution network

Frequency

- Annual
 Semi-annual
- Other (please specify):

Means of Disclosure

- Information published in financial report
 Information published in sustainability report

- Information published in ad hoc documents Otheí (please specify):
- Reporting reviewed (if yes, please specify which paíts of the répoiting aie subject to exteínal íevíew):

Where appropíiate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to íevíew píovideí methodology oí ciedentials, to íssueí's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion) Certification
- Verification / Audit Rating
- Otheí (*please specify*):

Review píovideí(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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