

Second-Party Opinion

SUEZ Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the SUEZ Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Water, Waste, and Smart Environmental Solutions – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 3, 6, 9, 11, and 12.



PROJECT EVALUATION / SELECTION SUEZ has established a dedicated Green Bond Committee (GBC) to select projects based on the Framework's eligibility criteria. The Issuer's environmental and social risk assessments and mitigation processes, as well as the ESG assessment applies to all allocation decisions made under the Framework. Sustainalytics considers the project selection process 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. The Issuer intends to allocate the proceeds within a period of 24 months from each issuance. Pending full allocation, unallocated proceeds shall be invested in cash and cash equivalents or any other short-term and liquid instrument. This is in line with market practice.



REPORTING SUEZ intends to report on allocation of proceeds on its website, on an annual basis, until full allocation. 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 %). In addition, SUEZ is committed to reporting on relevant impact metrics, such as renewable energy production or avoided GHG emissions. Sustainalytics views SUEZ's allocation and impact reporting as aligned with market practice.

Evaluation Date	March 18, 2022
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Issuer Location	Paris, France
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Report Sections

Introduction	2
Sustainalytics' Opinion	3
Appendices	11

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Introduction

SUEZ (hereafter the “Issuer”, the “Group” or the “Company”) is the French company holding Former SUEZ¹’s French water and waste assets, some of its international assets – mainly in Italy, Central Europe (Poland, Croatia, Romania), Africa (Morocco, Algeria, Egypt, Senegal and other sub-Saharan countries), Central Asia, India, China and Australia – as well as global digital and environmental activities.

On 14 May 2021, Veolia Environnement S.A. and Former SUEZ entered into a merger agreement between themselves and a consortium of financial investors (hereafter the “Consortium”), led by the infrastructure funds Meridiam and Global Infrastructure Partners (“GIP”) (holding 40% each), alongside the Caisse des Dépôts et Consignations (“CDC”) (holding 12%) and Infra-Invest France (holding 8%), for the acquisition of the new perimeter of activities of SUEZ, which was completed on 31 January 2022.

SUEZ has developed the SUEZ Green Bond Framework (the “Framework”) under which it intends to issue multiple green bonds and use the proceeds to finance or refinance, in whole or in part, existing and future projects² that are expected to provide positive environmental benefits by providing sustainable water and waste management services globally. The Framework defines eligibility criteria in three areas:

1. Water
2. Waste
3. Smart Environmental Solutions

SUEZ engaged Sustainalytics to review the Framework, dated March 2022, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).³ The Framework will be published in a separate document.⁴

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁵ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

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

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.11.2, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of SUEZ’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. SUEZ representatives have confirmed (1) they understand it is the sole responsibility of SUEZ to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all

¹ Former SUEZ is a French *société anonyme* registered with the Nanterre Trade and Companies Register under number 433 466 570 which entered into a merger agreement with Veolia and the Consortium. On 21 October 2021, the purchase agreement for the acquisition of the new perimeter of activities of the Issuer was signed by the Board of Directors of Former SUEZ.

² As defined in the Framework.

³ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

⁴ The Green Bond Framework is available on SUEZ’s website at: www.suez.com

⁵ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

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

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.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised 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 surrounding 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 refinance 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 require project-based lending and financing, which provide more transparency than non-project-based lending in general. Nevertheless, Sustainalytics recognizes that the financing of pure-play companies through green bonds is commonly accepted as an approach which can generate positive impacts. Sustainalytics considers it market practice to clearly define pure 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 marine monitoring, the Company

aims to minimize environmental impacts. Regarding reject brine from desalination processes, SUEZ shared relevant adverse impacts mitigation procedures from its existing operations.⁶

- Smart water management, including “smart” technologies to improve water management and efficiency by reducing water consumption and leakages. This sub-category also includes reduction of unaccounted water through asset performance solutions and digital solutions. Examples of projects include groundwater monitoring, optimization of water production systems, monitoring of leakages in water networks, monitoring of water treatment system and optimizing urban drainage and treatment systems.
- SUEZ excludes water services and activities provided to fossil fuel operations. Based on this exclusion and associated eligibility criteria, Sustainalytics considers the activities to align with market practice.
- Under the Waste category, the Company may finance the following activities:
 - Waste collection and transport and urban cleaning services, especially for acquisition of entities. Sustainalytics notes that SUEZ does not intend to finance collection vehicles directly with the proceeds and that these activities support source segregation of waste.
 - Waste sorting and recycling, including waste sorting, processing, and recycling facilities and related infrastructures. SUEZ may finance the production of recycled products as secondary raw materials after ensuring appropriate waste segregation. In the category, SUEZ may finance the production and sale of solid recovered fuel (“SRF”) and refuse derived fuel (“RDF”).
 - In addition, SUEZ may finance plastic recycling via mechanical and chemical processes. While the Company is currently only engaged in mechanical recycling, it may use chemical processing when mechanical recycling is not technically feasible. Sustainalytics notes that SUEZ excludes plastic-to-oil and plastic-to-fuel from the Framework and limits the financing to plastic-to-plastic. Sustainalytics considers the chemical recycling of plastic to be a transition activity. Sustainalytics notes the absence of scientific evidence demonstrating that plastic-to-plastic is less carbon-intensive than producing raw plastic. In addition, Sustainalytics notes that the Company may use recycled plastic to produce single-use products, all of which is a limitation of the Framework.
 - Waste treatment, including biowaste composting, sludge and biowaste anaerobic digestion. Biowaste is defined according to the Waste Framework Directive i.e., biodegradable garden and park waste, food and kitchen waste from households, offices, restaurants, wholesale, canteens, caterers and retail premises and comparable waste from food processing plants.⁷
 - Biogas capture and utilization from landfilling activities. Sustainalytics notes that landfill gas capture for energy generation is one of the key waste management strategies to reduce methane emissions relative to landfill with no gas capture or open dumps. In addition, Sustainalytics notes that SUEZ monitors and reports on the gas capture efficiency in order to estimate the overall benefits to be achieved over the gas generation lifetime of the landfill.
 - Collection and transport of hazardous waste, including hazardous waste fractions from households, waste oils, batteries, non-depolluted waste from electrical and electronic equipment, non-depolluted end-of-life vehicles and medical waste. SUEZ commits to follow best practices waste management procedures if the Company allocates proceeds to hazardous waste management activities.

⁶ Liquid waste is returned to the ocean at the end of the process after mixing it with standard seawater. The Company expects the salt content of the mixed water to drop back to standard seawater concentrations within a short distance from the infrastructure, protecting 99% of marine life in the local ecosystem.

⁷ European Commission, “Waste Framework Directive”, at: https://ec.europa.eu/environment/topics/waste-and-recycling/waste-framework-directive_en

- Treatment of hazardous waste, including dedicated incineration with energy recovery. SUEZ confirmed that all recyclables will be segregated, and that radioactive waste is excluded. For additional information on environmental and social risk management procedures, please refer to Section 2.
- Energy-from-waste facilities with Municipal Solid Waste (“MSW”) as feedstock. Energy-from-waste facilities will be limited to countries 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 or 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 hypervision 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 or 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

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>

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.

- 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 Programme 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 recuperation 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 infrastructure development, risks related to hazardous waste management, and occupational health and safety.

Sustainalytics is of the opinion that SUEZ is able to manage and/or mitigate potential risks through implementation of the following:

- SUEZ conducts ESG due diligence during its pre-investment and management processes, supported by internal and external experts. In case of ESG issues identified, SUEZ will implement risk mitigation procedures and action plans accordingly. In addition, SUEZ monitors performance indicators to enhance positive impacts from specific projects. Regarding post-acquisition processes, SUEZ aims to implement due diligence findings.
- Regarding land use and biodiversity issues, SUEZ will benefit from the former group's existing environmental and operational reporting system to control environmental and industrial risks, and to ensure the implementation of its vigilance plan. In addition, SUEZ commits to avoiding or reducing negative impacts on biodiversity. The Group aims at incorporating avoidance, reduction, and offsetting actions into the Group's environmental management and risk prevention systems.
- Regarding risks related to hazardous waste management, SUEZ commits to comply with all laws and regulations of the countries where it operates, such as the EU Waste Framework Directive,¹⁰ which focuses on waste management, recovery, and recycling. In addition, SUEZ commits to follow best practices waste management procedures if the Group allocates proceeds to hazardous waste management activities, such as handling Waste from Electrical and Electronic Equipment ("WEEE").
- To manage occupational health and safety risks, SUEZ aims at implementing health and safety standards and operating procedures, increasing the number of employees training hours with regards to health and safety aspects, and strengthening the selection process of its suppliers and contractors with a higher level of health and safety requirements. In addition, most of SUEZ's operations are certified under the ISO 14001 and the ISO 45001 standard. SUEZ intends to follow the former group's initiatives and maintain adequate health and safety standards.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that SUEZ has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All three use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics focuses below on two whose impact is specifically relevant in the local context.

Impact of water and wastewater management globally

Half of the world's population will be living in water-stressed areas by 2025, according to the WHO.¹¹ The consequent rise in the lack of adequate drinking water and proper sanitation affects not just human health, but economic development and the environment at large.¹² Globally, at least 2 billion people are estimated to use a drinking water source contaminated with faeces.¹¹ In this context, improving water management resources is crucial for increasing access to safe water.

¹⁰ European Commission, "Waste Framework Directive", at: https://ec.europa.eu/environment/topics/waste-and-recycling/waste-framework-directive_nlecl-inpage-428

¹¹ WHO, "Drinking Water", at: <https://www.who.int/news-room/fact-sheets/detail/drinking-water>

¹² Cosgrove, W. J. et al (2015), "Water management: Current and future challenges and research directions", Water Resources Research Commentary, at: <https://agupubs.onlinelibrary.wiley.com/doi/full/10.1002/2014WR016869>

More than 80% of all wastewater in the world is estimated to be released in the environment without adequate treatment.¹³ Population growth degrades natural environments and increase the need for adequate water treatment infrastructure.¹⁴ Proper wastewater management has the potential to contribute to a more circular and sustainable economy, particularly in meeting the growing water demand in rapidly expanding cities, enhancing energy production and industrial development, and supporting sustainable agriculture.¹⁵

Given this context, Sustainalytics is of the opinion that SUEZ's financing of water and wastewater management systems is expected to contribute to mitigating climate change, enhancing water security and reducing water pollutant discharge.

Improving waste management to reduce the sector's contribution to climate change

More than half of the world's waste is not collected, treated nor safely disposed.¹⁶ In 2016, the world's cities generated approximately two billion tons of solid waste, equivalent to an average of 0.74 kg of waste per person per day. This figure is expected to increase by 70% by 2050 to 3.4 billion tonnes.¹⁷ Waste management remains a challenge for many countries and cities and can account for 20-50% of municipal budgets.¹⁸ In addition, addressing management problems at the source can result in greater carbon savings as waste is a major emitter of greenhouse gases across wide range of sectors.¹⁹ Total GHG emissions from waste management contribute approximately 5% of overall GHG emissions into the atmosphere. Methane exclusively accounts for 1–2% of GHG release from the process of waste management.²⁰

Adopting a Reduce, Reuse, Recycle (or the "3 R's") approach can be part of the solutions to reducing the amount of waste generated. Some of the projects financed under the Framework, such as mechanical recycling solutions, are expected to help increase recycling rates and alleviate landfills disposal.

Given this context, Sustainalytics is of the opinion that financing sustainable waste management activities is expected to reduce the sector's contribution to climate change and pollution prevention along with a transition to a circular economy.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by the year 2030. The bonds issued under the Green Bond Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Water	3. Good Health and Well-Being	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination
	6. Clean Water and Sanitation	6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the

¹³ UNESCO, "World Water Assessment Programme", (2017), at: <http://www.unesco.org/new/en/natural-sciences/environment/water/wwap/wwdr/>

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

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

¹⁶ Waste Aid, "Waste and the Sustainable Development Goals", at: <https://wasteaid.org/waste-sustainable-development-goals/>

¹⁷ International Institute for Sustainable Development, "World Bank Report Warns Global Solid Waste Could Increase 70 Percent by 2050", (2018), at: <https://sdg.iisd.org/news/world-bank-report-warns-global-solid-waste-could-increase-70-percent-by-2050/>

¹⁸ The World Bank, "Solid Waste Management", at: <https://www.worldbank.org/en/topic/urbandevelopment/brief/solid-waste-management>

¹⁹ Waste Aid, "Waste and the Sustainable Development Goals", at: <https://wasteaid.org/waste-sustainable-development-goals/>

²⁰ Gautam, M. (2020), "Greenhouse Gas Emissions from Municipal Solid Waste Management: A Review of Global Scenario", Springer Link, at: https://link.springer.com/chapter/10.1007/978-981-15-9577-6_5

	9. Industry, Innovation and Infrastructure	<p>needs of women and girls and those in vulnerable situations</p> <p>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p> <p>9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, all countries taking action in accordance with their respective capabilities</p>
Waste	<p>3. Good Health and Well-Being</p> <p>11. Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>12. Responsible Consumption and Production</p>	<p>3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination</p> <p>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</p> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>
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: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	SUEZ
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	March 18, 2022
Publication date of review publication:	
Original publication date <i>[please fill this out for updates]</i> :	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

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

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible categories for the use of proceeds – Water, Waste, and Smart Environmental Solutions – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 3, 6, 9, 11, and 12.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input checked="" type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input checked="" type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other <i>(please specify)</i> : |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section *(if applicable)*:

SUEZ has established a dedicated Green Bond Committee (GBC) to select projects or acquisitions based on the Framework's eligibility criteria. The Issuer's environmental and social risk assessments and mitigation processes, as well as the ESG assessment applies to all allocation decisions made under the Framework. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
|---|---|

- | | |
|--|---|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information on Responsibilities and Accountability

- | | |
|--|---|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

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. The Issuer intends to allocate the proceeds within a period of 24 months from each issuance. Pending full allocation, unallocated proceeds shall be invested in cash and cash equivalents or any other short-term and liquid instrument. This is in line with market practice.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other <i>(please specify)</i> : |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other <i>(please specify)</i> : |

4. REPORTING

Overall comment on section *(if applicable)*:

SUEZ intends to report on allocation of proceeds on its website, on an annual basis, until full allocation. 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 %). In addition, SUEZ is committed to reporting on relevant impact metrics, such as renewable energy production or avoided GHG emissions. Sustainalytics views SUEZ's allocation and impact reporting as aligned with market practice.

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

☐ Other (please specify):

☒ Reporting reviewed (if yes, please specify which parts of the reporting are subject to
external review):

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

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**Type(s) of Review provided:**
☐ Consultancy (incl. 2nd opinion)

☐ Certification

☒ Verification / Audit

☐ Rating

☐ Other (please specify):

Review provider(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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