

2020 TCFD Report

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⇒ SUEZ at a glance

Presentation of business activities

SUEZ is one of the main players in the global environmental market, and the only one for which all business activities are dedicated to water and waste management. The Group is supporting the environmental transition of towns, cities and industrial operators which have fully taken on board the scarcity of resources and the need to combat climate change, while simultaneously adapting to the consequences this change has already brought about. SUEZ, which focuses on a circular-economy model, is present throughout the water management and waste-recovery value chain: from the construction and operation of water networks and infrastructure to collection, sorting and recycling, and even the production of renewable energy, new materials and the provision of digital services. SUEZ is thus able to offer a complete range of services in terms of types of services and contracts, adapted to all categories of customer, including public authorities and private industrial players. In 2020, SUEZ operated 1,401 drinking water production sites and produced approximately 7 billion m³ of drinking water; 2,605 wastewater treatment sites, and biologically treated nearly 5.3 billion m³ of wastewater. In 2020, the Group treated nearly 47 million metric tons of waste. Through its waste collection activities, it served around 35.5 million people and 313,923 customers working in services and industry. It operated 106 composting platforms, 65 thermal treatment sites (including 59 with the possibility of energy recovery), 802 sorting, material recovery and transfer stations, and 96 landfills.

Finally, innovation and digital services constitute powerful levers of transformation and are at the heart of the latest solutions offered by SUEZ. These topics, which are at the heart of the SUEZ 2030 strategic plan, are directly involved in creating added value for the Group's customers and distributing value to the benefit of all its stakeholders.

Purpose of SUEZ

In 2020 SUEZ reinforced its social and environmental responsibility commitment by formalizing its Purpose and by mobilizing all of its stakeholders for its preparation. Introduced during the Shareholders' Meeting of May 12, 2020, SUEZ's Purpose recalls its essential missions and commitments and its investment in favor of combating climate change and preserving the elements essential to our environment: water, soil and air.

SUEZ draws on the expertise it has been developing since the late 19th century to help people constantly improve their quality of life by protecting their health and supporting economic growth.

We work to provide access to essential environmental services for everyone. We supply high-quality water, suited to every type of use, and ensure the protection of this common good. We recover wastewater and waste to convert them into new resources.

Faced with demographic growth, climate change, and social and geographical inequalities, people are increasingly exposed to the consequences of the environmental emergency that is affecting our planet. **Every single day, SUEZ commits to preserving the fundamental elements of our environment - water, soil, and air - that ensure our future.** At SUEZ, we invest in preserving and restoring natural capital, and in the future of biodiversity, both on land and at sea.

As a committed partner to local communities, industry players and citizens, SUEZ mobilises stakeholders to succeed in the environmental transition, developing circular business models and innovating to plan for tomorrow's challenges.

Proud of their work and strengthened by their values, SUEZ's teams based in regions throughout the world are shaping a sustainable environment, now.

The SUEZ 2030 strategic plan

Launched in October 2019, the SUEZ strategic plan aims to position the Group in relation to the opportunities and the challenges of the coming decade, and to ramp up its contribution.

In a constantly changing world, there is a need to take concrete actions to jointly shape a sustainable environment, right now. In particular, the Group needs to boost the development of the circular economy, the emergence of new models, increased regulations and a rising awareness amongst citizens of the climate crisis and damage to the environment.

This strategic plan builds on the confidence already expressed by SUEZ's financial partners in terms of its leadership position in sustainable growth, reflected in the Group's presence in the most prestigious non-financial rating indices.

It also enhances the scope of its commitments as part of the Sustainable Development Roadmap: in October 2019, the Group decided to strengthen its climate commitments to comply with the +1.5°C trajectory:

Reduction of greenhouse gas emissions from its business activities by **45%** (compared to 30% previously), in line with the +1.5°C trajectory and contribution to carbon-neutrality 2050 target;

20 million metric tons of CO₂ emissions avoided each year for its customers;

100% sustainable solutions portfolio.

The SUEZ 2030 plan also includes SUEZ's unique and differentiating value proposition, focused on health and quality of life, and on a circular and sustainable economy that reduces the carbon footprint of customers, while simultaneously conserving and restoring the natural assets of the planet. This proposition includes: helping industrial customers to comply with their commitments in terms of sustainable development, namely climate, and to control their environmental risks, with performance-focused integrated offers, while sustainably securing their industrial processes; helping cities and local authorities achieve their environmental transition, thanks to smart and digital solutions; providing easier access to sustainable consumption for citizens, by offering affordable solutions.

Finally, SUEZ has committed to increasing by 50% its investments in R&D, innovation and digital technology by 2023. It also plans to increasingly shift its investments towards low-carbon solutions for the benefit of its customers, including by creating in emerging countries engineered landfills equipped with solutions to capture and recycle methane, transform purification stations into carbon-neutral and energy-positive resource-plants, and to ultimately capture and reuse CO₂ from waste incinerators.

A sustainable development policy at the heart of the value chain

Being present in the entire resource value chain, from designing, building and operating facilities for water or collection, sorting and recovery of waste to supplying integrated solutions for the circular economy and environmental services, SUEZ wants to become the preferred partner of companies, municipal customers, citizens and all stakeholders to face major challenges of the planet: the increasing scarcity of water and of resources, the acceleration of climate change and biodiversity loss, pollution, health and quality of life. SUEZ's position as leader in environmental activities, its ambition for growth and for transforming its business activities against a backdrop of both growing needs for new environmental services and a macroeconomic environment made even more uncertain by the COVID crisis, make it a key player in the just transition.

The value created by the Group for its stakeholders provides significant benefits that, due to its business activities, predominately favor local economic players: more than 90% of economic flows generated by the Group's activity are redistributed to its employees, subcontractors and suppliers, as well as to the states and regional municipal customers, NGOs and local communities.

Since 2008, SUEZ has been steering its sustainable development by means of a roadmap establishing specific date and number objectives, addressing major sustainable development challenges faced by the Group. The 2017-2021 Roadmap was drawn up in line with the United Nations Sustainable Development Goals (SDGs) and following a materiality study in which more than 5,000 people took part.

The Sustainable Development Roadmap of the Group, as well as the associated environmental, social and governance performance indicators it contains are available in the Integrated Report of SUEZ on its website¹.

A trailblazing and committed extra-financial performance strategy

SUEZ, convinced that the non-financial performance of companies is a powerful lever for the allocation of capital in favor of environmental transition, strives to provide reliable non-financial information reflecting its environmental and societal contribution. Since 2008, the Group associates its sustainable development policy with an ESG approach, based on its participation in the most demanding extra-financial assessments and on an open and transparent dialog with its stakeholders. Eager to include its contribution in the most pertinent international reference frameworks, SUEZ has integrated the United Nations Sustainable Development Goals (SDGs) into its latest Sustainable Development Roadmap, while the environmental and social indicators are disclosed each year in its integrated report alongside the corresponding milestones of the Global Reporting Initiative (GRI). This integrated approach has been reinforced in 2020 through the Group's presentation of its Purpose at the Shareholders' Meeting of May 12, 2020.

This is why the Group supports the European Commission's work to define a set of technical criteria to help private and public operators orient their investments towards projects that support the transition to a sustainable and low-carbon economy². The publication of this report illustrates SUEZ's commitment to transparency and allows it to engage in dialog with its stakeholders on the meaning behind the purpose.

¹ <https://www.suez.com/fr/notre-groupe/un-groupe-engage/rapport-integre-2020>

² https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

Non-financial performance

The increasing importance of sustainable development in its strategy leads SUEZ to reaffirm each year its excellent performance in relation to the expectations of non-financial rating agencies and its presence in the main international ESG indices.

	2017	2018	2019	2020
RobecoSAM	82	79	76	78
CDP Climate	A	A	A	A-
CDP Water	-	-	B	A-
CDP Supplier engagement rating	-	-	A-	A
Sustainalytics - ESG Performance	83/100	83/100	84/100	79/100
Sustainalytics – ESG risks	-	-	22.8 <i>Medium risk</i>	19.2 Low risk
Ecovadis	Gold	Gold	Gold	Platinum
Vigeo EIRIS	67	-	71	-
FTSE Russell	4.0	4.1	4.4	4.4
MSCI	-	A	A	A

⇒ SUEZ FY 2020 TCFD table

In line with its ambition to comply with non-financial reporting best practices, in 2020, SUEZ started publishing a concordance table to assess how well it applied Taskforce on Climate-related Financial Disclosures – TCFD recommendations. TCFD’s recommendations aim to structure the publication of clear, comparable, and consistent information on the risks and opportunities associated with climate change for companies.

This voluntary reporting framework is structured around four recommendations that allow companies to explain how they are integrating the effects of climate change into their strategic decisions, with the aim of producing decision-useful information for the financial sector. These items are available in the concordance table below.

TCFD recommendations	Universal Registration Document 2020	CDP Climate Response 2020 ³
Governance		
Governance of risks and opportunities related to climate change by the Board of Directors	14.4.3	C1.1a/C1.1b
Management’s role in assessing and managing risks and opportunities related to climate change	5.9.2.4	C1.2/C1.2a
Strategy		
Risks and opportunities associated with climate change identified	3.1.2/5.9.2.4.1	C2.2a/C2.3a/C2.4a
Impacts of risks and opportunities identified for the organization	3.1.2/5.3.8/5.4/5.9.2.4.2	C3.1d/C3.1e/C3.1f
Resilience strategy of the organization, taking into consideration different climate-related scenarios	5.9.2.4.2	C3.1b
Risk management		
Processes in place within the Company to assess risks and opportunities associated with climate change	3.2.1/3.2.2/5.9.2.4.2	C2.2
Processes in place to manage these risks and opportunities	3.2.1/3.2.2/5.9.2.4.2	C2.2
Integrating these processes into the Company’s risk management processes	3.2.1/3.2.2/5.9.2.4.2	C2.2
Indicators and objectives		
Indicators used to assess risks and opportunities related to climate change	5.4.2/5.9.2	C2.1b
Publication of Scope 1, Scope 2, and, if applicable, Scope 3 greenhouse gas (GHG) emissions	5.9.2.4.2	C6
Objectives used to assess the risks and opportunities linked to climate change	5.4.1/5.9.3.1	C4.1 to C4.2b

³ CDP 2020 questionnaire based on SUEZ 2019 data.