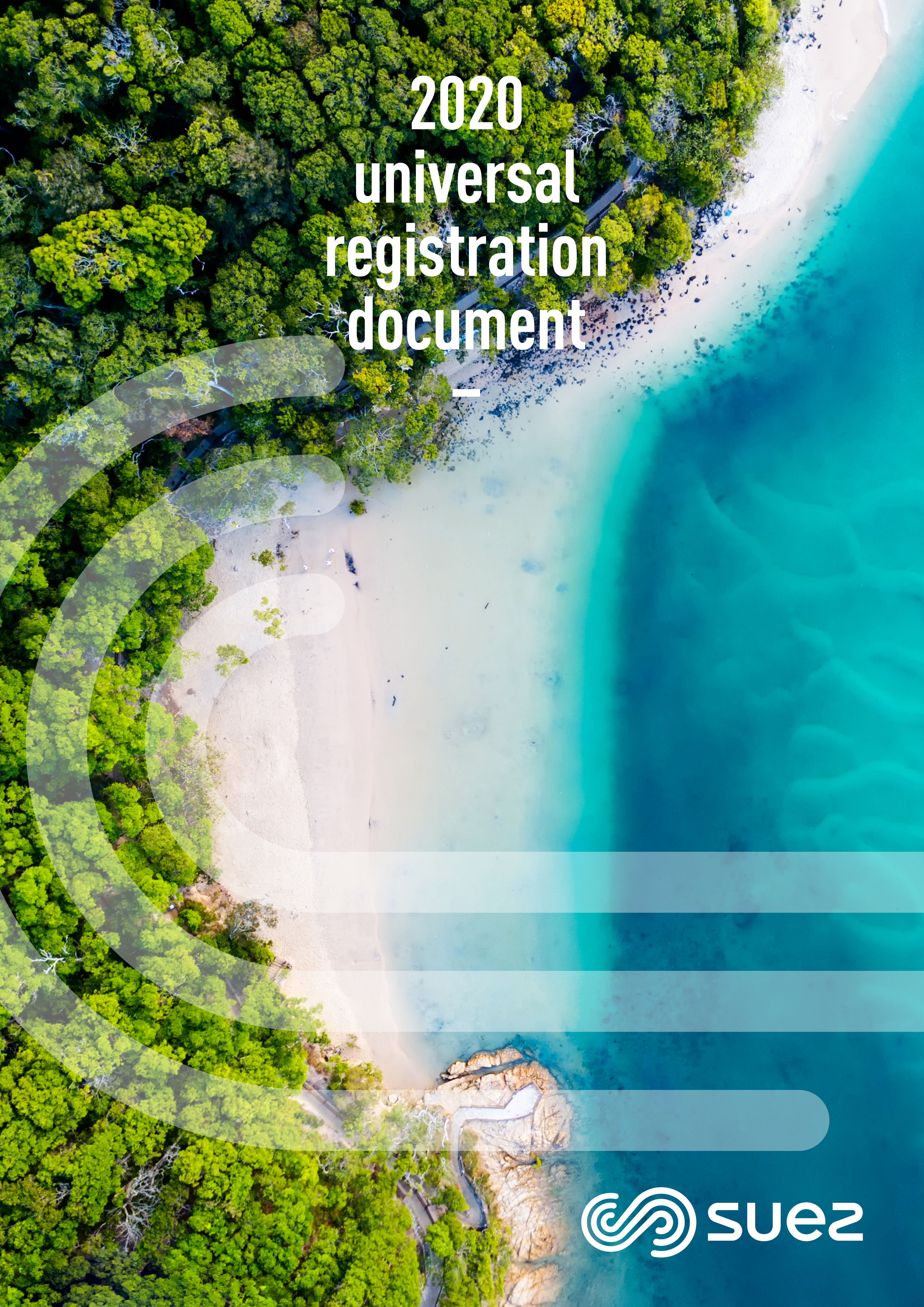
2020 universal registration document



2020 Universal Registration Document

INCORPORATION BY REFERENCE

Pursuant to Article 19 of European Regulation No. 2017/1129 of June 14, 2017, this Universal Registration Document incorporates the following information by reference:

- with regard to the fiscal year ended December 31, 2019: annual report, consolidated financial statements and the corresponding statutory auditors' report, appearing in chapters 7, 18.1 and 18.2 respectively of the Universal Registration Document registered with the AMF on April 9, 2020 under number D. 20-0275;
- with regard to the fiscal year ended December 31, 2018: annual report, consolidated financial statements and the corresponding statutory auditors' report, appearing in chapters 9, 20.1 and 20.2 respectively of the Reference Document registered with the AMF on April 5, 2019 under number D. 19-0281.

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

This Universal Registration Document has been filed on April 29, 2021 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if supplemented by an offering memorandum and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This document is a free translation of the French language Universal Registration Document that was registered with the Autorité des marchés financiers (the "AMF") on April 29, 2021. It has not been approved by the AMF. This translation has been prepared solely for the information and convenience of shareholders of SUEZ. No assurances are given as to the accuracy or completeness of this translation, and SUEZ assumes no responsibility with respect to this translation or any misstatement or omission that may be contained therein. In the event of any ambiguity or discrepancy between this translation and the French Universal Registration Document, the French version shall prevail.

Content

The items of the Annual Financial Report are clearly identified in the summary subsections using the AFR pictograms AFR

Notice

The Company = SUEZ
The Group = the Company and its subsidiaries
The Universal Registration Document serves as the Management Report (see Concordance Table)

Persons responsible for information, information from third parties, expert reports and approval by the competent authority

1.1 Person responsible for the Universal Registration Document

Bertrand Camus, Chief Executive Officer of SUEZ.

1.2 Declaration of the person responsible for the Universal Registration Document

"I hereby certify, after taking all reasonable measures to that effect, that the information contained in this Universal Registration Document is, to the best of my knowledge, accurate and does not include any omission that would distort its substance.

I certify that, to the best of my knowledge, the financial statements have been drawn up in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company, as well as of that of all the companies included in the consolidation, and that the Management Report enclosed presents a true and fair picture of the way in which business is developing, the results, and the financial position of the Company, and all the companies included in the consolidation, and that it describes the main risks and uncertainties they face."

Bertrand Camus
Chief Executive Officer

1.3 Declaration or report from an expert

None.

1.4 Declaration relating to information from third parties

None.

1.5 Declaration without prior approval

The declaration without prior approval is shown on page 1 of this Universal Registration Document.

2 Statutory Auditors

ERNST & YOUNG et Autres – Principal Statutory Auditor

1/2, place des Saisons
92400 Courbevoie – Paris-La Défense 1 – France

Appointed by decision of the Combined Shareholders' Meeting of December 21, 2007 and reappointed by the Shareholders' Meetings of May 24, 2012 and then May 17, 2018 for a six-year term expiring at the close of the Ordinary Shareholders' Meeting convened in 2024 to approve the financial statements for the fiscal year ending December 31, 2023. Represented by Stéphane Pédron [1].

MAZARS - Principal Statutory Auditor

61, rue Henri Regnault - Tour Exaltis
92400 Courbevoie – France

Appointed by decision of the Combined Shareholders' Meeting of July 15, 2008 and reappointed by the Shareholders' Meetings of May 22, 2014 and then May 12, 2020 for a six-year term expiring at the close of the Ordinary Shareholders' Meeting convened in 2026 to approve the financial statements for the fiscal year ending December 31, 2025. Represented by Achour Messas [2].

The fee schedule for the Statutory Auditors is found in Note 26 to the consolidated financial statements, in chapter 18.1 of this Universal Registration Document.

(1) ERNST & YOUNG et Autres is a member of the Compagnie Régionale des Commissaires aux comptes de Versailles et du Centre.
(2) MAZARS is a member of the Compagnie Régionale des Commissaires aux comptes de Versailles et du Centre.

3 Risk factors

3.1 Main risks

Among the many risks identified and monitored by the Group, those described below are likely to have a significant impact on the Group's earnings, financial position, business or image. These risks are reviewed annually when the Group builds its risk mapping.

These risks are categorized below into non-categorized risks, strategic risks, and operational risks. In accordance with European Regulation EU 2017/1129 of June 14, 2017, in each category, the biggest risk in terms of exposure appears first.

The level of risk considered is a residual risk, after taking into account risk management systems and how well they are managed, without actually being a net risk level, meaning taking specific action plans into account that can be set up on a case-by-case basis.

These risks are assessed using a three-level exposure scale: moderate risk, significant risk and critical risk.

Non-categorized risks	Exposure level
Risks related to impacts due to the unsolicited takeover bid	Significant - Under monitoring and assessment

Strategic risks	Exposure level
Risk of an economic downturn triggered by the Covid crisis	Significant
Risks related to climate change, carbon and changes in environmental regulations	Significant
Risks related to the 2nd wave of Covid and its long-term effects	Significant
Risks of business loss and remunicipalization	Significant
Reputation and opinion risk	Significant
Risks related to insufficient innovation and inadequate adjustment to digital technology	Significant
Risk of lower volumes and prices	Moderate
Risks related to delays in the performance plan	Moderate

Operational risks	Exposure level
Risk of not achieving synergies and integration	Significant
Risks related to cybersecurity, data protection and IT system outages	Significant
Risks related to water, product and service quality	Significant
Environmental and industrial risks	Significant
Construction risk	Moderate
Risks related to service continuity	Moderate
Risk related to the employee relations climate	Moderate

3.1.1 Non-categorized risks

Risks related to impacts due to the unsolicited takeover bid

Veolia Group published a press release on August 30, 2020 announcing its intention to acquire 29.9% of SUEZ's shares from ENGIE at a price of EUR 15.5 per share and then file a takeover bid for the rest of SUEZ's shares following the above-mentioned purchase. On September 30, 2020, Veolia increased its proposal to EUR 18 per share (cum dividend).

On October 5, 2020, following the sale's approval by ENGIE's Board of Directors, Veolia purchased 29.9% of SUEZ's share capital from ENGIE at EUR 18 per share. In its press release and declaration of intent filed with the AMF, Veolia specified that its proposed offer would not be filed without the prior approval and favorable ruling of the Board of Directors of SUEZ.

Since then, Veolia has reasserted several times that it intends to take control of SUEZ and file a takeover bid for the rest of SUEZ's share capital at a price of EUR 18 per share (cum dividend), still provided the prior approval and favorable ruling to the bid of the Board of Directors of SUEZ.

On February 7, 2021, Veolia amended its declaration of intent (by no longer requiring that its proposed offer be subject to the favorable response of the SUEZ Board of Directors) and announced its intention to file a takeover bid for the SUEZ shares it did not yet hold.

Veolia sent a document to the AMF on February 8, 2021 entitled "Draft Offer Document".

This attempted unsolicited takeover bid involves risks for the SUEZ Group both from a strategic and operational standpoint.

From a strategic point of view, there are risks involving delays in implementing the Shaping 2030 strategic plan, and particularly:

- regarding the Group's growth trajectory: current uncertainties may lead some SUEZ Group customers or partners to question agreements, calls for tenders, or proposals for partnerships currently in progress;
- regarding the asset rotation plan and the technological and innovative breakthroughs it makes possible, due to potential reluctance of buyers or sellers in this type of situation.

From a public opinion perspective, concerning the delegated management of public services, a perception of reduced competition between private operators could influence how municipal customers decide on management methods.

Operationally, this risk could have an impact on motivation, team commitment and more generally on the employee relations climate or even cause talents to leave.

In addition, to address competition-related issues arising from the unsolicited proposed takeover bid, Veolia has already announced that all of SUEZ Eau France's and its subsidiaries, including the design/construction of water treatment installations in France and R&D activities related to this division not held by SUEZ Eau France, and digital activities, sludge treatment as well as pipeline work directly and primarily related to municipal water activities in France would be acquired by Meridiam. The proposed unsolicited takeover bid, if it were to occur, could therefore have adverse impacts on the scope and certain business activities of the SUEZ Group.

Lastly, some legal proceedings, filed as part of the proposed unsolicited takeover bid or filed against the SUEZ Group, are in progress (see chapter 18.6 of this Universal Registration Document).

3.1.2 Strategic risks

Risk of economic downturn triggered by the Covid crisis

The current Covid-19 pandemic is worldwide, intense and long-lasting. According to the IMF, it is giving rise to an economic crisis unlike any other, causing a sharp drop in global GDP in 2020-one that will take at least several years to recover.

The potential impact of this risk on the Group's profits is significant and could affect all of the regions and businesses where the Group operates. It could impact not only developing regions such as Latin America (LATAM), Africa, the Middle East and Central Asia (AMECA), but also developed regions and countries such as Australia, Spain or France where the largest impacts are being recorded. The Group's outlook in Australia could be slowed down due to economic challenges various clients from SMEs to large groups are facing, due to reduced volumes sent to landfills and price discounts. In Spain, the Covid-19 crisis has brought about a drop in invoiced volumes due to a drastic slowdown in industrial activities and services, especially in tourism. In France, the Recycling and Recovery business could see increasing volatility in secondary raw material prices in addition to decreasing volumes.

A deteriorated macroeconomic landscape from the Covid-19 crisis in emerging countries would impact our business activities and expected profits in regions such as LATAM and AMECA.

Lastly, overall risk related to recovering trade receivables is also exacerbated by the pandemic since various economic agents (households, companies and administrations) may be experiencing economic difficulties.

The tough economic environment could also lead key suppliers or subcontractors to file for bankruptcy, especially on construction projects.

Risks related to climate change, carbon and changes in environmental regulations

RISKS RELATED TO MITIGATING AND ADAPTING TO CLIMATE CHANGE

Combating climate change and adapting to its consequences, much like environmental regulations associated with these actions, are all opportunities for the Group. However, some of the Group's businesses may be exposed to physical risks from climate change, and certain regulations currently being studied could also be a source of economic risk.

- **Physical risks**

The physical risk associated with climate change is now materializing in a very significant way with the increase in intensity and frequency of extreme weather events the Group has observed year after year. In Chile, our business activities may be affected by both long and repeated periods of extreme drought that can lead to water cuts and force us to plan to build additional facilities, or by episodes of heavy rainfall leading to unacceptable resource turbidity, and thus unavailability. The same extreme weather events can also impact other vulnerable regions where the Group operates, although to a lesser extent, such as Spain, Australia or Morocco. The Group takes this risk into account in relation to service continuity risks as well as reputation risk described below.

- **Transition risks**

Transition risks arise primarily from increasing climate change regulations in several countries and regions around the world. In France, through the Energy Transition for Green Growth Act of August 17, 2015; in Europe through "The Climate and Energy Package"; and more recently, in 2018, "The Clean Energy Package", including the amendment of the Directive on the EU-Emissions Trading system.

In particular, some European states announced their intention to tax thermal waste recovery activities, which specifically affects the European Solid Recovered Fuel (SRF) market or the Refuse Derived Fuel (RDF) market. Such measures would have a significant impact on the Group's waste treatment business model in Europe. Regulations related to greenhouse gas (GHG) emissions do not yet include the waste management sector in an emissions tax mechanism, even though some Group business activities related to energy production or secondary raw materials (Solid Recovered Fuel, chemical products) could be eligible for it. At this stage, different scenarios are possible, with positive and negative outcomes depending on the arrangement considered. The Group's most energy-intensive activities will nevertheless be increasingly covered by carbon pricing mechanisms, such as in the United Kingdom, where industries using more than 6 GWh of energy per year are subject to a tax per ton of greenhouse gas emitted, or in Australia, where the Australian Safeguard Mechanism establishes an authorized emissions cap for the facilities that emit the most greenhouse gas.

Furthermore, work in progress to roll out the EU Action Plan for Sustainable Finance Growth by 2022 aims to set up a classification system to determine economic activities that can be considered environmentally sustainable. This could eventually contribute to focusing investments on only one part of waste management and recovery activities to the detriment of the Group's other business activities that also have a positive impact on the environment that are not recognized within the narrow framework and defined criteria.

RISKS RELATED TO THE ENVIRONMENTAL REGULATORY COMPLIANCE OF THE GROUP'S BUSINESS ACTIVITIES

Generally speaking, the Group's businesses are subject to environmental protection, public health, and safety rules that are increasingly strict and differ from country to country. These rules apply to water discharge, drinking water quality, waste treatment, long-term monitoring of landfills, soil and water table contamination, air emissions quality, compliance of equipment and chemical products, and greenhouse gas (GHG) emissions.

Despite managing these regulatory risks within the Group, there are still many risks that result from the vagueness of some regulatory provisions or the fact that regulatory bodies can amend their enforcing instructions and that major developments in the legal framework may occur. In addition, the relevant regulatory bodies have the power to bring administrative or legal proceedings against the Group, which could lead to the suspension or revocation of permits or authorizations the Group holds, injunctions to cease or abandon certain activities or services, fines, civil penalties, or criminal convictions, which could negatively and significantly affect the Group's public image, activity, financial position, earnings and outlook. These administrative authorizations can be difficult to obtain or renew and often involve a long, costly and unpredictable procedure. Finally, the conditions attached to authorizations and permits that the Group has obtained could be made substantially more stringent by the relevant authorities.

Amending or strengthening regulatory provisions could result in additional costs or investments for the Group. Subsequently, the Group might have to reduce, temporarily interrupt, or even discontinue one or more activities with no assurance that it will be able to offset the corresponding losses. As a result, the "National Sword" policy put in place by China in 2017, which aimed to limit or prohibit imports of certain types of recyclable waste into the country (plastic, paper and other materials) had an impact on sales volumes and prices for recyclable materials in Europe. In 2018, an amendment to the Australian Heavy Vehicle National Law required every participant in the vehicle transport supply chain to ensure transportation activities were safe. At the end of 2018 still, the New South Wales Environment Protection Authority (Australia) revoked the resource recovery order that authorized the use of Mixed Waste Organic Outputs in compost for land use. The decision at least temporarily puts an end to the agricultural use of compost and could, in the medium-term, significantly impact the Group's Australian waste treatment business.

The applicable regulations involve investments and operating costs not only for the Group, but also for its customers, and particularly contracting local or regional public authorities, notably due to compliance obligations. Failure by the customer to meet its obligations could injure the Group as operator and harm its reputation and ability to grow.

Risks related to the 2nd wave of Covid and its long-term effects

The Group is confronting the current pandemic using a crisis management system and very specific measures to follow the public health situation and adapt in real-time: activating crisis units and business continuity plans both at headquarters and within the operating entities, creating a specific masks unit, remote work measures, and applying health and prevention measures.

Beyond short-term consequences, including economic consequences, which are handled elsewhere, the grave crisis we are experiencing will have medium- and long-term consequences that could drive the Group to make major organizational, strategic, health or cultural changes. The Group is making efforts to fully grasp the long-term risks that these changes could cause and have already been able to confirm or identify the following risk factors:

Human, labor and societal risks: the crisis has highlighted how much of a major health challenge emerging infectious diseases are-especially those caused by coronaviruses, which have already caused multiple pandemics in the recent past (2003 and 2012 notably)-and they are not going away in the future. In addition to this direct issue, the massive shift in people's daily habits that occurred during the crisis (lockdown, working from home, isolation or overcrowding), some of which may last after lockdown, could potentially cause psycho-social risks or risk of professional disengagement.

Risks related to the post-lockdown phase and the second wave: the gradual and progressive reopening of activities required a consistent response from organizations and strict compliance with prevention measures. Some risks identified are for now being managed thanks to our quick thinking and responsive suppliers. They concern supply chain resilience and critical products needed to continue providing the Group's essential services, such as personal protective equipment and chemical products. These risks will require constant vigilance, particularly for potential bottlenecks, building strategic inventories and researching alternative suppliers, complying with both the Group's labor and quality standards.

Risks of not adapting to the post-Covid era: the mass transition to work-from-home will lead to some less connected populations not being able to adapt-a situation that could be exacerbated if there were ever insufficient IT infrastructure. The Group also identified cyber risks in a world where digital and contactless technology take on an increasingly important role.

Risks of business loss and remunicipalization

The Group's core businesses continue to face strong competition from major international operators and, in some markets, from "niche" players. Additionally, new players such as industrial companies (equipment manufacturers, builders), financial companies (Asian conglomerates), companies in the digital economy sector or even our own customers or suppliers are investing in markets or repositioning themselves in the value chain by adopting aggressive strategies and diversifying their offerings in the service industry. In addition, the Group also faces competition from public sector operators in some markets, such as the semi-public companies in France. Finally, some cities may want to retain or assume direct management of water and waste services (notably in the form of public control, *régie*) instead of depending on private operators in both France and Spain. This competitive pressure is even stronger in the water treatment engineering sector due to the ramping up of new Spanish and South Korean players, to the contraction of the European municipal market as a result of local public entities experiencing financial problems and to a lack of competitiveness.

Regarding contractual risks, the contracts entered into by the Group with public authorities make up a significant share of its revenues. However, in most of the countries in which the Group operates, including France, Spain and Morocco, local public entities have the right, under certain circumstances, to amend or even terminate the contract unilaterally, subject to compensation. If a contract is unilaterally canceled or amended by the contracting public authority, the Group may not be able to obtain compensation that fully offsets the resulting loss of earnings. Moreover, the Group does not always own the assets that it uses in its operations under a public service delegation contract (primarily through public service concessions or leases). SUEZ cannot guarantee that the contracting authority will renew each of its existing public service delegation contracts or that the financial conditions of the renewal will be the same as the initial delegation. This situation could negatively impact the Group's operations, financial position, earnings and outlook.

Reputation and opinion risk

Since the advent of the single SUEZ brand, and given the global reach of the Group's business activities, the reputation risk the Group faces after any incident occurs in one of its operating entities, such as the water system supply accidentally being cut off, alleged wrongdoing, an ethics problem, fraud, a cyber-attack, the frequency of which is steadily increasing, is higher. Other events such as prolonged water cuts due to an accidental pollution incident that occurred in a drinking water production plant could also heighten this risk. This risk could be increased by whistleblowers being active on social media where information is shared widely and immediately. This reputation risk may be compounded by an NGO intervening and alleging human rights abuses under France's law on duty of vigilance.

In addition, business activities specific to the Group (water treatment, incineration, etc.) affect its reputation in relation to a number of sensitive societal issues: health, air quality, water quality, micropollutants, plastic use, services to extractive industries, management of common goods and access to essential services. At WTS, the risk of Legionnaires' disease as well as the risk tied to the oil sector are identified. Regarding water quality, the Group cannot control privately owned interior pipes that may be the source of some quality issues with tap water, for instance, such as the presence of lead. Any overstepping of the regulatory standard for drinking water, whatever its origin, could have a negative impact on the Group's image. Lastly, actions by staff, Corporate officers or representatives violating the ethical principles affirmed by the Group could expose it to legal and civil penalties as well as lead to loss of reputation.

Risks related to insufficient innovation and inadequate adjustment to digital technology

Within the Group, the risk of losing competitiveness mainly impacts the construction businesses, as well as the Africa, Middle East, Central Asia and India region. This risk is in large part due to an increase in and worldwide spread of competition, particularly from Spanish and Chinese competitors, as well as competitors from other Asian and emerging countries. Innovation is an answer to this risk. The Group cannot, however, guarantee it will be agile enough to adapt if needed in terms of market intelligence, technological innovation, competitive costs, performance and quality. This risk can result in not being able to win planned projects, or in a decrease in the margins necessary to stay competitive, especially in the construction business.

In addition, in order to offer comparable or better performing services than those offered by competitors, or to win new markets, the Group has chosen to make innovation a central focus of its strategy and develop new technologies and services by emphasizing major focus areas-innovation, marketing, R&D and digital transformation-to meet our customers' and industrial companies' expectations. This would help generate additional revenue, but would also be a source of new risks- time-to-market could be too long for new products and services, there could be delays in developing a "digital" offering compared to the competition, or uncontrolled development costs could have an adverse impact on the Group's financial position and earnings.

Lastly, a delay in defining and implementing more customer-oriented IT architecture (harmonizing customer relations management (CRM) systems, Group Internet of Things (IoT) policy, adopting a multi-cloud environment) would put the Group's ability to participate in new water and waste services e-economy at risk.

Risk of lower volumes and prices

In the supply of drinking water in some developed countries, a decrease is being observed in volumes consumed mainly due to social factors and because water is a resource that needs to be preserved. For example, in France, the Group estimates that billed water volumes are declining structurally by approximately 1% per year on average. This type of downward trend in volumes has also been noted in Spain for several years, and more recently in Morocco. To respond to this decline in volumes, the Group is achieving productivity gains, providing in certain contracts for a tariff share independent of the volumes consumed, developing higher value-added services, particularly by supporting public authorities in their obligation to meet changing regulations, and making tariff adjustments. However, if these developments are insufficient in the future to offset the reduced volume, there may be a negative impact on the Group's activity, earnings and outlook.

Water volumes consumed also depend on weather changes. As a result, exceptional rainfall could negatively impact the Group's activity and earnings.

Regarding rates, regulatory changes, such as the proposed Act amending the Water Code in effect in Chile, which is currently under review, could also have an impact on prices, margins, investments, operations and consequently the Group's business activities, earnings and outlook. Pricing risk is also significant in Spain where municipalities require price reductions or call into question contractual indexation formulas. The Group carries out most of its business activities under long-term contracts with terms of up to 30 years or more. The conditions for performing these long-term contracts may be different from those that existed or that were anticipated at the time the contract was entered into and may change its financial balance. SUEZ makes every effort to obtain contractual mechanisms that allow it to adjust the balance of the contract in response to changes in certain significant economic, social, technical or regulatory conditions. However, not all long-term contracts entered into by the Group have such mechanisms. Moreover, when the contracts entered into by the Group contain such adjustment mechanisms, it is not certain that the contractual partner will agree to implement them or that they will be effective in re-establishing the financial balance of the contract. The absence or potential ineffectiveness of the adjustment mechanisms provided for by the Group in its contracts or the refusal of a contractual partner to implement them could have a negative impact on the Group's financial position, earnings and outlook.

Risks related to delays in the performance plan

The Group started a multi-annual operating performance improvement plan that involves optimizing operating, purchasing and overhead costs. To carry out this performance plan, the Group needs to completely transform its operating model in critical areas such as governance or talent management.

Any transformation delay, and specifically in advancing projects, could adversely affect the Group.

Additionally, even if transformation plans have been rolled out, there is still a risk that they will not end up saving as much money as planned or being as effective as hoped.

3.1.3 Operational risks

Risk of not achieving synergies and integration

Acquisitions, and particularly the purchase of GE Water (which became the global WTS business unit) on September 29, 2017, involves risks related to integration and not achieving the gains the Group hoped for.

A major possible cause would be difficulties creating the desired growth synergies due to the market not being as enthusiastic as anticipated to the Group combined service offering with WTS.

Difficulty in generating the expected synergies and reductions of costs in purchases or support functions, for example, and the emergence of unexpected liabilities or costs also contribute to these risks. The occurrence of one or more of these risks could have a negative impact on the Group's operations, financial position, earnings or forecasts, particularly in light of the acquisitions provided for in the SUEZ 2030 plan.

Risks related to cybersecurity, data protection and IT system outages

Information systems are critically important in supporting all the Group's business processes.

Increasingly, they are interconnected and cut across business segments. Any failure could lead to loss of business, loss of data or breach of confidentiality, and could negatively impact the Group's operations, financial position and earnings.

The implementation of new applications may require considerable development, with risks relating to development costs, quality and deadlines.

Risks due to cybersecurity and malicious intrusions into information systems are increasing. Cyber-attacks are getting larger and becoming more frequent, more sophisticated and potentially costly. These risks are a threat to data security and can lead to acts of fraud or customer relationship management (CRM) data breaches. They also heighten the vulnerability of supervisory control and data acquisition (SCADA) systems, which could result in, for instance, losing partial control of a water or waste treatment plant. Rapid technological changes – and especially the rise of the Cloud and the internet of Things – have increased the level of potential threats as well as the risk of losing control of the Group's IT systems. The lack of efficient patch management processes or vulnerability management processes may lead to the development of security gaps, especially when equipment and software are not updated or when vulnerabilities identified are not corrected.

Insufficient investments or updates in IT equipment or infrastructure make the Group vulnerable to system failures or outages.

Office and industrial Information Technology is increasingly connected to the internet, which in turn makes the systems increasingly open and vulnerable. Not only has the risk of fraud grown, but corporate and personal data breaches have as well, resulting in an additional risk of not complying with the General Data Protection Regulation (GDPR), which could lead to not only considerable financial penalties, but also civil or even class action lawsuits.

Group employees having a relatively low level of IT security maturity is also a compounding factor for these risks.

Risk related to water, product and service quality

Risk related to water, product and service quality is a core focus for the Group and its ability to provide essential services that it has committed to deliver to its customers in compliance with required quality standards and specifications.

Exposure to this risk has grown considering some notable risk factors, including:

- extreme weather events, from the historic wildfires in Australia to the drought in Chile, which will reveal even more technological challenges to meet water quality and service continuity standards. the discharge of effluents treated by wastewater treatment plants in desert dry rivers could happen more often and become more problematic;
- the regulatory environment is noting these changes, which will require greater control of polluting substances as well as additional investments to maintain compliance with quality limits introduced in new regulations, for example, concerning lead or perfluorinated compounds in Europe or in the United States;
- compliance requirements concern recycled materials such as compost, solid recovered fuel or end-of-waste status;
- the increase in quality requirements for secondary raw materials as these secondary raw materials will be incorporated into products for everyday consumption more often;
- the Group's ability to provide suitable services when new innovative and digital product lines and services are launched, especially for the global Smart & Environmental Solutions business unit.

Environmental and industrial risks

The facilities that the Group owns or manages on behalf of third parties carry risks to the surrounding environment (air, water, soil, habitat and biodiversity) and may pose risks to the health of consumers, local residents, employees, or even subcontractors. These health and environmental risks, which are governed by strict national and international regulations, are regularly monitored by the Group's teams and by the public authorities. These changing regulations with regard to environmental responsibility and environmental liabilities carry the risk of increasing the Company's vulnerability in relation to its activities. This vulnerability must be assessed for older facilities (such as closed landfills) and for sites in operation. It can also concern harm caused by or damage inflicted on habitats or species.

As part of its activities, the Group must handle, or even generate, hazardous products or by-products. This is the case, for example, with certain chemicals used in water treatment. In waste treatment, some Group facilities treat special industrial or medical waste that may be toxic or infectious.

In waste management, gas emissions to be considered include greenhouse gases, gases that induce acidification of the air, noxious gases and dust. In water activities, potential air pollutants mainly include chlorine or gaseous by-products resulting from accidental emissions of water treatment products. Wastewater treatment and waste treatment activities can also cause odor problems or produce limited but dangerous quantities of toxic gas or micro-organisms.

In the absence of adequate management, the Group's activities could have an impact on water in the natural environment: leachates from poorly monitored landfills, discharges of heavy metals into the environment, and aqueous discharges from flue gas treatment systems at incineration plants. These various types of emissions could pollute water tables or watercourses. Wastewater treatment plants discharge decontaminated water into the natural environment. For various reasons, these plants may temporarily fail to meet discharge standards in terms of organic, nitrogen, phosphorus or bacteriological load.

Soil pollution issues could arise in the event of accidental spills of stored hazardous products and liquids, leaks from processes involving hazardous liquids and the storage and spread of sludge.

Non-compliance with these standards can lead to contractual financial penalties or fines.

There are risks related to the operation of waste treatment facilities, water treatment facilities, water supply networks and certain services rendered in industrial settings. These risks can lead to industrial accidents such as fires or explosions caused by design faults or by external events beyond the Group's control (actions by third parties, landslides, earthquakes, floods, hurricanes, etc.). Such industrial or health accidents may cause injuries, loss of human life, significant damage to property or to the environment, as well as business interruption and loss of output.

Although the Group has premium civil liability and environmental risk insurance, it may still be held liable above the amount of its coverage or for items not covered in the event of claims involving the Group. Moreover, the amounts provisioned or covered may be insufficient if the Group incurs environmental liability, given the uncertainties inherent in forecasting expenses and liabilities related to health, safety and the environment. Therefore, the Group's liability for environmental and industrial risks could have a significant negative impact on its public image, activity, financial position, earnings and outlook.

SPECIFIC RISKS RELATED TO OPERATING HIGH-RISK SITES ("SEVESO" SITES):

According to Directive 2012/18/EU of July 4, 2012, SUEZ operates Seveso-designated sites within the European Union.

SUEZ operates other hazardous industrial sites for which it is committed to applying the same high industrial safety standards.

Any incident at these sites could cause serious harm to employees working at the site, neighboring populations and the environment, and expose the Group to significant consequences. The Group's insurance coverage could turn out to be insufficient. Any such incident could, therefore, have a negative impact on the public image, activity, financial position, earnings and outlook of the Group.

IMPACT OF THE COVID-19 CRISIS ON MANAGING OPERATIONAL RISKS:

The series of lockdown periods and other travel restrictions affecting our employees' and our service providers' activities have resulted in a potential reduction or postponement of periodic safety visits and/or maintenance programs at safety facilities. This situation could alter the operational risk management control system. Furthermore, long-term effects of the crisis on economic conditions could potentially hurt operating income, which could in turn lead to a deterioration of the quality of the Group's contractual relationships with owners of assets that it uses as part of its operations that it conducts under a public service delegation contract. The fact that the Group does not always own the assets means it cannot make decisions to invest in modernization or perform major maintenance on said assets. Yet, these operations occasionally involve infrastructure work intended to improve operational risk management (modernizing automated facilities, restructuring means of protection to take into account changes in operational processes or the quantitative treatment capacity, etc.). Decisions to reduce or differentiate these operations both in the water and waste businesses could increase operational risks by the operator and could change the Group's relationships with its insurers during already tense times.

Construction risk

The Group is involved in the design and construction of certain installation projects.

These risks are related to the completion of fixed-price turnkey contracts. Under the terms of such contracts, the subsidiaries agree to engineer, design and build operation-ready plants for a fixed price. Actual expenses resulting from performing a turnkey contract can vary substantially from initial projections for a variety of reasons, such as:

- unforeseen increases in the cost of raw materials, equipment or labor;
- not obtaining the necessary construction or operating licenses or authorizations;
- unexpected construction conditions;
- delays due to weather and/or natural phenomena (particularly earthquakes, floods and pandemics);
- not achieving expected performance or unforeseen technical difficulties;
- not being able to obtain enough resources required per the contract for project management or oversight, particularly when the Group assumes the role of integrator in waste infrastructure design and construction projects;
- non-performance by partners, suppliers or subcontractors.

The terms of a fixed-price turnkey contract do not necessarily make it possible to increase prices to reflect elements that were difficult to predict when the bid was submitted. For these reasons, it is impossible to determine with certainty the final costs or margins of a contract at the time the bid was submitted, or even at the start of the contract's performance phase. If costs were to increase for any of these reasons, the subsidiaries carrying out this type of business could see their margins shrink, potentially causing them to sustain a significant loss on the contract.

Engineering, Procurement and Construction projects can encounter problems that may entail a reduction in revenues, disputes or lawsuits. These projects are generally complex, and require major purchases of equipment and large-scale project management. Schedule delays could occur, and the subsidiaries could encounter difficulties in design, engineering, the supply chain, construction and/or installation. These factors could have an impact on their ability to complete certain projects by the original deadline.

Certain terms of the contracts entered into require the client to provide particular design or engineering-related information, in addition to the materials or equipment to be used for the project. These contracts may also require the client to compensate them for additional work done or expenses incurred, if (i) the client changes its instructions, or (ii) the client is unable to provide them with adequate design or engineering information or appropriate materials or equipment for the project. In such cases, these subsidiaries usually negotiate financial compensation with their clients for the additional time and money spent due to the client's failure to meet its contractual obligations. However, the Group cannot guarantee that it will receive sufficient compensation to offset the extra costs incurred, even if it takes the dispute to court or arbitration.

The Group, as part of the guarantees given to cover its subsidiaries' commitments, may be required to pay financial compensation if it breaches contractual deadlines or other contractual stipulations. For example, the new facility's performance may not comply with project specifications, a subsequent accident may invoke the Group's civil or criminal liability, or other problems may arise (now or in the future) in the performance of the contract that may also significantly impact the Group's operating income.

Risks related to service continuity

These risks are first and foremost related to water service interruptions caused by events such as accidental pollution or a lack of maintenance. For business activities related to waste recycling and recovery, the Group could also be impacted by service interruptions at collection or treatment centers. These risks could also be exacerbated by the Covid pandemic, which could cause a major public health impact on Group employees at operating sites.

The main risks identified concern Chile and Australia. Due to the single "SUEZ" brand, the impact on the Group's reputation would be amplified by such events. Contractual penalties could also apply.

In general, in a world where climate change and its proven impacts are rapidly gaining momentum, increased drought frequency and intensity could lead to a localized decrease in the availability of groundwater and surface water resources. This increasing scarcity of water resources, in combination with demographic and metropolitanization pressures, could reduce or interrupt production capacity. Moreover, the increase of drought phenomena could increase the risk of saltwater intrusion into groundwater.

Likewise, the increased frequency of significant rainfall events, as well as the increase in their intensity, creates a growing risk in coming decades of flooding in Group-managed facilities, generating service interruptions and overloading storm sewer networks or units. Meanwhile, the disruption of transportation systems by flooding could affect power supply, waste collection and the delivery of reagents for water treatment.

Some Group companies depend on raw water, treated water or primary energy suppliers for their distribution activities. Such dependence is generally imposed by regulation or local technical configurations, leading to the de facto monopoly of these suppliers. It is always possible that such suppliers may fail to meet their obligations due to technical issues (breakdowns), pollution or for other reasons, causing a risk of service interruption.

Risk related to the employee relations climate

Although the employee relations climate is considered stable and satisfactory today as per surveys conducted among Group employees to assess how happy they are about the support they are receiving from the Group during the Covid-19 crisis, certain risk factors, be they local or global, could have a one-off impact on the employee relations climate:

- the crisis due to the Covid-19 pandemic and its negative impacts on employment locally and globally;
- the transformations brought on by the Shaping 2030 strategic plan and uncertainties set off by corresponding asset disposals;
- the overall political and labor environment ("yellow vest" crisis in France);
- uncertainties unleashed by the attempted unsolicited takeover bid by Veolia.

These risk factors could adversely impact the Group's image, our customers' satisfaction or employee motivation.

3.2 Risk management and control within the Group

3.2.1 General framework for Group risk management and control

Management of the risks the Group is facing involves identifying and assessing such risks and putting in place the appropriate action plans and hedges.

The Group has adopted an integrated corporate risk management policy, which aims to provide a complete overview of the risk portfolio through the use of methods and tools common to all subsidiaries and functional departments.

The Chief Risk Officer (CRO) is responsible for coordinating this integrated approach. He is supported by a network of Risk Officers who are responsible for seamlessly and consistently executing the risk assessment and management techniques at the various subsidiaries. The network is headed by the Chief Risk Officer.

A risk-mapping process for the whole Group has been in place for several years. Risks are identified, classified by category (strategic, financial or operational), assessed (by significance, frequency, and exposure), and quantified wherever possible. The method for handling them is then reviewed, which provides information for action plans at different levels of the Company.

This process, which is overseen centrally by the Chief Risk Officer and at the subsidiaries by the network of Risk Officers, makes it possible, in particular, to draw up an annual summary of the major risks for the Group. It includes steps to select significant individual risks and, if applicable, aggregate homogeneous risks and to take into account possible links. The summary is discussed and validated by the Executive Committee.

The subsidiaries maintain responsibility for implementing the most appropriate risk management policy for their particular activities. However, certain trans-Group risks are directly managed by the corporate departments involved:

- within the Office of the General Secretary:
  - the Legal Department analyzes and manages the Group's legal risks, based, in particular, on periodic reporting from the subsidiaries and their network of in-house legal counsel,
  - the Internal Audit, Risk and Investments Department ensures:
    - that internal audits are conducted on all the Group's activities around the world. It proposes its annual audit plan based on an analysis of the operational and financial risks of Group companies. This audit plan is approved by General Management. The objectives of the internal audit are to assess the contribution of the audited entities in relation to their commitments, validate their risk analysis and control, assess their internal control system and verify that the Group's procedures, guidelines and charters are followed. At the end of every assignment, the Internal Audit Department communicates its conclusions and recommendations for corrective actions,
    - that the overall Enterprise risk management process is carried out and the networks/communities concerned are managed: Risk Officers, Contract Managers,
    - that the Group's and subsidiaries' main projects in terms of investments, acquisitions and disposals, in particular, are analyzed in collaboration with the Group Controlling Department and the Legal Department,

  - the Insurance Department, in conjunction with the subsidiaries, is the contracting authority for the Group's insurance programs for industrial and environmental damage, business interruption, and liability (third-party, professional, etc.). Specifically, it monitors risks of fire and machinery breakdown by implementing an annual prevention and protection program for the Group's key sites,
  - the General Secretary, acting as the Ethics Officer for the Group, is responsible for the prevention and management of ethical risks. He relies on the Ethics and Compliance Department, which identifies and manages risks related to ethics violations and compliance gaps. It also has a network of compliance officers;
- within the Finance Department, the Treasury and Capital Markets Department, together with the subsidiaries, analyzes the Group's main financial risks (interest rates, major currencies and banking counterparties), develops instruments for measuring positions and sets policy for hedging such risks. The Group Controlling Department performs critical analyses of the subsidiaries' actual and forecast financial performance through the monthly review of operating and financial indicators. It develops the Group's short- and medium-term financial forecasts and contributes to the analysis of development projects by the Group and its subsidiaries. The Internal Control Department has rolled out a documentation, improvement and annual internal control assessment program at the main subsidiaries of the Group in collaboration with the Group's functional and operational management teams. The Tax Department's primary responsibility is to identify and analyze the Group's tax risks. The Group Controlling Department ensures compliance with accounting standards;
- the Human Resources Department analyzes the main labor risks, gaps in terms of skills, corporate culture, and employee mobilization and engagement. It develops action plans for recruiting local talent and skills development. The Health and Safety Department monitors and ensures the prevention of occupational illnesses and accidents related to the Group's businesses. It ensures the implementation of warning and crisis management procedures within SUEZ Group entities to establish a culture of prevention at all levels, which further enhances the quality and continuity of operations;
- the Performance Department:
  - studies and monitors environmental and industrial risks and coordinates the actions needed to strengthen risk control and compliance with requirements in this area. To do so, it implements a schedule of environmental audits and coordinates a network of Environmental and Industrial Risk Officers charged with rolling out the environmental risk management policy uniformly and consistently at each main subsidiary,
  - studies the operating risks associated with the Group's production systems and assists the subsidiaries in resolving operational issues at their sites, establishes and distributes best practices and operational benchmarks to the subsidiaries, and prepares solutions for a certain number of emerging risks by developing suitable research programs;
- the IT Department analyzes and manages risks relating to IT systems to guarantee the availability, integrity and confidentiality of information;
- the Security Department: the Group has developed specific security know-how over a long period of time through various large projects in Central America, South America, Africa, the Middle East and Asia. Faced with increasingly complex and unstable security conditions, the Group has developed its own upstream analysis system for potential risks and an overall security management system based on scalable solutions that are adapted to the specific local and regional context. In this way, the Group continually analyzes unstable situations so as to identify early signs of deterioration;
- the Engagement and Communications Department analyzes and manages primarily image and reputation risks and prepares and implements suitable crisis communication plans in connection with the subsidiaries. The Best Practices Charter of the SUEZ communications network reminds employees of the confidential nature of information held by some employees and the internal obligations relating to the dissemination of information;
- the Treatment Solutions Department actively contributes to managing risks related to design and construction.

Aside from these functional departments, the Board of Directors is assisted by an Audit Committee whose assignments in terms of risks are as follows:

- obtain regular updates on the Group's financial position, cash position and significant commitments and risks;
- examine the risk control policy and the procedures selected to evaluate and manage these risks;
- evaluate the efficiency of the Group's internal control system.

The results for 2020 of the overall risk management policy were presented on October 26, 2020.

The Group is implementing internal control in line with the Internal Control policy, the corresponding risk guidelines and the Matrisk tool. It is based on a network of Internal Control points of contact.

3.2.2 Management of industrial and environmental risks

Controlling environmental and industrial risks is a priority for the Group. For this reason, a specific management policy for these risks was enacted in 2014. It addresses risks which may be of accidental or natural origin. They may be due to human or organizational factors, equipment accidents or malicious acts. The scope of this policy covers all types of pollution (air, soil, aquatic environments) and environmental nuisance (noise, vibration, odor, visual discomfort, etc.). It also covers environmental damage as well as property damage and personal injury caused by fire, explosion, machine breakage, natural disaster, the collapse of structures, etc.

In 2020, initially the Performance Department managed the cybersecurity risk policy for Industrial Control Systems (OT). Now the IT Department manages this to enhance the Group's actions in line with the IT Security policy.

This policy is consistent with the Global Risk Management, Health and Safety, and Security policies.

A structured management system ensures that the management principles it contains are applied across all business units internationally.

3.2.2.1 Governance

Within their organizations, SUEZ and each of its business units each appoint an Environmental and Industrial Risk Officer (EIRO) to ensure the coordinated functional management of these risks at every level of the organization. The Group EIRO reports to the Performance Department. This individual is responsible for coordinating the network of EIROs in the business units. Commitments are formalized with the business units or other operating entities based on the principle of subsidiarity with the aim of continuously improving the management of environmental and industrial risks. The annual Compliance Letter procedure is used to draft a report of each business unit's environmental and industrial risks, determine areas for improvement and related action plans, disclose significant risks identified and report on the measures taken as a result. Depending on the nature of the risk, action plans may be developed over one or more years. However, action plans seeking to mitigate significant risks must be developed within a limited time frame to minimize the risk of major accidents. This document is signed by the CEO of each business unit, based on the Compliance Memorandum of its EIRO.

3.2.2.2 Management Rules and Operational Rules

A series of management rules offer guidance on how to apply the SUEZ Environmental and Industrial Risk Management Policy. Compliance with local regulations is required in all cases. Any business unit, subsidiary or facility with industrial operations, and over which the Group has a dominant influence on technical operations, must comply with these management rules. They also apply to any service performed on behalf of a third party at their facilities.

The management rules make it possible to roll out the main components of the Environmental and Industrial Risk Management Policy in the business units and operating entities. The main components of the policy are as follows: organization, risk management, design, operation and modification of facilities, standards, reporting, training, subcontractor management, integration of new companies or operation agreements, management and communication of accidents and near accidents, as well as other actions. They also lay down the roles and responsibilities for its implementation and the monitoring systems in place.

In addition, a series of environmental and industrial operational rules define the mandatory rules for all Group operations. The business units' management systems must take into account and adhere to the principles of these operational rules.

The purpose of the operational rules is to enable operating entities or subsidiaries to check that the operations under their control comply with the Group's established criteria. Failure by existing entities or newly acquired companies to comply with the operational rules must be addressed through an action plan to return them to compliance within an appropriate time frame.

The operational rules are accompanied by Practical Guides that offer guidance and examples for the practical application of these rules. The practices are supplemented depending on accident analysis feedback in collaboration with insurance company claims experts.

A series of external training modules is available on the Group training platform to spread awareness of these operational rules. Group experts also organize face-to-face training sessions on this topic.

3.2.2.3 Control

The operating entities to which this policy applies must follow the SUEZ Environmental and Industrial Risk Management system and its three-step approach: risk identification; risk assessment; and implementation of risk management measures.

The operating entities must introduce an appropriate method (or a combination of different methods) to identify potential environmental and industrial risks associated with their activities or specific to their facilities. Several risk identification methods are accepted: audits, self-assessment questionnaires, hazard studies conducted as part of applications for authorization to operate, process risk studies, risk prevention programs carried out by third parties (e.g., specialized risk prevention companies on behalf of insurance companies), site visits by management or by functional departments, and integration or acquisition of new facilities.

In addition, audits are conducted by the Performance Department (including a general audit of the environmental and industrial risk management system and audits on selected operational sites). These audits are intended to verify the business units' ability to identify environmental and industrial risks, to determine measures for controlling such risks and to guarantee efficiency of these measures over time. Failure to apply the management rules and standards is reported to the appropriate management level for analysis and decision-making on the measures to be implemented. A summary of the reported gaps is presented annually to the Group's General Management.

3.2.2.4 Crisis alert and management

A crisis alert and management procedure is in place to anticipate and manage accidents or any unforeseen and sudden events that may have a negative impact on the environment, operating or third party assets, business continuity or Group reputation, as well as associated impacts on employees and local residents. Such measures serve to ensure immediate and reliable communication about emergency situations to appropriate levels of the organization (alert) and to prepare and implement a "crisis organization" that is able to decide, communicate, and respond locally and globally, even in situations made worse by events. The procedure specifies the type of events that must be communicated through SUEZ's emergency stand-by team and the severity thresholds that should trigger an alert.

Each of the Group's subsidiaries has emergency plans in place that involve two modes of intervention: a local emergency stand-by team that issues the alert and mobilizes crisis management resources, and a dedicated crisis management system that can handle the crisis effectively over time. This system provides in particular for the creation of crisis management units that are capable of taking into account internal or external impacts, whether technical, social, health related, economic or reputational.

3.2.2.5 Consideration of feedback

Following an environmental or industrial accident, the operating entities must analyze the event to determine the facts and understand the technical, organizational and human causes leading to the event. This analysis allows management to take appropriate measures to prevent a reoccurrence; update the risk analyses and reassess the robustness of risk control measures; and improve understanding about safety issues and the Group's safety culture by sharing feedback.

In the case of severe accidents, a news flash is circulated throughout the organization by the EIROs and *via* a post on Yammer (the Group's internal social media network). A review panel may also be set up. Chaired by a representative of the Group's General Management, these panels aim to ensure that the causes of the accident have been correctly analyzed and appropriate corrective measures have been taken at the business unit level to prevent a repeat of such an accident; to propose any additional measures or investigations; to decide on possible actions at the Group level; to decide on the classification of the accident and the possible consequences for the people involved (employees and managers), and to decide on how to communicate about the event.

3.2.3 Management of IT risks

Cybersecurity risk concerns the operation of industrial sites managed by the Group and the protection of data relating to the Group, its employees and its customers.

In line with recommendations from international standards, such as ISO 27000, the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF), as well as the guide on industrial cybersecurity systems published by the French National Agency for the Security of Information Systems (ANSSI), the Group has performed the following to enhance governance-related items:

- implemented integrated Group **Cybersecurity governance**, with heavy involvement of the Data Privacy, environmental and industrial security and risks teams, and a **Cybersecurity Roadmap**, which the Executive Committee introduced and approved in January 2020;
- **strengthened the Group's Cybersecurity team** in all its core areas, especially in terms of 24/7 security incident response and the merger with the Cybersecurity team for Operational Technology (OT), which manages OT Cybersecurity risk in 2020;
- expanded the **Cybersecurity agent network**, which includes IT, OT and **Data Privacy** throughout the Group in order to analyze Cybersecurity and personal data protection risks as well as ensure the Group remains compliant with regulatory requirements;
- **improved Cybersecurity standards**, and particularly reviewed Cybersecurity policies to define requirements for IT, OT and security systems to apply within the Group as well as created a Cybersecurity service center to support the integration of Cybersecurity into projects and contracts;
- **rolled out Cybersecurity crisis management governance** throughout the entire Group following two Cybersecurity crisis exercises that were organized in 2018, and again in 2019 involving around twenty industrial sites in three different countries, and a new exercise which took place on March 12, 2021;
- continued to roll out **measures regarding GDPR regulations** with Privacy Impact Assessments for the key processing of certain personal data, drafted and signed a Data Protection Addendum with suppliers which includes GDPR requirements and raised employee awareness of GDPR;
- included reviews of the Group entities' Cybersecurity management (governance, organization, compliance with Group policies, technical tests) in the internal audit plan;
- updated the **global Cybersecurity insurance policy** covering all legal entities since mid-2018.

The Group has also validated and rolled out its **Cybersecurity Roadmap for 2020-2022** by:

- launching an **awareness raising program**, which includes deploying a phishing simulation platform and organizing regular phishing campaigns at the business area and Group level, disseminating Cybersecurity awareness by raising videos for all employees, launching an e-learning module and broadcasting Cybersecurity videos at all industrial sites;
- deploying a **unified Group Cybersecurity solution** to protect against advanced attacks on **more than 55,000 workstations and servers** (new generation anti-virus solution with Endpoint Detection & Response technology);
- deploying a **firewall rule audit solution** to ensure compliance;
- deploying a **Cloud proxy solution** to protect employees, including those working remotely;
- **selecting and deploying a Cybersecurity Data Lake** designed to cover all the Group's security events;
- using consulting services and entering into contracts to prepare to deploy a "Security Operations Center" at the Group level covering all entities (global SOC).

3.2.4 Ethics Program

Ethics has always been a fundamental component of SUEZ's strategy and development. The Group pays particular attention to sharing and adhering to ethical principles as well as applicable regulations. As a result, ethics and integrity are core components of the values SUEZ reaffirmed in its Shaping SUEZ 2030 plan.

SUEZ is a member of the French division of Transparency International and *Entreprises pour les Droits de l'Homme* (Businesses for Human Rights).

SUEZ is making ethics an indispensable element of its overall performance improvement. Adherence to these principles is essential in all the Group's activities, both in internal relationships within the Company and in its relationships with clients, partners, suppliers and all external stakeholders. For this purpose, the Group has set up a structured Ethics Program that includes a specific anti-corruption plan.

Managing the Ethics Program within SUEZ Group

The Group Executive Committee regularly monitors the Ethics Program and anti-corruption plan. At the Board of Directors level, it is monitored by its CSR, Innovation, Ethics, Water and Sustainable Planet Committee, which is responsible in particular for ensuring that the necessary procedures to prevent and detect corruption and influence peddling are set up (for a description of the CSR, Innovation, Ethics, Water and Sustainable Planet Committee along with its missions and activities, see chapter 14.4, section 3 of this Universal Registration Document). This Committee sends reports of its work to the Board of Directors.

The Group's Ethics Program is rolled out under the responsibility of the General Secretary, acting as the Group Ethics Officer, who relies on the Ethics and Compliance Department in order to achieve this mission. Note that the Group Head of Ethics and Compliance is a member of the Leadership Group, a group formed under the SUEZ 2030 plan, which includes members of the Executive Committee and around 70 members who review the Group's strategic objectives and help roll them out.

The Ethics and Compliance Department coordinates a network of compliance officers who are responsible for ensuring that the program is implemented within their scope. As part of their duty, these compliance officers must ensure that employees are sufficiently aware of the program, and that questions and concerns about ethics are answered with sufficient independence.

The scope and composition of this network is reviewed on a regular basis to make sure it is in line with the Group's operational structure. As of December 31, 2020, there were 23 "first-tier" compliance officers covering all the Group's business units and business areas. Additionally, local compliance officers are appointed for business units/business areas that have a particularly large number of employees or that are spread out geographically. As of December 31, 2020, the entire network had a total of 94 people under the hierarchic or operational responsibility of the General Secretary, Group Ethics Officer.

Reference Documents

SUEZ's Ethics Charter is one of the four values in the SUEZ 2030 plan. It defines the Group's principles. This Charter is available in twelve languages (French, English, Spanish, German, Dutch, Czech, Italian, Russian, Polish, Portuguese, Hungarian and Chinese) and supplemented by an Ethics How-To Guide. It takes into account applicable regulations, standards, and rules on ethics and professional conduct issued by international institutions (such as the Global Compact, the International Labour Organization Conventions and the OECD Guidelines for Multinational Enterprises).

These documents have been developed as a reference framework for all employees in terms of behavior and action, whether it be collective or individual.

In order to strengthen its anti-corruption plan, in 2015 the Group adopted a Code of Conduct entitled "Ethics Guide for Business Relationships", available in eleven languages. This guide is signed by the Chief Executive Officer, like the Ethics Charter. This Code of Conduct was approved by the Board of Directors CSR, Innovation, Ethics, Water and Sustainable Planet Committee during its creation. It states that the Group has a zero-tolerance policy toward corruption and it defines and illustrates the different types of behaviors to prohibit as they are likely to characterize acts of corruption or influence peddling. Anti-corruption rules are also listed and illustrated in the guide in a detailed and practical way. This guide also handles conflicts of interest, the Group's policy on gifts and invitations as well as competition rules. In accordance with the requirements of the Sapin 2 Law, this Code of Conduct is included in the Internal Regulations of the entities concerned.

The Ethics Charter and how-to guides can be consulted by all Group employees on the SUEZ intranet site. These ethics documents are also provided to all employees who join the Group. Furthermore, new hires commit to adhere to these rules under the terms and conditions of their employment contract or *via* equivalent mechanisms if necessary. As a result, in 2020, more than 8,000 employees received ethics documents and formally committed to complying with the Group's ethics principles.

In addition, procedures aiming to mitigate ethics risks, and especially corruption risk, have been defined and verification measures are in place:

- a specific procedure frames contract signings with business or institutional consultants. In particular, it defines due diligence measures to take prior to the conclusion of these contracts and prior approval mechanisms;
- due diligence measures to conduct with major customers, partners and subcontractors define the checks to carry out before finalizing any commitment as well as the approval process for these third parties;
- verification measures are also set up as part of the Group's supplier selection process;
- a procedure defines due diligence measures to conduct for acquisition transactions;
- a procedure for sponsorship initiatives define applicable sponsorship principles and prior approval mechanisms;
- a charter on Ethical and Responsible Lobbying was developed to serve as a reference to employees involved in representing the Group's interests.

Risk assessment

In accordance with Sapin 2 Law requirements, a corruption risk mapping was created in 2017.

This mapping was updated once again in 2020. It has been approved by the Group Executive Committee, then presented to the Board's CSR, Innovation, Ethics, Water and Sustainable Planet Committee.

Training

Face-to-face training and e-learning modules are rolled out on a regular basis to increase prevention of ethics risks and ensure employees are well versed in anti-corruption and competition rules. This roll-out is based on training programs defined upstream. Employees that are the most exposed to risks are prioritized for training.

As a result, during 2020, approximately 17,000 employees were trained in ethical issues and 15,000 of them were specifically trained in anti-corruption rules (mainly populations identified as being at risk of exposure).

The ethics whistleblower system

The Group has a system to collect and report Group rule violations. This system is open to all Group employees and third parties. It guarantees confidentiality and lack of retaliation against whistleblowers acting selflessly and in good faith. Note that some Group entities have also set up local systems specific to their needs.

In 2020, 106 emails with allegations of unethical behavior were received *via* the Group email (ethics@suez.com) and the Group entities' dedicated email addresses. On top of that, a large number of whistleblower reports were sent to other Group departments or senior managers first. A total of 280 alerts have been received and addressed by all Group entities in 2020.

When ethical concerns arise, the Head of Ethics and Compliance and/or the concerned Ethics Officer is either involved directly or immediately notified. This individual can decide to examine them if necessary in close collaboration with the Legal and Human Resources departments. The most serious cases are subject to an internal audit or specific external audit.

Controls

The Group's Ethics Program is monitored as part of an annual compliance procedure. At this time, the Ethics Officers send a report on the application of the Ethics Program at their subsidiary to their General Management team as well as to the Group Ethics Officer and Group Head of Ethics and Compliance. A compliance letter signed by the Chief Executive Officer of each business unit or significant entity is also submitted to the Group Chief Executive Officer and the Group Ethics Officer. Lastly, the Group Ethics Officer produces an Annual Report on the Group's Ethics Program for the Group Chief Executive Officer and for the Chairman of the Board of Directors. It is then sent to the CSR, Innovation, Ethics, Water and Sustainable Planet Committee, which then reports on it to the Board of Directors.

The SUEZ ethics and anti-corruption program is also included in the Group's internal control system.

Lastly, the Internal Audit Department regularly examines how well and how effectively the Group's Ethics Program has been implemented. As a result, the annual internal audit plan, which is defined by the Executive Committee and approved by the Audit and Financial Statements Committee, provides for reviews of the compliance and internal control system of Group entities, an assessment of the quality and effectiveness of the Group's Ethics Program with regard to Sapin 2 law requirements (at the Group level as a whole as well as for some entities) and audits of procedures aiming to manage ethical risks.

3.2.5 Management and Financing of Insurable Risks

The roll-out of the industrial risk management policy described in section 3.2.2 helps to further reduce the occurrence or effects of accidental events.

To limit the impact of certain events on its financial position, or to meet contractual or legal requirements, the Group has created dedicated insurance programs to cover its main risks of damage to property, civil liability, and personal insurance.

The policy for transferring risk to the insurance market is approved every year and updated as necessary in order to reflect not only changes in the Group, its activities and the risks it faces, but also changes in the insurance market.

The Insurance Department organizes the policy defined by the Group: selection of the brokers and insurers, monitoring of the policies and, if necessary, control of the prevention or protection policies. For this purpose, it works with a network of specialists or agents at the Group's subsidiaries.

In each of the traditional insurance domains (namely property damage and interruption of business, civil liability and employee benefits), the Group transfers risks to the insurance market or uses self-financing plans:

- the transfer of risk to the insurance market is performed as often as possible through Group-wide programs in areas that are considered strategic because of either the potential severity of the risks covered or the economies of scale generated by Group-wide programs;
- the financing of low or moderate intensity random risk relies mostly on self-financing schemes, particularly through risk retentions, or through the captive non-life reinsurance subsidiary SUEZ Ré, whose activities consist of reinsuring all or part of the risks transferred by SUEZ Groupe and its subsidiaries to non-life insurers. Its expert-led Technical and Financial Committees validate each commitment and monitor management transactions.

In 2020, the premiums (including taxes and retentions) relating to the main insurance programs established by the Group in the areas of asset protection (covering property damage and interruption of business) and third-party claims amounted to approximately 0.5% of Group consolidated revenues, considering the changes in scope.

Facing the sudden tightening of the insurance market (pre-Covid) since the second half of 2019, the Group opted for a strategy to increase the percentage of risks reinsured by SUEZ Ré.

Property damage and interruption of business

The protection of Group assets covers property the Group owns as well as property that it leases or that has been entrusted to it.

Facilities are covered by programs that are generally underwritten at the Group level. However, insurance policies are also taken out by subsidiaries and, under exceptional circumstances, by sites, if justified by contractual requirements. These local insurance policies are identified and checked by the Insurance Department.

The underwriting limits for property damage cover the maximum loss assessed for each site.

With respect to interruption of business resulting from property damage, the coverage periods take into account an estimate of the consequences of the total or partial shutdown of a site (repair period, amount of daily losses, additional expenses and redundancy).

Construction projects are covered by a "Construction All Risks" policy taken out by the project manager, the general contractor or the main company involved.

Civil liability

The Group's third-party civil liability is covered by various types of civil liability insurance.

General civil liability, product liability, professional liability or civil liability for environmental damage coverage fall under an insurance program underwritten and managed by SUEZ Groupe on behalf of its subsidiaries.

The maximum coverage under this policy was EUR 350 million in 2020.

Insurance for certain types of civil liability that correspond to legal obligations (vehicle fleet and workplace accidents) are covered by specific policies.

Employee benefits

In accordance with legislation currently in force and with company agreements, programs for protecting employees against the risk of accidents and medical costs are set up at the operating entity level. These programs may either be financed through retention based on capacity, or transferred to the insurance market. In France, mutual and insurance programs are largely consolidated and are subject to at least one review per year to analyze risks and trends, as well as to anticipate changes in the economic balance of the plans concerned.

3.3 Internal control procedures implemented within the Company

3.3.1 Group objectives and standards for internal control

3.3.1.1 Objectives

The aim of the internal control procedures implemented within the Group is to provide reasonable assurance that the applicable laws and regulations are complied with, and that accounting and financial information is reliable.

Generally speaking, it helps to safeguard assets and control and optimize operations. Like any control system, it can only provide reasonable assurance that the risks of error or fraud are completely under control or have been eliminated.

The Group adopted an integrated corporate risk management policy that aims to provide a complete overview of the risk portfolio through the use of methods and tools common to all subsidiaries and functional departments, as well as to put in place and follow up on action plans to manage those risks.

3.3.1.2 Reference framework

The Group internal control program was developed according to the "COSO" model promoted by the Committee of Sponsoring Organizations of the Treadway Commission and complies with the principles described in the reference framework supplemented by the application guide published by the French Financial Markets Authority (AMF) and updated by an AMF working Group on the Audit Committee (whose final report was published on July 22, 2010).

General risk management principles are consistent with professional standards (such as ISO 31000, the reference framework of the Federation of European Risk Management Associations (FERMA) and the practices it recommends).

3.3.2 Steering of operations and implementation of internal control and risk management objectives

3.3.2.1 Steering of operations

In terms of steering of operations, the Group's organization is based on the following principles, which form the general control framework in force within SUEZ.

- the Board of Directors establishes operational guidelines for the Group and oversees their implementation. In this regard, it tasks the Audit and Financial Statements Committee with (among other things) monitoring the internal control and risk management systems (see section 3.3.2.2 below). The Board of Directors deals with all issues concerning the proper running of the Company, deliberates and settles relevant matters, and carries out checks and inspections as it deems appropriate. The Chairman or Chief Executive Officer must provide each Director with all the documents and information required to carry out their duties;
- the Chief Executive Officer holds the most extensive powers to act, under all circumstances, on behalf of the Company. He exercises those powers within the limit of the corporate purpose and subject to the powers granted by law to Shareholders' Meetings and the Board of Directors, and to internal limits on executive powers;
- the Executive Committee is an advisory and decision-making body comprising the Chief Executive Officer and the seven Deputy CEOs in charge of the France region and Group operations; the North America region and President of the "Water Technologies & Solutions" global business unit, the "Smart & Environmental Solutions" global business unit; Strategy and the "Shaping SUEZ 2030" Transformation plan; the APAC (Asia, Australia and India) and AMECA (Africa, Middle East, Central Asia) regions and Key Industrial accounts; the Northern Europe region; the Southern Europe region (Spain, Italy, Greece) and Latin America; and Finance, the General Secretary, the Group Head of Human Resources and the Head of Group Engagement and Communications. The Committee reviews the Group's main decisions and strategic objectives and sets operational and performance objectives for the six regions and two global business units;
- the Performance Management Committee comprises the members of the Executive Committee, the Heads of the business units and the senior managers of certain support functions. Its role is to manage operating performance, business development, business-specific expertise and the Group's corporate culture;
- the Operations Committee is chaired by the Chief Executive Officer or the Deputy CEO in charge of Finance and also includes the General Secretary and the Deputy CEO in charge of the France region and Operations. Its role is to evaluate significant disposal or development projects for commitment decisions and to analyze the performance of specific projects in progress;
- the Treasury Committee, chaired by the Deputy CEO in charge of Finance, is the management body for financial risks;
- the Group is organized into three financial reporting segments (Water, Recycling and Recovery, and Environmental Tech and Solutions). The new operating structure includes six regions (France, North America, APAC (Asia, Australia and India), AMECA (Africa, the Middle East, Central Asia), Northern Europe and the Latin America and Southern Europe region) and two global business units (Water Technologies & Solutions and Smart & Environmental Solutions).

  The Region and global business unit managers and the management teams of the operating subsidiaries are responsible, within their area of responsibility, for conducting business within the framework of the strategic objectives set by the Board of Directors and the Executive Committee.

  After setting the operational and performance objectives of the Region and global business units (see above), their progress is monitored at monthly Operation and Performance Reviews, in which a representative of the Executive Committee, the Region and business unit managers and the functional departments involved all take part;
- the functional departments assist the Executive Committee with controlling and guiding operations and act in support of the regions and business units according to principles and procedures applicable across the entire Group.

The functional departments mainly include the Finance Department, the General Secretary (which heads the Legal Department and the Internal Audit, Risk and Investments Department), the Research, Innovation and Digital Transformation Department, the Performance Department, the IT Department, the Group Engagement and Communications Department, and the Human Resources Department.

3.3.2.2 Monitoring and evaluation of internal control

The Group's internal control monitoring is organized according to the following principles:

- the role of the Audit and Financial Statements Committee (as provided for in the Board of Directors' Internal Regulations) is to assess the effectiveness of the Group's internal control systems and examine the procedures applied to assess and manage the Group's significant risks (pursuant to the Decree of December 8, 2008, which transposes the Eighth European Directive into French law);
- the Group's Executive Committee is responsible for implementing the internal control systems; that responsibility is rolled out to the region and business unit managers as well as the management teams of the operating subsidiaries. The Group's guidelines and rules of operation are distributed by the operational or functional departments concerned. All Group employees can also find them under the "SUEZ Book" section of the Group's intranet site. The Chief Executive Officers and Chief Financial Officers of the main operating subsidiaries confirm, *via* half-year and year-end representation letters, their responsibility for implementing an efficient internal control system within their organization;
- the internal control system is implemented in a manner consistent with the risks identified in the Group's activities through a risk-mapping process managed by the Group's Chief Risk Officer;
- the Internal Control Department, which is under the Finance Department, manages the Group's internal control program; its mission is to analyze and improve the internal control system in collaboration with the Group's main subsidiaries and functional departments. Its actions are supported by a network of internal Control Officers and Process Owners identified within the main subsidiaries of the Group, who are trained in the Group's internal control principles and methods.

  Risk guidelines have been defined under the Group's internal control program. These guidelines cover the overall control environment and key operational processes: sales management, procurement management, asset management and contract management; support processes: the preparation of accounting and financial information, financial management, IT system management, legal management, tax management, external communications, as well as global processes: the management of commitments, corporate governance and external communications.

  For each process, in conjunction with the risk matrix prepared by the Director of Internal Control, risks and examples of controls considered necessary for maintaining an effective internal control system have been identified. The controls implemented to meet these risks are generally specific to the business and organization of each entity.

  The Group's internal control program is based on dedicated tools that:

  - disseminate risks to be covered and provide examples of controls,
  - describe, update and conduct annual assessments of controls *via* the process owners for each key process identified at the main subsidiaries;
- the mission of the Internal Audit, Risk and Investments Department, which reports to the Audit and Financial Statements Committee and to the Office of the General Secretary, is specifically to ensure that the Group has an efficient internal control system and manages its risks properly.

  To assess the reliability of the internal control system, the Internal Audit, Risk and Investments Department performs audits intended to evaluate the design of controls defined to cover risks, particularly by reviewing processes and testing key control activities at each of the main subsidiaries. Furthermore, at the end of each audit, the Department makes recommendations, monitors their implementation and reports regularly to the Executive Committee and the Audit and Financial Statements Committee;
- external audit: assessment and analysis of internal controls within the Group are performed in close coordination with the Group's Statutory Auditors. They are informed of the results of the internal audit tests, among other things.

3.3.2.3 Compliance with laws and regulations

Compliance with laws and regulations is the responsibility of the region and business unit managers, the management of the operating subsidiaries and the functional departments in their respective areas of competence. For example, certain cross-divisional compliance objectives are managed by the functional departments concerned:

- the General Secretary, acting as the Group's Ethics Officer, is responsible for ensuring compliance with the Ethics and Compliance Program, which aims to prevent or detect any behaviors contrary to the Group's rules of ethics (see section 3.2.4 above);
- the General Secretary oversees implementation of the procedures circulated within the Group to ensure compliance with its obligations on insider information and insiders;
- the Finance Department ensures the Group's compliance in accounting, financial and tax-related matters. It is responsible for producing the financial reports required by law;
- the Human Resources Department ensures compliance with the labor legislation and regulations in force and produces the labor reports required by law. It implements the Group's labor policies, particularly those relating to Health and Safety;
- the Performance Department oversees the Group's compliance in environmental matters. It produces the necessary environmental reports within the framework of non-financial communications. An annual representation letter regarding environmental compliance, signed by the subsidiaries' Chief Executive Officers, confirms their commitment in this regard.

3.3.2.4 Internal control procedures relating to the preparation, treatment and circulation of accounting and financial information

1) Accounting standards and procedures

The main procedures put in place for the preparation of the statutory and consolidated financial statements are based on:

- the Group's accounting policies manual, which is accessible *via* the intranet to all Group finance professionals. It is regularly updated based on changes to IFRS; and
- the Group closing instructions are circulated before every phase of the consolidation process by the Group Controlling Department. These instructions cover the closing assumptions (exchange rates, discount rates and tax rates, etc.), processes for specific topics (e.g. pensions, impairment tests and off-balance sheet items), the scope of consolidation, the timetable for submitting information, items relating to closing that require particular attention, changes in the chart of accounts and significant new standards introduced.

2) Preparation of accounting and financial information

Responsibilities for preparing accounting and financial information are assigned at every organizational level of the Group. These include the set-up and maintenance of efficient internal control systems. Within the Finance Department, the Group Controlling Department:

- organizes the Group financial statement production process, which includes producing and controlling the statutory and consolidated financial statements of SUEZ, producing forecasts and monthly consolidated financial reports as well as the medium-term plan. This work is carried out with input from the accounting and planning and control departments of each consolidated subsidiary. Each party involved performs checks to enable the circulation, assimilation and correct application of Group accounting standards and procedures in their area of responsibility. These responsibilities are confirmed by the Chief Executive Officers and Chief Financial Officers of each subsidiary or each consolidation level *via* a biannual representation letter;
- is responsible for relations with the AMF Accounting Department;
- is responsible for analyzing the consolidated financial statements, forecast reports, monthly consolidated financial reports, as well as the medium-term plan.

3) Management of accounting and financial information systems

The Group and its subsidiaries use a single, standardized consolidation software application, managed by the Group, to secure and standardize the preparation process for forecasts, monthly reports, financial statements and the medium-term plan.

Each of the Group's subsidiaries is responsible for and manages its own information system used to prepare accounting and financial information, including their statutory financial statements.

4) Setting objectives and steering

Within the Finance Department, the Group Controlling Department steers the process for preparing financial forecasts and writes the budget instruction letters sent to each region and business unit, relaying the macroeconomic assumptions to be applied and the financial and non-financial indicators to be measured the following year through the various forecast reviews.

The Group Controlling Department steers the monthly Operation and Performance Review process. The purpose of these meetings is:

- to define the financial objectives and forecasts twice a year;
- each time, to analyze the operational and financial performance of each region and business unit, how their business is going and key events, as well as monitor their operational risk management.

using management reports based on the Group's consolidated monthly financial reports.

The consolidated Group budget is presented to the Board of Directors.

The Group's Chief Executive Officer sends each region and business unit a budget letter outlining its annual quantitative and qualitative objectives.

5) Financial communications

a) Preparation and approval of the interim and annual reports

Within the Finance Department, the Group Controlling Department is in charge of preparing the Universal Registration Document filed with the AMF as well as the interim Financial Report, and heads up a dedicated Steering Committee jointly with the Legal Department whose purpose is:

- to coordinate the process for submission and validation by all relevant functional departments of the information contained in the Universal Registration Document and in the interim Financial Report;
- to ensure that the regulations and AMF recommendations on financial communications are applied.

b) Preparation and approval of press releases

The Group Engagement and Communications Department and, within the Finance Department, the Financial Communication Department and the Legal Department are responsible for reporting all information that could have an impact on the SUEZ share price.

Since the Group was listed on the stock exchange, the Engagement and Communications Department and the Financial Communication Department have implemented procedures aimed at ensuring the reliability of the regulatory information communicated to the market.

c) Relationships with rating agencies

Within the Finance Department, the Treasury and Capital Markets Department maintains relationships with rating agencies in cooperation with the Financial Communication Department.

3.3.3 Changes in 2020 and outlook

The Group improves its internal control system every year. This continuous improvement process relies, in particular, on defining and operating an internal control plan that is specific to each of its main subsidiaries. The progress of these plans is presented yearly to the Audit and Financial Statements Committee.

While maintaining the current internal control program, the Group is also continuing its process to roll out new risk guidelines and a new internal control application launched in 2019 to make them more accessible for operational staff and to be able to expand its implementation as a result.

In 2020, internal control actions mainly included:

- continuing to roll out the Group's new risk guidelines to all regions, business units and functional departments. The controls associated with these guidelines are documented and self-assessed in the new internal control application launched in 2019;
- updating procedures for managing access rights for the Group's IT applications as well as the implementation of segregation of duty reviews within applications and between applications;
- adapting the internal control system to changes in the Group's organization.

The main internal control development areas for 2021 are:

- continuing to improve how the Group manages access to IT applications and making segregation of duty reviews more systematic;
- continuing to roll out the Group's risk guidelines, document and self-assess the related controls in the internal control application;
- configuring an app that models and circulates the Group's processes.

4 Group information

4.1 Legal name

As of April 28, 2016, the legal name of the Company is SUEZ. Before that time, the legal name of the Company was SUEZ ENVIRONNEMENT COMPANY.

4.2 Trade and Company Register and Legal Entity Identifier (LEI)

The Company is registered in the Trade and Company Register of Nanterre (France) under the number 433 466 570. SUEZ's Legal Entity Identifier or "LEI" is: 549300JQIZM6CL7POC81.

4.3 Company's date of incorporation and term

The Company was incorporated on November 9, 2000 for a term of 99 years. Except in the event of early dissolution or extension, the Company will cease to exist on November 9, 2099.

4.4 Registered address, legal form and applicable legislation

The Company's registered address is Tour CB21, 16, place de l'Iris, 92040 Paris-La Défense Cedex, France.

Telephone: + 33 (0)1 58 81 20 00.

The Company is a French *société anonyme* (public limited company) with a Board of Directors, and is governed by the provisions of Book II of the French Commercial Code applicable to commercial companies and all legal provisions applicable to commercial companies. It is governed by current legal and regulatory provisions and by its bylaws.

The Company's website is www.suez.com[1].

(1) Information shown on the Company's website is not part of this Universal Registration Document unless the information is incorporated by reference in this Universal Registration Document.

4.5 Group history

Since 2003, SUEZ Environnement has handled all the expertise in water management, wastewater treatment and waste management services within the SUEZ Group (which became GDF SUEZ and then ENGIE). This expertise was supported by companies such as Degrémont (which became SUEZ International), Safège, Lyonnaise des Eaux (which became SUEZ Eau France) and Sita (which became SUEZ RV France), which are renowned for their highly-developed know-how, in some cases serving their customers for more than a century.

1880, ESTABLISHMENT OF LYONNAISE DES EAUX ET DE L'ÉCLAIRAGE

The company operated in the public services of water, electricity and gas distribution in rapidly growing French cities and suburbs such as Cannes, Bordeaux, Lille and Rouen. From the very beginning, Lyonnaise des Eaux was also developing its activities abroad.

1919, CREATION OF SITA

The Société Industrielle des Transports Automobiles (Sita) was one of the two service providers selected to collect household waste in Paris. At that time, Sita had two activities: transport of all kinds and public service delegation. It later diversified into passenger transport and corporate vehicle leasing.

1946, PARTIAL NATIONALIZATION OF LYONNAISE DES EAUX

In 1946, France nationalized the gas and electricity sectors. Lyonnaise des Eaux et de l'Éclairage was partially nationalized. The company therefore focused on water-related activities to meet the growing demand for services and network development in the suburbs of large cities. In line with this same growth strategy, Lyonnaise des Eaux became a majority shareholder in Degrémont, a water treatment company established in Paris in 1939.

1971, ACQUISITION OF SITA

In order to meet increasing environmental protection requirements, Sita set up a waste sorting and recycling line in the 1970s. In 1971, Lyonnaise des Eaux acquired a stake in Sita, which became the Group's "Waste division". Since 2000, Sita (now called SUEZ RV France) has been 100% owned by the Group.

1974, COMPAGNIE FINANCIÈRE DE SUEZ, MAJORITY SHAREHOLDER OF LYONNAISE DES EAUX

In 1974, Compagnie Financière de SUEZ became majority shareholder of Lyonnaise des Eaux. After being nationalized by the French government in 1982, Compagnie Financière de SUEZ was again privatized in 1987.

1997, MERGER OF COMPAGNIE FINANCIÈRE DE SUEZ AND LYONNAISE DES EAUX

In 1997, the merger between Lyonnaise des Eaux and Compagnie Financière de SUEZ resulted in SUEZ Lyonnaise des Eaux, the world's leading Group for local services.

2001, SPIN-OFF OF THE SUEZ GROUP WATER ACTIVITIES

In 2001, SUEZ Lyonnaise des Eaux became SUEZ and, through a contribution in kind, combined all of its water-related activities within Ondeo as part of a spin-off process. Water activities in France were consolidated under the name Lyonnaise des Eaux France.

2003, FORMATION OF SUEZ ENVIRONNEMENT

In 2003, the water and waste activities were combined within SUEZ Environnement following the merger of Sita with Ondeo Services, which changed its name to SUEZ Environnement. SUEZ Environnement then united almost all of the environmental activities of the SUEZ Group (which became GDF SUEZ and then ENGIE) in the water, waste and engineering sectors.

2008, LISTING OF SUEZ ENVIRONNEMENT COMPANY

As part of the merger between SUEZ and Gaz de France (GDF SUEZ, now ENGIE), which created a global leader in the gas and electricity sectors with a strong French-Belgian base, SUEZ completed the consolidation of all its environmental operations within a new company: SUEZ ENVIRONNEMENT COMPANY. SUEZ contributed all the shares of the former company SUEZ Environnement to this new company, and distributed 65% of the capital of SUEZ ENVIRONNEMENT COMPANY to the SUEZ company's shareholders prior to the merger. The merged entity, GDF SUEZ (now ENGIE), controls the Company with other parties that are members of the same Shareholders' Agreement (as described in section 18.3.1 of the 2013 Reference Document).

2010, TAKEOVER OF AGBAR

On June 8, 2010, the Company completed the process of taking over Aguas de Barcelona (Agbar), announced in October 2009. As a result of this transaction, SUEZ owned 75.23% of Agbar, a company formed in 1882 which specializes in water cycle management in Spain and other countries (primarily Chile). On September 17, 2014, the Company acquired the indirect interest owned by Criteria Caixa in Agbar and at the conclusion of this transaction held 99.49% of Agbar, a stake that was increased to 100% in 2015. On this occasion, Criteria Caixa became the second largest shareholder of the Company, acquiring a 4.1% stake in its share capital, which was increased to 5.91% as of December 31, 2020.

2012-2013, END OF THE SHAREHOLDERS' AGREEMENT

On December 5, 2012, the Board of Directors of the Company recorded the decision by ENGIE and all signatories of the Shareholders' Agreement (as described in section 18.3.1 of the 2013 Reference Document), except the Company, not to renew the Shareholders' Agreement, which therefore ended on July 22, 2013.

This decision resulted in ENGIE losing control of the Company. As of July 22, 2013, the stake held by ENGIE in the Group is accounted for using the equity method in the consolidated financial statements of ENGIE.

2015, A SINGLE BRAND, SUEZ, TO ACCELERATE THE GROUP'S DEVELOPMENT AND TO SUPPORT IT IN MEETING CHALLENGES TO GROWTH

In 2015, all the Group's trademarks were federated under a single brand, SUEZ, positioned in the sustainable management of resources.

This change has three goals: to simplify a multi-brand architecture to improve performance and commercial efficiency, to meet the new needs of customers, and to reinforce the convergence between the Group's businesses in order to address the challenges of a circular economy.

The Group is organized around four main activities: management of the extended water cycle, waste recycling and recovery, water treatment solutions and consulting services (Safège) for sustainable urban and regional development.

2017, ACQUISITION OF GE WATER AND CREATION OF THE WATER TECHNOLOGIES & SOLUTIONS (WTS) BUSINESS UNIT

On September 29, 2017, SUEZ finalized the acquisition of GE Water, announced in March 2017. At the same time, SUEZ created a "Water Technologies & Solutions" (WTS) business unit that includes former GE Water entities and SUEZ entities specialized in Industrial Water. This transaction was carried out in partnership with Caisse de Dépôt et Placement du Québec (CDPQ), which holds 30% of the newly created entity named SUEZ Water Technologies and Solutions.

This acquisition fulfills one of SUEZ's strategic objectives: to be a major player in industrial water services that covers the entire value chain. This transaction, in particular, enables the Group to increase its international presence and innovation capacities.

2019, SUEZ LAUNCHES THE "SHAPING SUEZ 2030" STRATEGIC PLAN

On October 2, 2019, SUEZ announced the launch of "Shaping SUEZ 2030", a comprehensive strategic plan to position the Group to embrace the opportunities and challenges that lie ahead over the coming decade. The goal of this plan is to create even more value for stakeholders over the next four years and deliver tangible results by 2021. SUEZ's ambition is to become the global leader in environmental services. This strategic plan is described in section 5.4.1 of this Universal Registration Document.

2020, ENGIE IS NO LONGER A REFERENCE SHAREHOLDER OF SUEZ

On October 5, 2020, ENGIE decided to sell 29.9% of its equity interest in SUEZ to Veolia Environnement.

Information regarding Veolia Environnement's equity interest in SUEZ is described in chapter 16.3 of this Universal Registration Document.

Overview of activities

With total revenues of EUR 17.2 billion and 86,195 employees as of December 31, 2020, the Group is one of the two main players in the global environment market.

SUEZ is supporting the environmental transition of towns and 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. The Group, which focuses on a circular-economy model, is present throughout the water management and waste-recovery value chain: from the construction and the 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 (see section 5.9.1).

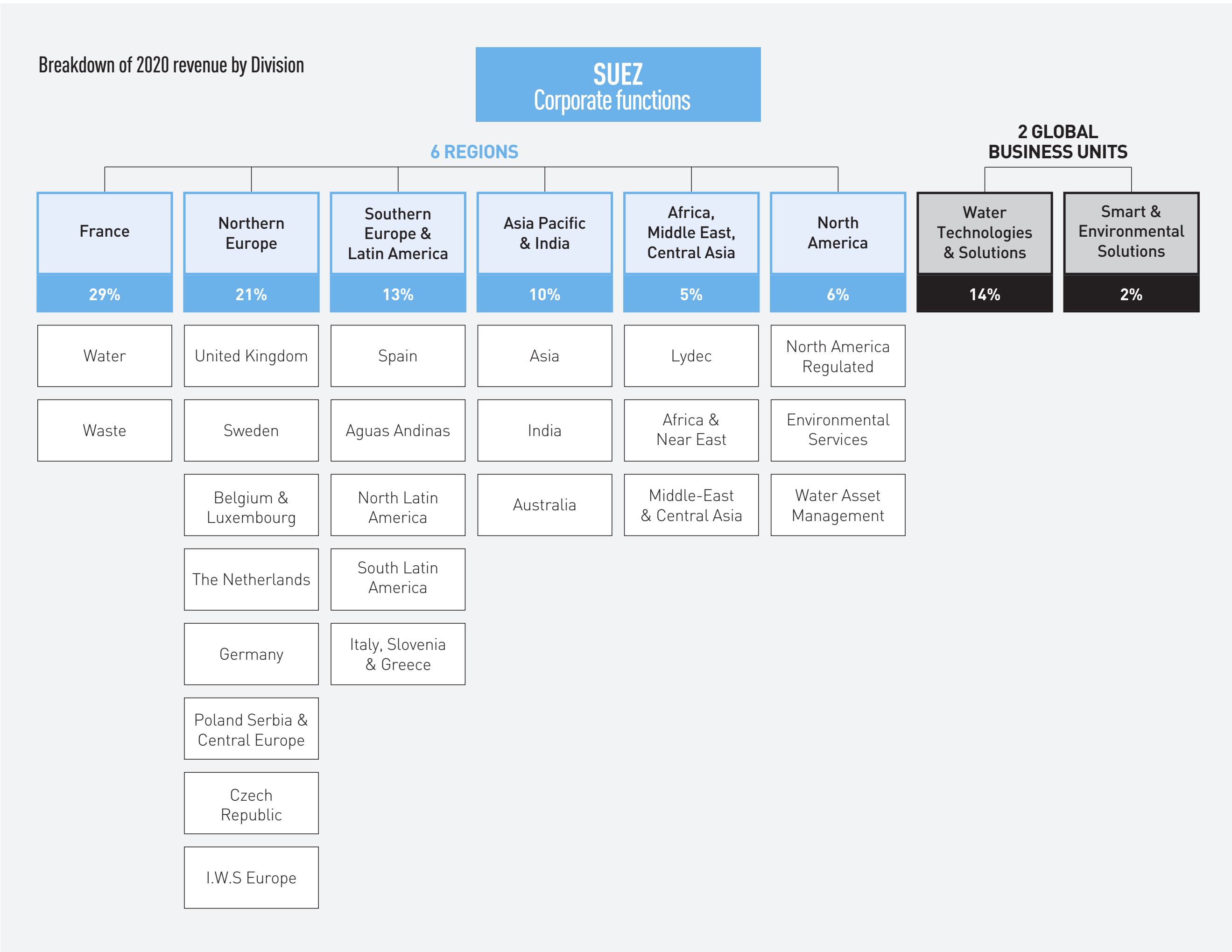
The Group is thus able to offer a complete range of services in terms of types of services and contracts, adapted to all categories of customer, including public authorities and private industrial players.

5.1 Operational organization chart

As part of the roll-out of the "Shaping SUEZ 2030" strategic plan, Bertrand Camus, the CEO of SUEZ, announced a new organizational structure as of January 1, 2020. Agile, decentralized and closer to customers, the organization has been designed to support the improvement of performance and selective growth and to accelerate digitalization and innovation, which are central to the strategic plan.

As of December 31, 2020, the Group was built around six Regions and two global Business Units. Another segment, known as Global Functions, brings together the Group's corporate functions.

The chart below shows the structure of the Group in 2020.



5.2 Main activities

The Group's consolidated revenues show a balance between its water and waste activities. SUEZ has a European base: 61% of its 2020 revenues were earned in Europe. SUEZ is mainly positioned in developed markets with stable political and legal systems.

The balance in the Group's business model is also due to the variety of its exposure: service contracts, equipment and chemical supply, short-, medium- or long-term O&M contracts, exposure to local authorities or industrial customers as well as to regulated/non-regulated markets, and finally investment, construction and operation of proprietary assets.

In 2020, 39% of the Group's consolidated revenues were generated in the Water segment, 42% in the Waste segment and 19% in the Environmental Technology and Solutions segment. The Water and Waste businesses offer certain complementary features, which the Group has turned into one of its strengths.

A significant proportion of the Group's business is conducted through delegated management contracts (delegation of public service in France, or the equivalent outside France), entered into for long periods of time. These contracts generally afford the Group the flexibility needed to maintain its economic balance, notably by continually improving the quality and sophistication of the services provided, thus meeting the needs of both parties by offering innovative and profitable services or technologies.

This map shows the locations of the Group's main subsidiaries around the world as of December 31, 2020:

Location of the Group's main subsidiaries around the world as of December 31, 2020

5.2.1 Water

In the water sector, around the world:

- in 2020, the Group operated 1,401 drinking water production sites, and produced around 7 billion cubic meters of drinking water;
- in 2020, the Group operated 2,605 wastewater treatment sites, and biologically treated over 5.3 billion cubic meters of wastewater.

A) COMPLETE MANAGEMENT OF THE WATER CYCLE

Through its subsidiaries, the Group covers the entire water cycle value chain for all its customers (public authorities and private sector customers), including:

- studies and master plans, modeling of networked and natural water flows (groundwater, rivers and coastlines), and engineering of water management infrastructure projects;
- engineering, design and construction of water treatment facilities through the Treatment Infrastructures business line;
- drinking water distribution and wastewater treatment services, which include:
  - drinking water production and distribution services: catchment, treatment and distribution of drinking water,
  - wastewater treatment services (municipal or otherwise): collection, clean-up and disposal of wastewater and rainwater,
  - customer management: relations with end-users and consumers, meter reading and the collection of payments made by end-consumers, and
  - for private sector customers: defining, building and operating tailored and scalable water management solutions and selling high-end water treatment equipment. The Group's private sector customer offer includes the management of water resources, process water, wastewater and effluents, as well as sludge.

The Group offers a broad range of services, from drinking water production to wastewater treatment. It offers services in the following five areas:

- Water pumping and treatment

  Pumping is the operation that extracts water from rivers, groundwater and reservoirs to be piped to treatment plants. Treatment depends on the quality of the raw water and may include many steps: pretreatment (screening), clarification, filtration (elimination of finer particles), refining (elimination of micro-pollutants) and disinfection (elimination of viruses and bacteria).

- Storage and distribution

  Reservoirs provide a safety net in the event of production problems, consumption peaks, or pollution of resources. The underground distribution network is monitored in order to ensure stability of water quality and to prevent leaks.

- Customer service

  Specialized units are responsible for handling relations with consumers, taking into account local realities: contract signings, meter reading, billing and account settlement or administration.

- Wastewater collection and treatment

  Wastewater treatment networks are an essential factor in combating domestic pollution. They must pipe all wastewater to the wastewater treatment plant. Wastewater treatment requires a set of complex physical and biological procedures. Wastewater treatment networks are also used to collect and drain rainwater *via* techniques that make it possible to separate it from wastewater, if needed.

- Sludge

  Treating 1 cubic meter of wastewater produces 350 to 450 grams of raw sludge. Sludge drying and treatment processes reduce its volume. In France, most sludge is recycled in agriculture through spreading, conversion to compost or recovery as energy.

The Group is offering its clients new dedicated environmental services (audits and assistance in reducing the environmental footprint of water services in a given territory, quantitative management of resources to counter the impact of climate change and services to improve the water quality of rivers, lakes and swimming areas). The Group is also providing its expertise for the collection, data processing and design of innovative digital applications for the environmental performance of cities and users with data collection solutions (communicating meters, sensors and probes) to supply digital models and real-time applications to support the transition to a rational use of resources and resilience in times of crisis. The Group relies on proprietary technologies and innovation to develop and roll out advanced solutions on a worldwide scale. It also aims to create new high-potential activities, such as the management of air quality and smart agriculture.

B) CONTRACTUAL RELATIONS WITH CUSTOMERS IN THE WATER SECTOR

The Group's customers are local public authorities and industry. The Group also serves local industrial and commercial customers under public service contracts.

Contractual relations with public authorities

In general, local authorities are responsible for organizing both drinking water distribution and wastewater treatment services. They may choose to manage these directly (as a local publicly owned company) or rely on an outside operator, which may be public, private or semi-public.

Contracts entered into by the Group with public authorities are governed by the rules for public contracts and/or specific competitive procedures.

The Group distinguishes between:

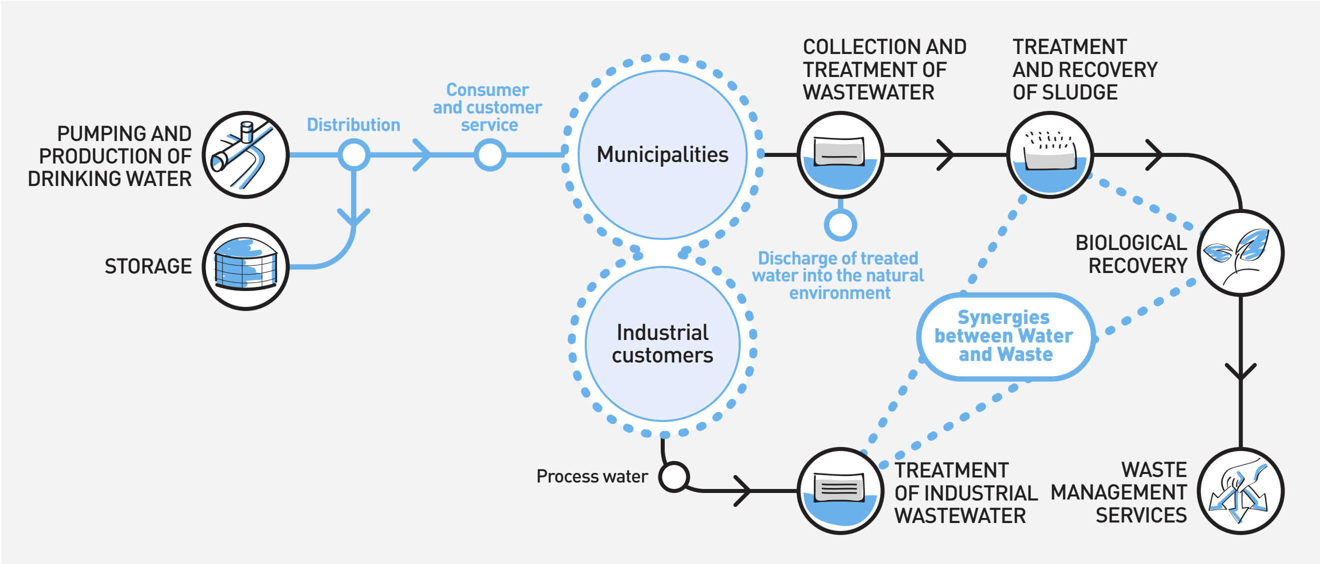
- delegation of public service contracts in France, or their equivalent outside France, including leases and concession contracts, and all intermediate contractual forms. Under these contracts, the Group is responsible for all service management (water production and distribution and/or wastewater treatment): it is involved in managing relations with end-users, meter reading, preparing invoices and collecting payments made by end-users. The Group engages in this activity at its own risks, and its compensation derives from billing users; a portion of the sums billed is paid back to the local authorities to finance new investments. Leases differ from concession contracts according to the size of investment for which the private operator is responsible. Most of the Group's contracts in France are leases that are generally long-term, ranging from 10 to 20 years; and
- contracts for services and works, in which case operations and works are billed to the relevant local authority. These are medium- or long-term contracts, generally 5 to 20 years.

In general, public authorities own the assets involved in drinking water distribution and wastewater treatment services. However, in certain countries (notably the United States), the Group owns the assets it operates; in this case, there are no contractual relations with public authorities; relations between the private operator, the various customers and other stakeholders are then governed by a regional or national regulator under an operating license issued by the regulator. In addition, in France, for historical reasons, the Group owns certain assets.

Contractual relations with industrial customers

The Group is also active in the entire water cycle with industrial customers operating under design and build contracts, services contracts, such as operating and maintenance agreements, and the supply of mobile processing facilities and/or equipment sale agreements. Contracts are then generally agreed upon for shorter terms than is typical for local authority contracts, most often from one to five years for a service contract.

A value chain that uses complex industrial processes



5.2.2 Recycling and recovery

In the waste sector, around the world:

- in 2020, the Group treated nearly 47 million metric tons of waste. Through its waste collection activities, it served over 35.5 million people and 313,923 customers working in services and industry;
- in 2020, the Group operated 106 composting platforms, 65 incineration sites (of which 59 with energy recovery capacity), 802 sorting, material recovery and transfer stations and 96 landfills and used a fleet of 11,358 heavy vehicles.

A) COMPLETE MANAGEMENT OF THE WASTE CYCLE

The Group manages the entire waste cycle by being involved at each stage in waste management, and in almost every type of waste:

- collection of non-hazardous waste from municipalities and companies, sorting, pretreatment, material recycling and recovery, biological recovery (which mainly involves agricultural recovery and the remediation of poor soil), energy recovery (incineration, co-incineration and methanization) and landfilling, including the recovery of biogas;
- hazardous waste management (excluding waste that may be contaminated by radioactive residues from nuclear activities);
- treatment of wastewater and urban cleaning: maintenance of municipal and industrial networks and cleaning of industrial production tools; street washing/sweeping, maintenance of street furniture; beach cleaning and snow clearing;
- soil remediation: treatment of polluted sites, soil, subsoil, and groundwater, dismantling and conversion of buildings;
- dismantling and disassembly of end-of-life vehicles, aircrafts and boats.

The Group offers services in the following areas:

Non-hazardous waste (collection, sorting, recovery and elimination)

In the non-hazardous Waste segment, the Group collects, sorts, recycles, recovers and eliminates waste of municipal or industrial origin.

Collection

Each day, the Group collects waste of all kinds from private individuals, companies and public entities, including household waste, organic waste, non-hazardous industrial waste, medical waste, and liquid and solid waste.

The Group has a fleet of trucks suitable for all types of waste collection: mixed waste collection, selective collection, bulky items, medical waste and industrial waste, in urban and rural environments. Waste from selective collection (plastic, glass, metal, paper, etc.) is sent to sorting sites to be prepared for recycling; residual waste is sent either to transfer/sorting/pretreatment platforms or directly to incineration plants or landfills. Certain waste products may be highly polluting (batteries, aerosol cans, etc.). They are then sent to specialized sites for cleaning and conditioning before treatment or recovery.

Materials recovery

Household and industrial waste from selective collection is sent to one of the 522 sorting and material recovery sites operated by the Group. It is then sorted by type (plastic, glass, paper, cardboard or metal), conditioned and consolidated by recovery process on appropriate platforms. Recoverable materials are then sent to appropriate processing areas and sorted, and non-recyclable waste is recovered for energy whenever possible by incineration. Failing this, it is landfilled.

The economics of recycling are intended to afford industrial customers a steady supply of quality recycled materials and provide waste producers with ongoing management of their waste in compliance with applicable regulations. Recycling activities (for example, involving metals and plastics) are also organized around specific collections.

In 2020, the Group managed over 21.9 million metric tons of waste set for recycling. Of this total, nearly 13 million metric tons were processed for material recovery. Furthermore, the Group is bolstering its dismantling and recovery lines for waste electrical and electronic equipment (WEEE), end-of-life aircraft and vehicles (ELV).

At its customers' request, the Group is also pursuing the implementation of industrial processing solutions to recover residual waste, such as mechanical and biological sorting (MBS) of waste.

Composting and biological recovery

Composting is a natural process that involves converting organic waste into soil conditioner. Four types of waste are involved: (i) green waste from households and municipal customers, as well as by-products of the wood industry (bark, sawdust, etc.); (ii) the organic portion of household waste, restaurant and supermarket waste; (iii) sludge from wastewater treatment plants; and (iv) sludge and by-products from paper and food producers.

Numerous analyses are performed on organic waste before, during and after its conversion to compost. Air from the composting process is collected and treated to reduce odor pollution.

Sludge management is at the core of the Group's know-how, and the Group assists municipal customers in their sludge recovery and waste composting projects.

Energy recovery

Waste may also be recovered through incineration. Heat treatment of waste has several advantages: it reduces waste mass and volume, it is quick and hygienic and it produces energy (largely renewable) that can be recovered in the form of electricity and/or heat.

Six types of waste may be recovered for energy production: (i) household waste, (ii) industrial waste similar to household waste, (iii) waste from sorting sites, (iv) medical waste, (v) sludge from wastewater treatment plants and (vi) hazardous waste.

In the Group-operated incineration plants, waste is burnt at high temperatures in accordance with regulatory requirements. Heat released by the combustion is recovered in steam boilers. This steam is used to generate electricity and also supplies heat networks.

In 2020, the Group's energy recovery units treated approximately 7.9 million metric tons of waste, and produced over 3,636 GWh of electricity, resulting in the sale of more than 3,913 thermal GWh. The gases produced by waste combustion are purified using dedicated treatment systems before being released into the atmosphere. Solid waste essentially consists of bottom ash, which is reused for roadbeds after undergoing suitable treatment, or disposed of at landfills, as well as purification residue from smoke, which is landfilled after stabilization.

This activity is subject to numerous regulatory and technical constraints designed to reduce impacts (smoke emissions, production of bottom ash and fly ash) and to recover energy produced by waste combustion in the form of heat and/or electricity.

Organic waste may also be recovered for energy recovery through methanization. This process of decomposition of natural organic matter – by microorganisms and in the absence of oxygen – has long been known. Its use on an industrial scale is more recent. Methanization produces a biogas that may be recovered for electrical and/or thermal energy, plus a residue that may be recovered for use as an organic soil conditioner after composting. Biogas can also be injected into the gas distribution network.

Another method used for recovering energy is the production of Solid Recovered Fuel (SRF) from non-hazardous industrial waste and, to a lesser extent, household waste. Mainly used by cement manufacturers, this fuel continues to represent a real opportunity for developing solutions that complement the recycling and disposal sectors. The waste that goes into these SRFs is not easily recyclable under existing technical and economic conditions, so SRFs represent an excellent alternative fuel for cement and lime kilns as well as the heat- and steam-generating units of industries that consume high levels of energy (chemical producers, paper mills, etc.) and are equipped with adequate smoke treatment systems.

Elimination of waste in landfills

Landfilling remains the predominant treatment method in many countries. Upstream, the search for a site must conform to legally mandated specifications and conditions, specifically concerning soil quality, the protection of groundwater and distance from housing. During the operating stage, discharges must be controlled, effluents (biogas and leachates) captured, recovered or treated, and environmental parameters measured regularly. Once closed, sites remain subject to monitoring generally for 30 years (60 years in the United Kingdom).

In 2020, the Group operated 96 landfills around the world, mainly in Europe. In the course of these activities, the Group develops and operates innovative industrial solutions for the recovery of renewable biogas energy from landfills.

Hazardous waste

Waste representing a danger to humans or the environment requires special precautions when being treated. Once collected, it is analyzed, sorted by type and then gathered. It is then sent to the most appropriate site.

There are several treatment options for such waste, including:

- recovery as a fuel substitute, particularly for cement kilns, after being subjected to any necessary physical pretreatment;
- incineration at high temperatures with energy recovery (as in the case of halogenated, toxic and reactive wastes);
- treatment using physicochemical and biological methods (as in the case of aqueous waste: acids, bases, chromate baths, some contaminated soils, etc.);
- treatment, clean-up or solidification before being landfilled at suitable sites. Mineral sludge and ashes, for example, are mixed with reagents to form a concrete that stabilizes pollutants within a mineral matrix before landfilling;
- regeneration for the purposes of materials recycling, i.e., purified for reuse (in particular, this is the case for oils and certain solvents).

SUEZ IWS is an international player in the hazardous waste market. The Group has treatment facilities in France, Europe and China.

The Group may thus offer its customers solutions suitable for all types of hazardous waste (except waste potentially contaminated by radioactive residues from nuclear sites), such as packaging ranging from 100 grams (such as special household or laboratory waste) up to hundreds of metric tons. In 2020, more than 4 million metric tons of hazardous waste were treated by the Group: pretreatment on *ad hoc* platforms, stabilization and storage at class I landfills, incineration of waste with high chlorine or sulfur content and co-incineration at cement plants.

Wastewater treatment, maintenance and urban cleaning

The Group provides local authorities, residential and industrial customers with wastewater treatment and industrial cleaning services (particularly during plant shutdowns), collection of hazardous industrial waste, as well as more specific services such as the cleaning of water towers, oil-related work, or monitoring of wastewater treatment networks in nuclear plants.

Urban cleaning is a concern for local authorities and a health requirement. In this regard, the Group offers the following services: mechanized and manual street sweeping, maintenance of street furniture, poster and graffiti removal, snow clearing, beach cleaning, emptying and maintenance of refuse bins and public awareness measures. Depending on the country, additional services may be offered, such as the maintenance of public parks and gardens.

Pollution clean-up and conversion of polluted industrial sites

Soil pollution may be of two kinds: organic and mineral. There are three types of treatment:

- *in situ* treatment, for subterranean clean-up operations of water tables or soils without excavation;
- on-site treatment, whereby the soil is extracted but treated on site; and
- off-site treatment, when the soil must not only be extracted, but also sent to special sites where it undergoes biological, thermal or physicochemical treatment and/or landfilling.

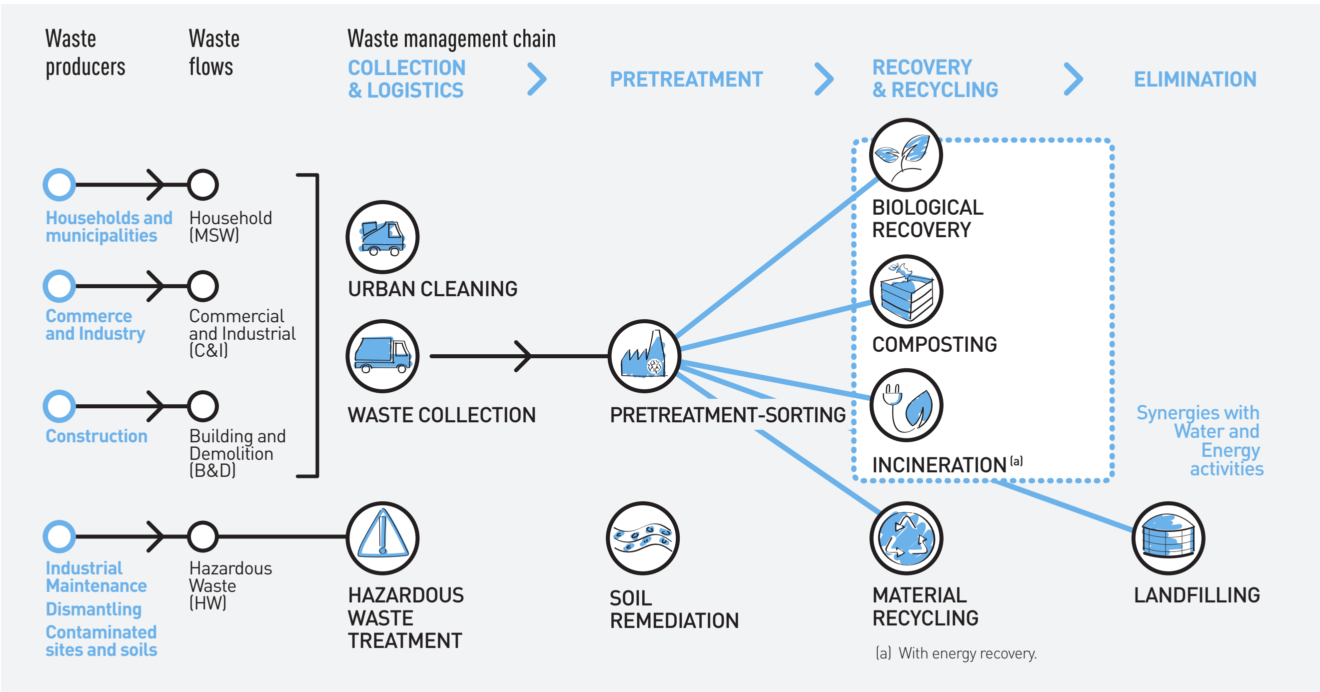
Through its specialized subsidiaries, the Group has been developing innovative solutions for the clean-up and conversion of industrial sites.

B) CONTRACTUAL RELATIONS WITH CUSTOMERS IN THE WASTE BUSINESSES

The Group works for two types of customers:

- public authorities (municipal or other authorities): contracts entered into with public authorities are generally medium- or long-term (generally with a term of three to seven years for collection, and up to 20 or even 30 years for treatment in certain cases), and involve locally regulated activities in which public services are major players; and
- industrial operators: contracts with industrial customers are generally short- or medium-term (often one year, renewable, for collection) and involve activities for which industrial customers increasingly outsource all their waste services management to subcontractors.

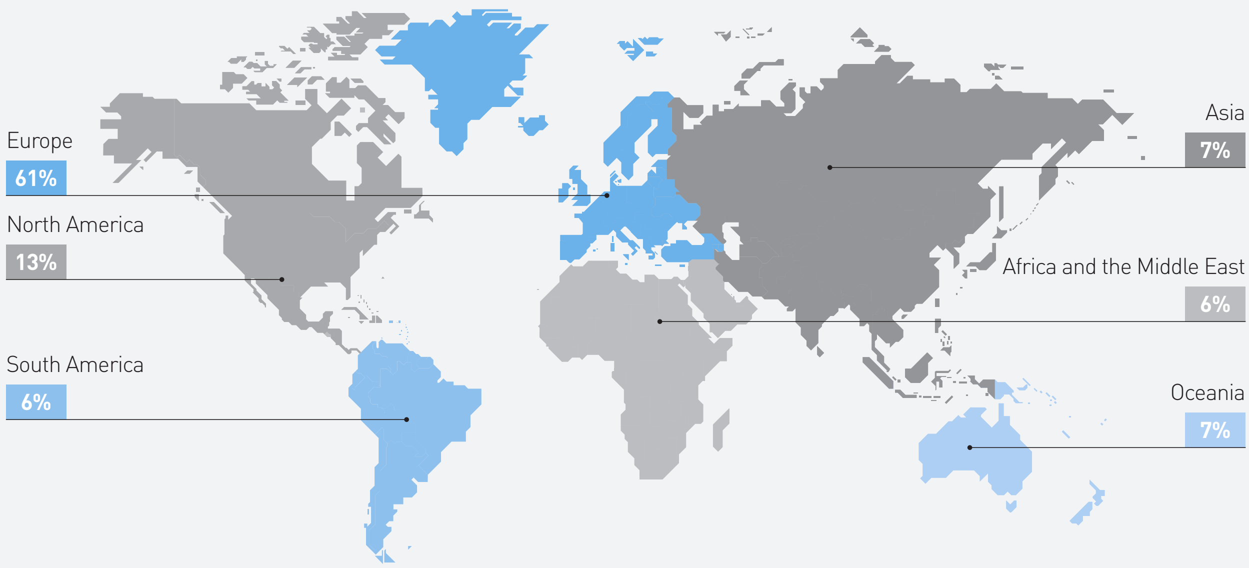
The Group offers energy produced during waste treatment and materials from this treatment and recycling (secondary raw materials) both to public authorities and industrial customers.



5.3 Main markets

Europe is the Group's historical development area. Thanks to this foothold in Europe, particularly in France, the Group is able to leverage its know-how and skills and adapt them to other continents.

Breakdown of the Group's revenues by geographical region as of December 31, 2020 (1)



(1) This map shows the geographical distribution of the Group's revenues irrespective of the accounting segmentation adopted in the Group's consolidated financial statements in chapter 18.1 of this Universal Registration Document.

The Group benefits from an extensive network of subsidiaries and branches. As of the end of 2020, the Group was active as an operator in more than 70 countries.

The Group is pursuing a selective international growth strategy (outside Europe) based on identifying the fastest-growing markets with controlled risk profiles. The Group maintains a strong partnership culture, particularly in countries offering high-growth potential in environmental activities and where teaming up with local partners deepens its understanding of local challenges, while allowing risks and invested capital to be shared.

In 2020, the Group generated revenues of EUR 17.2 billion. Revenues per business activity break down as follows:

- France, representing 29% of the Group's consolidated revenues in 2020: EUR 4.9 billion;
- Northern Europe, representing 21% of the Group's consolidated revenues in 2020: EUR 3.6 billion;
- Southern Europe and Latin America, representing 13% of the Group's consolidated revenues in 2020: EUR 2.3 billion;
- Asia Pacific & India, representing 10% of the Group's consolidated revenues in 2020: almost EUR 1.7 billion;
- Africa, Middle East & Central Asia, representing 5% of the Group's consolidated revenues in 2020: almost EUR 0.9 billion;
- North America, representing 6% of the Group's consolidated revenues in 2020: almost EUR 1 billion;
- WTS, representing 14% of the Group's consolidated revenues in 2020: almost EUR 2.4 billion;
- Smart & Environmental Solutions, representing 2% of the Group's consolidated revenues in 2020: almost EUR 0.4 billion.

5.3.1 Presentation of France activities

The France Region contributed EUR 4.9 billion to the Group's 2020 consolidated revenues.

5.3.1.1 Water France

In 2020, Water France generated consolidated revenues of EUR 2 billion and employed 10,767 people.

1) Specific features of the sector

In France, 4 billion cubic meters of drinking water are invoiced annually to consumers connected to public water systems. Between 2006 and 2016, the volumes of water invoiced decreased by 11%, a drop of almost 500 million cubic meters. Water consumption is currently relatively stable from one year to the next.

However, the Covid-19 effect on the consumption of Water France customers in 2020 should be noted, with territorial disparities resulting in an overall decrease of 1.5% (increase in Île-de-France and Nouvelle Aquitaine, decrease in Occitanie and PACA in particular).

Regarding wastewater, 3.1 billion cubic meters were used as the basis for invoicing wastewater services in 2017. Water companies distribute nearly two-thirds of the volumes of drinking water in France (64% in 2017) and collect over half of the wastewater (53% in 2017). The distribution between private and public operators has been generally stable since 2006. (Source: *BIPE/FP2e study, 2019*).

2) Description of activities

The Group operates in France with public authorities and partly state-owned companies, through its subsidiary SUEZ Eau France and its subsidiaries. SUEZ Eau France has been involved in the water-related service sector in France since its creation in 1880, and its mission is to support local authorities and regions in the development of major water and wastewater infrastructures and, at the same time, in improving the comfort and living environment of the population.

The Water business in France is currently characterized by an offer covering the entire water cycle, from the production and distribution of drinking water to the storage and treatment of wastewater, including the management of rainwater, the protection of natural environments and the preservation of biodiversity, as well as the production of renewable energy using the sludge from wastewater treatment. In addition, the company manages customer relations.

Water France structures its commercial activities along three lines: construction (drinking water and wastewater plants), services (operation of water and wastewater services and treatment plants) and advanced solutions, which include digital services and diversification.

In 2020, Water France operated over 706 drinking water production sites and delivered over 925 million cubic meters of drinking water to the network.

In 2020, Water France operated 1,612 treatment plants, which treated nearly 935 million cubic meters of wastewater.

5.3.1.2 R&R France

In 2020, R&R France's contribution to the Group's consolidated revenue amounted to EUR 2.9 billion. At December 31, 2020, R&R France employed 14,961 people.

1) Specific features of the sector

The French waste sector represents EUR 26.8 billion (source: *Les comptes de l'environnement en 2016, MEDDE, 2019*[1]). In 2017, France produced 4.9 metric tons of waste per inhabitant: 69% was generated by building activities, 19% by commercial and industrial activities, 12% by municipalities and households (source: *ADEME 2020*).

Two-thirds of the waste goes to recycling/filling (+13% in 10 years), 28% to disposal (-15% in 10 years) and 6% to energy recovery (+59% in 10 years). The Group expects the share of recycling to continue to grow over the long term.

The AGEC Law (anti-waste for the circular economy) reinforces the ambitions and obligations in terms of waste, in particular with:

- the obligation to incorporate a proportion of recycled material into products;
- the development of industrial waste sorting, particularly in the building sector;
- separate collection of bio-waste in 2023;
- the evolution of the polluter-pays principle with the implementation of new EPR (Extended Producer Responsibility) systems;
- the ban on single-use plastics in 2040;
- better consumer information (harmonization of colors for collection bins, etc.);
- the ban on the destruction of unsold non-food items;
- the creation of a fund for reuse with EUR 50 million each year;
- the fight against programmed obsolescence;
- technical measures concerning facilities such as non-hazardous waste storage facilities (mandatory video surveillance system to check incoming waste) or organic recovery centers;
- traceability obligations.

The "France relance" plan is also an opportunity for waste recycling and recovery in France. It supports the ecological transition, low-carbon solutions and the circular economy.

The climate is at the heart of concerns with the European taxonomy and the revision of the EU ETS carbon quota system. In France, the future "climate and resilience" law focuses on the development of renewable and recovery energies, the greening of public procurement, better consumer information and genuine environmental education.

(1) Estimated total current national expenditure on waste management.

2) Description of activities

R&R France is active throughout the entire waste cycle: collection, sorting and recovery of materials, biological recovery, energy recovery, disposal.

R&R France has been active in France's waste sector since its incorporation in 1919. The Group has substantial treatment capacity, a diversified portfolio of contracts, special expertise in recovery and treatment (sorting, recycling, landfilling, incineration and methanization), solid geographic network coverage in France, and the ability to innovate by offering new treatment and recovery solutions. Today, R&R France is active in innovative collection solutions by offering alternative incentive-based local collection methods; in the management and recovery of household, industrial and commercial waste, in the recovery of ferrous and non-ferrous metals, cardboard, wood, plastic and compost from waste, and in the production of energy – heat and electricity – from waste. R&R France serves municipal customers, large companies and small and medium-sized businesses.

In 2020, R&R France provided waste collection services to nearly 11.5 million inhabitants and 40,664 industrial and commercial customers. The company treated over 15.8 million metric tons of waste. As of December 31, 2020, R&R France operated 73 composting platforms, 33 incineration sites (all sites with an energy recovery capacity), and 413 sorting and transfer stations.

5.3.2 Presentation of Northern Europe activities

Northern Europe contributed EUR 3.6 billion to the Group's consolidated revenues in 2020.

Activity in Northern Europe is mainly geared toward waste Recycling and Waste Recovery activities, particularly in the United Kingdom, Benelux, Germany, Sweden and Eastern Europe (the Czech Republic, Poland and Serbia). A portion of Northern Europe activities involves the treatment of hazardous waste *via* SUEZ IWS, which is present mainly in France and Western Europe (Benelux, Germany, Italy and Spain), but it aims to operate throughout Europe and to contribute its expertise to the entire Group where there are business opportunities.

Within the Northern Europe Region, Water activities are limited to a number of concessions in the Czech Republic and Poland and to a few infrastructure construction projects in Eastern Europe (Croatia and Romania).

In 2020, the Northern Europe Region generated 45% of its revenue in Benelux and Germany, 25% in the United Kingdom, 13% from hazardous waste treatment activities, 10% in the Czech Republic and Poland and the remaining 7% in the rest of Europe (EU and non-EU).

In 2020, in connection with the Group's transformation and disposal program Shaping 2030, its activities in Sweden were sold and left the Group on November 30, 2020.

5.3.2.1 United Kingdom

The Group operates in the United Kingdom primarily through its SUEZ Recycling and Recovery UK subsidiary. In 2020, R&R UK's contribution to the Group's consolidated revenues totaled EUR 0.9 billion; the business unit employed 5,743 people as of December 31, 2020.

1) Specific features of the sector

The United Kingdom has completely transformed the treatment of household waste over the past ten years by drastically reducing the amount of waste sent to landfill (from 85% to 5%), in favor of incineration. Over the past 10 years, incineration infrastructure has developed considerably, and continues to develop with the pressure on waste exports from Brexit and the prospective implementation of a "landfill ban" in Scotland.

The incineration sector has been experiencing strong and regular growth for a number of years, leading to significant disposal and acquisition activity and market concentration.

Furthermore, British regulatory developments and the future application of new restrictions (extended producer liability, standardization and separation of collection methods, tax on plastic) aimed at reducing waste production and increasing recycling are accelerating the transformation of models among stakeholders in the British waste sector.

In addition, the rate of household recycling rose slightly by 0.3% to stand at 45.1% in 2018-2019.

The non-hazardous waste market is estimated at GBP 8.8 billion (41% for industrial waste collection, 34% for construction waste collection, 21% for household waste collection and 4% for other types of waste) with an expected annual growth of 2.3% between 2020 and 2025. Profits almost topped GBP 1 billion in 2019-2020 [1].

However, several factors have impacted the sector:

- the economic slowdown linked to the Covid-19 health crisis has had a significant impact on industrial waste collection activities (-25%), but the impact on municipal collections has been more limited with the temporary closure of voluntary contribution sites. Treatment activities were maintained;
- an increasing awareness of environmental issues has resulted in a reduction in the quantities of waste sent to landfill sites and an increase in recycling and incineration activities;
- an increase in population and an upturn in economic activities and construction over the last five years have led to an increase in the volumes of waste and recyclable materials.

Volumes of waste material should gradually decrease over the coming years. Households and manufacturers will generate increasing amounts of recyclable waste but will adopt an approach focused on reusing and designing products from recycled materials. The growth in volumes of recyclable waste should offset the fall in waste volumes.

(1) Source: www.ibisworld.co.uk.

2) Description of activities

In 2020, R&R UK managed over 6 million metric tons of waste and served 2.1 million inhabitants and around 30,601 industrial and commercial customers. R&R UK is active across the entire waste cycle. The company is backed by SUEZ's experience, which allows it to participate in all tenders in this sector, and its extensive expertise in the provision of waste management services to local authorities through private finance initiatives (PFI) and public-private partnerships (PPP).

The year 2020 was marked by the commencement of the new municipal collection contract for the county of Cornwall and the renewal of the contract for Kensington and Chelsea.

5.3.2.2 Germany and Benelux

The Group operates in Belgium, Germany, Luxembourg and the Netherlands through its subsidiaries SUEZ R&R Belgium, SUEZ Deutschland, Lamesch (Luxembourg) and SUEZ Recycling & Recovery Netherlands. Although they operate independently in their own markets, these various subsidiaries form a joint business unit, R&R Germany and Benelux. This provides them with agility, centralized services and common, standardized approaches (primarily in the management and optimization of waste streams and of sales of energy and secondary materials from recycling). This organization also enables centralized, efficient, economic coordination, particularly in the areas of finance, purchasing, Human Resources, information and communication technologies (ICT), Health and Safety, communications and legal affairs.

In 2020, R&R Germany and Benelux's contribution to the Group's consolidated revenues totaled EUR 1.6 billion. The R&R Germany and Benelux business unit employed 6,475 people as of December 31, 2020.

1) Specific features of the sector

Germany, the Netherlands, Luxembourg and Belgium are European leaders in waste management and recycling, and their regulatory framework is well ahead of the European average. In this region, less than 1% of solid municipal waste is sent to landfill sites. On average, 60% of solid municipal waste is recycled and 40% undergoes an energy recovery process.

Germany

In Germany, the incineration market struggled in 2019, as facilities had already reached their maximum capacity in 2018 and the volume of combustible waste increased in 2019. The hazardous waste market, the largest in Europe, was also extremely complex. Capacity problems have become increasingly evident, which led to elimination delays. In January 2019, new packaging regulations came into force. The government's objective is to increase the recycling rate of used packaging. Both producers and major brands must improve the recycling rate from the packaging collected. SUEZ Deutschland is well positioned with its sorting sites at Ochtenburg and Oelbronn.

In such an environment, the trend is to improve the sorting at source and increase recycling with producers assuming a greater responsibility and working in partnership with the waste management operators.

The Netherlands

In the Netherlands, 80% of waste is recycled, 16% is recovered and 4% is landfilled. The government recently announced the objective of having a 100% circular economy by 2050. By 2030, the aim is to reduce the use of raw materials such as minerals, fossil fuels and metals by 50%. The volume of residual waste should be reduced to 100 kg per person in 2020, and 75% of municipal waste should be collected, sorted and processed separately.

Of a total of more than 140 million metric tons of waste generated in the Netherlands (*Eurostat 2021 – 2018 data*), 70% is from building and demolition activities, 20% from commercial and industrial activities, 6% from municipalities and households and 4% from agriculture. Of this total, 4% is hazardous waste (*Eurostat 2021 – 2018 data*). Regarding household waste, 48% is incinerated, 51% recovered and the remainder landfilled (*Eurostat 2017 – 2014 data*). Discussions concerning deposits on plastic bottles resulted in a decision to maintain the current system that targets bottles containing more than one liter of liquid. In addition, deposits on bottles are currently being discussed for small plastic bottles and cans.

In 2020, collection activities suffered under the economic slowdown caused by the Covid-19 health crisis. Volumes collected therefore decreased by 10 to 15% compared to 2019.

Belgium

In Belgium, waste sorting regulations have been implemented in all regions. These regulations have reduced household waste to 146 kg per year and per person. Manufacturers and SMEs must now sort out their waste into several different streams (20 in Flanders and 14 in Wallonia). In Belgium, the current trend is focused on reuse (second-hand products, sharing and rental platforms such as Peerby, Wijdelen, etc.).

In Belgium, discussions concerning the introduction of a deposit did not lead to the proposed scheme being adopted by any of the country's regions.

Of a total of 64 million metric tons of waste generated in Belgium (*Eurostat 2021 – 2018 data*), 31% is generated by building and demolition activities, 61% by commercial and industrial activities 8% by municipalities and households and 0.4% from agriculture (*Eurostat 2018 – 2016 data*). Of this total, 6% is hazardous waste (*Eurostat 2021 – 2018 data*). Regarding household waste, 1% is landfilled, 44% is incinerated and 55% is recycled or recovered (source: *Eurostat 2016 – 2014 data*).

In 2020, collection activities suffered under the economic slowdown caused by the Covid-19 health crisis. Volumes collected therefore decreased by 15 to 20% compared to 2019 depending on the collection method.

2) Description of activities

Germany

SUEZ Deutschland provided waste collection services to some 5.2 million people and nearly 20,537 industrial and commercial customers in 2020 and treated almost 898,511 metric tons of waste. The Group's presence is concentrated in western and southern Germany, particularly in commercial and industrial waste collection. It also has a solid position in the incineration segment through its Zorbau site in the Leipzig region as well as in the sorting of household packaging through its site in Ochtenburg, and a new sorting plant in Oelbronn which started production in the second quarter of 2019, offering a maximum capacity of 100,000 metric tons per annum of used packaging. A second sorting site with a capacity of 36,000 metric tons was renewed in the fourth quarter of 2019 at Oelbronn.

Via Belland Vision GmBh, SUEZ Deutschland is Germany's largest waste collection and recycling eco-organization.

In 2020, SUEZ Deutschland's contribution to the Group's consolidated revenues totaled EUR 597 million. SUEZ Deutschland employs 1,891 people.

The Netherlands

SUEZ R&R Netherlands is involved in the entire waste cycle and, in 2020, through its collection activities, served more than 1 million people and 67,229 commercial and industrial customers and processed 1,452,246 metric tons of waste. In 2020, SUEZ R&R Netherlands employed 2,110 people and its contribution to the Group's consolidated revenues was EUR 546 million.

Belgium & Luxembourg

SUEZ Belgium and Lamesch aim to provide standardized solutions. R&R Belgium and Lamesch have very dominant positions in the collection and treatment sectors, particularly for waste from industrial and commercial activities.

In 2020, SUEZ R&R Belgium served 2.9 million inhabitants and 48,545 industrial and commercial customers. As of December 31, 2020, SUEZ R&R Belgium had 2,474 employees.

R&R Belgium and Lamesch's contribution to the Group's consolidated revenues totaled EUR 504 million.

5.3.2.3 IWS

The Group is active in the hazardous waste market through its various sites throughout Europe. All of SUEZ's hazardous waste treatment assets in Europe (The Netherlands, Belgium, Germany, France, Italy, Spain) and the management of hazardous waste streams have been grouped together in Industrial Waste Specialties (IWS), within the Northern Europe Region. IWS consolidates all activities related to hazardous waste for the Group in Europe. The dedicated sales team at IWS is continuously developing its expertise so that the economic and environmental demands of key industrial customers can be met. From general services to specialized services in the area of waste recovery, SUEZ meets the European integration and traceability requirements, typically requested by the major operators in the different European industrial sectors.

IWS makes it possible to better serve industrial customers, primarily those operating at European level, and to construct an ambitious and global development strategy in this segment. This focus on the hazardous waste industry also enables greater synergies at the Group's treatment sites throughout Europe and contributes to the creation of value by optimal use of available capacity on a European scale, with waste able to cross borders for the purposes of its recovery.

Industrial production in Europe is currently in a recovery phase and, as such, IWS will play a major role in SUEZ's strong ambitions for the industrial segment. In 2020, SUEZ IWS's contribution to the Group's consolidated revenues totaled EUR 493 million. IWS employed 1,594 people as of December 31, 2020.

1) Specific features of the sector

The global hazardous waste market represents around 50 million metric tons (excluding mining waste) and EUR 2.6 billion of revenues in a variety of customer segments (chemicals, mining, pharmaceuticals, energy, construction, petrochemicals, metallurgy, etc.). The market in general is in a situation of under capacity leading to an increase in treatment prices. This situation is expected to continue in the future due to the lack of new incineration capacities and/or landfill capacities, the trend toward closing internal units in certain companies and the absence of major developments anticipated for alternative treatment methods (co-incineration, etc.). The market has been globally stable in terms of volume in recent years.

The hazardous waste market is based on international regulations that apply strict rules and substantially limit exports of hazardous waste outside of Europe (Basel Convention, etc.). The European area is therefore the relevant area of operation, as waste may travel within this area, namely for the purposes of its recovery (Waste Framework Directive, etc.). National regulations also affect activities related to hazardous waste. Overall, legislation is moving toward a tightening of controls and restrictions. Regulations are also increasingly geared towards increasing waste recovery to develop the circular economy.

With the proliferation of urban sites (reclamation of derelict industrial and urban land, major transport infrastructure, etc.), volumes of excavated soil are increasing significantly (+10 million metric tons of soil from boring machines in the Greater Paris area). At the same time, the regulations in France require the future recovery of 70% of these volumes. This requires in-depth "soil" expertise and a variety of local treatment and recovery equipment.

Germany

A relatively stable and open market in industrial terms with a network of treatment facilities in a situation of under capacity made up of major German operators (including in-house industrial operators at industrial parks) and public operators. It is in this context that SUEZ has identified establishing hazardous waste treatment facilities in Germany as a priority.

Denmark/Scandinavia

A generally closed market, dominated by a single operator.

Belgium & the Netherlands

Markets that place importance on treating waste locally, without being completely closed to export. They are open to imports and competition is solid.

United Kingdom and Ireland

An under capacity market in terms of waste treatment and one that remains in transition, dominated by the uncertainties surrounding Brexit.

Italy

The third-largest hazardous waste market in Europe is dominated by the north of the country (Lombardy, in particular) and Sicily. Italy is geared toward export (approximately 15%) due to a poor energy recovery capacity linked to unfavorable legislation and major regional political/public bottlenecks (NIMBY phenomenon).

The hazardous waste market is dominated by large multi-utility operators that have their own local treatment facilities (a2a, Acea, Hera Ambiente). Since 2018, the Italian market has experienced an ever-greater concentration and ramping up of acquisitions (the acquisition of Teseco by Hera Ambiente, the acquisition of Mecomer by Séché, the acquisition of Solveko by Tradebe, etc.).

Spain

Renewed economic momentum in Spain is conducive to market growth. Regulations have evolved with increasing recovery (influence of the Circular Economy) and the ongoing consolidation of a fragmented market.

France

The second-largest European market, structured around three well-established major players whose economic fundamentals remain healthy. As a result, this market has not experienced significant consolidation. In France, the decline in the industrial base has been offset by increased imports of hazardous waste from neighboring countries and from even further afield, with a tendency to saturate the capacity of thermal treatment plants.

2) Description of activities

40% of the hazardous waste treated outside production sites is managed by 6 major operators. IWS is one of the largest operators in the hazardous waste sector in Europe but one of the few to have such extensive industrial and commercial coverage on a European level.

The market includes disparate segments due to the diverse nature of the sectors that generate such waste. IWS responds to this challenge by offering a wide range of treatment facilities. IWS has more than 60 different tools that it uses to collect, sort, group, transfer, prepare, recycle, recover or landfill all types of hazardous waste (with the exception of radioactive waste). A distinctive feature of the activities of IWS is fuel preparation for cement manufacturers. IWS also operates outside the European Union through remediation activities for polluted soil and sites and imports specific types of waste for treatment in Europe. In 2020, the Group treated 4,151,032 metric tons of hazardous waste.

This diversity allows IWS to respond to increasing demand for waste recovery from customers. Through the experience gained in Europe in recent years, the development of tools such as Neoter allows the Group to target high-growth markets (Qatar, Amsterdam, etc.).

5.3.2.4 Czech Republic

The Group has operated in the Czech Republic since 1993 thanks to its participation in several drinking water and wastewater treatment service companies in a number of cities in the country. With this long-standing experience in water business activities, the Czech Republic is also an area of development of the Group's digital services (SES) and technologies (WTS), thanks to which SUEZ won several contracts in 2019 and 2020.

The Group has been able to develop its waste management services through its stable and sustainable foothold in the Czech Republic. SUEZ operates across the entire value chain *via* its municipal and industrial waste collection, recovery and treatment activities. R&R CZ owns and operates two hazardous waste incinerators and carries out projects every year to decontaminate polluted sites and soil.

5.3.2.5 Poland, Serbia & Central Europe

The Group has been active in the water sector for many years in several European Union member states. The Group operates, alone or through partnerships:

- in Poland, through its subsidiary SUEZ Polska. The Group is active in the collection, recycling and recovery of municipal and industrial waste, as well as in urban street cleaning;
- in Croatia, SUEZ won three contracts between 2014 and 2015 for the cities of Porec, Osijek and Dubrovnik;
- in Serbia (in Belgrade) through a 25-year public-private partnership aimed at developing a new municipal waste management system, refurbishing a former landfill and building and operating an incinerator;
- in Romania, through the modernization of the wastewater treatment plant in Glina and the construction of a treatment plant for the recovery of energy from sludge in a consortium with FCC – Aqualia.

5.3.2.6 Sweden

Until the end of November, the Group operated in Sweden through its waste collection, treatment and recovery activities. All SUEZ business activities in Sweden were sold and left the Group on November 30, 2020.

SUEZ Recycling AB, a wholly owned subsidiary of the Group, was active across the entire waste cycle, including waste sorting at customers' premises, collection, pretreatment, recycling and treatment of all types of waste, excluding potentially radioactive residues from nuclear processes, incineration plants and the treatment of electrical and electronic waste. In 2020, R&R Sweden served almost 1.7 million people and around 22,060 industrial and commercial customers through its waste collection activities. It processed over 1.3 million metric tons of waste.

5.3.3 Presentation of Southern Europe and Latin America activities

In 2020, the Southern Europe & Latin America Region contributed EUR 2.3 billion to the Group's consolidated revenues and employed 13,346 people.

5.3.3.1 Spain

In 2020, the Water Spain business unit's contribution to the Group's consolidated revenues totaled almost EUR 1.4 billion. Water Spain employs 8,744 people.

1) Specific features of the sector

The Group estimates that private operators currently represent approximately 55% of the drinking water production and distribution sector, and 85% of the wastewater treatment sector. Drought is becoming increasingly commonplace and is putting added pressure on water supplies. Equally, violent rainstorms in the south and the southeast of the country occur frequently, putting ever greater pressure on water and wastewater infrastructure. Significant investments are still required to meet the objectives set by the European Urban Wastewater Treatment Directive.

2) Description of activities

Water Spain operates throughout the entire water cycle: catchment, transportation, treatment and distribution of drinking water; collection, treatment and reuse of wastewater; recovery of sludge; and customer services. The Company's customers primarily consist of local public authorities.

Water Spain operates 227 drinking water production sites and 598 wastewater treatment plants.

In 2017, the Recycling and Recovery business line was launched in Spain with the creation of SUEZ R&R Spain, and 2018 saw the creation of JV Ecoplanta. The purpose of this branch of business is to save resources, reduce environmental impact and create renewable energy from waste or recover waste for transformation into secondary raw materials.

Since 2018, Water Spain has continued the development of Smart & Environmental Solutions in the country, with environmentally responsible activities adapting to customers' needs and with a commitment to value creation. SUEZ Smart & Environmental Solutions Spain focuses on the development of solutions in the areas of water, energy, municipal waste and industry.

During 2018, the Agriculture business line was launched in Spain through the constitution of SUEZ Agriculture and the creation of the SUEZ Agriculture Sur joint venture, which aims to provide support services for planting, irrigation, crop protection, along with pruning and harvesting in the southern area of Spain and Portugal.

Throughout 2020, Smart & Environmental Solutions Spain focused its efforts on developing innovative solutions to reduce the impact of Covid-19 on the population. SUEZ received recognition for its new City Sentinel solution, which monitors the presence of Covid-19 in wastewater. SUEZ was the only company to receive official recognition for this type of monitoring, and was selected as the digital monitoring platform for the Spanish project WATar Covid-19, coordinated by the ministry for ecological transition and health.

5.3.3.2 Latin America

Today, SUEZ LatAm has 4,246 employees. SUEZ generates more than 4% of its revenue (i.e. around EUR 0.7 billion) in this region, which extends from Tijuana to Ushuaia, encompassing the cities of Panama and Santiago de Chile.

1) Specific features of the sector

Latin America is replete with many natural resources, is home to a significant share of the world's biodiversity, and possesses almost 30% of the planet's freshwater resources. However, only 20% of the municipal and industrial wastewater generated is treated, compared with 71% in Europe in 2017, according to UN Water, despite an urbanization rate of 75% and the growth of high-consumption industrial activities. Faced with this situation, SUEZ is committed to the conservation of resources and preempts the challenges that lie ahead for the entire region.

2) Description of activities

SUEZ has been present in Latin America for almost 60 years. In 1957, the Group built water treatment plants in the cities of Lima, Peru and Brasilia, Brazil.

In 2020, SUEZ won two performance contracts for a term of five years in São Paulo (Brazil) to combat losses in water networks and save 20 million cubic meters of water. Aguas Andinas completed and launched the operation of a new hydraulic infrastructure facility to provide 34 hours of water autonomy to the city of Santiago de Chile in case of major meteorological events. The Pirque reservoir, which covers an area equivalent to 50 soccer pitches, can accumulate 1,500 million cubic meters of water, making it possible to combat the effects of climate change and make the city more resilient and better prepared for these types of extreme events.

SUEZ also renewed three contracts in Panama, Mexico and Peru in 2020 to continue operating wastewater treatment plants.

In 2020, SUEZ sold all of its shares in Empresa de Servicios Sanitarios de Los Lagos SA (ESSAL), a subsidiary of Aguas Andinas in Chile. ESSAL served 229,000 residential customers. This sale is in line with the Shaping SUEZ 2030 strategic plan and the goal of selective growth.

SUEZ's activity in Latin America is organized geographically into two business areas:

- LatAm North: SUEZ is mainly present in Mexico, Panama, Colombia and Ecuador and carries out water services management (Aguas de Saltillo joint venture, a service contract with Mexico City through ASIM, Acuacar joint venture in Cartagena de Las Indias, Aquaoccidente in Palmira, Colombia) and wastewater activities (Panama). SUEZ offers smart solutions for improving performance throughout the water cycle, and creates and operates water treatment infrastructure (Mexico, Panama);
- LatAm South: In Chile and Peru, SUEZ provides services in the area of water management and treatment solutions to a range of municipal and industrial customers (particularly the mining industry). The Group is supporting the circular economy by modernizing the infrastructure of the Mapocho-Trebal and La Farfana wastewater treatment plants, within the scope of the Biofactorias program of Aguas Andinas which will enable these two plants to become fully energy self-sufficient, to produce gas that can be re-injected into the urban gas network and produce compost for local farmers. In Brazil, the Group operates in the municipal sector through performance-based contracts with public water management operators and; in the industrial sector, the Water Technologies & Solutions business unit supplies state-of-the-art equipment and services primarily to the oil and gas industries, as well as to the paper, metallurgy and mining sectors.

It should be noted that the development of activities with industrial customers is mainly being led by Water Technologies & Solutions.

5.3.3.3 Italy, Slovenia & Greece

In 2020, Italy, Slovenia and Greece contributed EUR 123 million to the Group's consolidated revenues and employed 356 people.

A) IN ITALY

Through its subsidiary SUEZ Italia based in Milan, the Group holds equity interests in five water and wastewater treatment companies in Tuscany (Arezzo, Florence, Pisa, Sienna and Montecatini Terme) and develops D&B projects and O&M activities. SUEZ manages two of the main wastewater treatment plants in the Naples metropolitan area. SUEZ owns a 23.33% interest in Acea, a company listed on the Milan Stock Exchange that is active in integrated water management, energy sales and distribution, public lighting and, to a lesser extent, waste treatment. Based in Rome, Acea is the main water and wastewater treatment operator in Italy.

B) IN GREECE

The Group holds a 5.46% equity interest in Eyath, a company listed on the Athens stock exchange, which manages the Thessaloniki water service.

C) IN SLOVENIA

The Group operates in Slovenia through the operation of the treatment plant that has been built in Maribor.

5.3.4 Presentation of Asia Pacific & India activities

In 2020, the Asia Pacific & India Region contributed EUR 1.7 billion to the Group's consolidated revenues and employed 6,346 people.

5.3.4.1 Asia

In 2020, Asia's contribution to the Group's revenues totaled EUR 507 million. As of December 31, 2020, the Group employed 3,531 people in this region.

1) Specific features of the sector

Water

The Asian continent comprises countries with a range of different needs and situations in terms of water and waste management services. This sector has seen an increased contribution of private/public partnerships. Several countries, particularly in Southeast Asia, need to develop infrastructure to provide access to basic services, although in other areas (e.g. Singapore) the level of maturity is close to European standards.

In Asia, local operators play an important role due to their level of competitiveness and close ties with the governments, since governments in this region often prefer to use homegrown operators. However, international operators can provide expertise in areas where the local expertise is insufficient.

In China, the water services market is dominated by operators such as Beijing Enterprises Water Group (BEWG) and Guangdong GDH Water. The drinking water and wastewater treatment market is expected to experience sustained growth with the ongoing participation of private operators under the impact of industrialization and massive urbanization, added to the improvement in living standards of the population, more stringent regulations for the protection of the environment and controls over pollution levels, as well as pressure on the availability of water resources.

The "Belt and Road" initiative, which is increasing China's global influence, is becoming a major contributor to the financing and implementation of infrastructure projects in Asia, but also in Eastern Europe and Africa. This opens up an extensive range of potential for projects for the Group in the area of drinking water and wastewater infrastructure, to support large Chinese investment groups.

Waste

The waste market in Asia also covers regions experiencing a range of different situations and levels of maturity. The collection rate in the region is around 70% (WB source). Nearly 50% of these volumes are sent to landfill and only 9% are recycled. Cities such as Hong Kong, Singapore and mainland China are increasingly developing sorting at source and recycling programs for non-liquid but also organic materials (50% of volumes). Private operators are increasingly involved in projects with local municipalities, while the public authorities are developing adequate structures for greater transparency and quality. Apart from these targeted areas, the market is not very attractive to private operators, although the situation is changing in some countries with the arrival of new opportunities.

The waste sector in China is in the early stages of development and is gradually opening up to international operators; it is also undergoing sustained growth in terms of volumes and urbanization rates. The Group expects to see a significant growth in household waste. In China, the 13th five-year plan also forecasts significant growth in the treatment of municipal solid waste with the development of energy recovery plants. China also produces significant volumes of hazardous waste that does not undergo any effective treatment process. This sector should experience sustained growth with the implementation of more stringent environmental regulations and the creation of regulatory entities.

2) Description of activities

Water

The Group has a presence in China through its water management concession in Macau and its 36 subsidiaries established through partnerships with local authorities for drinking water production and distribution, wastewater and sludge treatment. It operates under several types of contracts, such as BOT contracts for building and renovating water treatment plants, Operation and Maintenance (O&M) and concession contracts.

The Group operates in mainland China in the water sector. Following the creation of SUEZ NWS in January 2017, Sino French Holdings and all the other operating entities were incorporated into the new organization, with SUEZ as the majority shareholder owning 58%.

The Group is continuing to strengthen its presence in China through a policy of entering into partnerships and by securing major contracts with municipal and industrial customers. The Group also operates in China through its Treatment Infrastructures business line, especially in the industrial sector. At present, the Group has completed over 260 design-build contracts in China.

In all, the Group provides drinking water services to over 20 million inhabitants in China.

Waste

The Group has been operating in Hong Kong since 1998 in the waste sector through Sita Waste Services, which is now part of SUEZ NWS. Sita Waste Services operates six major municipal waste transfer stations and two out of the three strategic landfills (with close to 5 million metric tons of waste landfilled per year in those two facilities). The Group collects nearly 450,820 metric tons of household, commercial, industrial, agricultural and hospital waste in Hong Kong and Macau every year.

In Macau, directly or through its subsidiary, SUEZ offers collection and cleaning services for the entire city, and operating services for the landfill specialized in residues (RPIFHW) from the local incinerator.

The Group has also grown in mainland China through joint ventures with local partners. The Group is primarily targeting the hazardous waste treatment markets that will continue to grow over the next few years. The Group is also interested in opportunities on the recycling market and in the area of soil recovery.

In Taiwan, SUEZ operates an energy recovery plant and a hazardous waste treatment facility in the city of Kaohsiung. In Thailand, SUEZ has recently built a plastic recycling plant with a capacity of 30,000 metric tons per year, as well as an industrial waste recovery plant in Chonburi.

5.3.4.2 India

In 2020, India's contribution to the Group's consolidated revenues totaled EUR 135 million. The Group employed 706 people in the region.

1) Specific features of the sector

Water is a fundamental concern for the Indian central government, which launched a five-year program (AMRUT) in 2015 to develop the necessary infrastructure to provide access to running water and wastewater treatment. Another program (Jal Jeevan Mission) was launched to provide all households with access to running water by 2024. At present, less than 30% of households have access to running water. By 2050, India's water consumption is expected to double, and the government would like to treat wastewater, and protect rivers and underground reserves (the primary source of drinking water for millions of people). The Indian water sector represents a growth market for SUEZ as it is an area where it can implement its know-how and expertise to manage and improve the service in the context of large-scale and long-term contracts. Historically, the water market in India has attracted low levels of private investment due to the lack of financial collateral and low rates. Desalination and wastewater reuse projects and 24/7 water supply contracts could also offer new opportunities.

2) Description of the activities of SUEZ

SUEZ has actively followed developments in the Indian water sector in the 30 years since it has been present in the country, particularly the emergence, supported by plans and policies at the federal and national level, of projects in the form of public-private partnerships that are aimed at improving and expanding the water supply and the distribution infrastructure and services in Indian cities.

The Group has provided its expertise for the management of water systems in the cities of Coimbatore, Davanagere, Puttur, Udupi and Mangalore. In the city of Lucknow (Uttar Pradesh), SUEZ manages the entire sewer network and all wastewater treatment plants and is the first and only service provider of pipeline infrastructure in an Indian city.

SUEZ also operates in Sri Lanka and Bangladesh through its Treatment infrastructures building and operation activities.

5.3.4.3 Australia

In 2020, Australia's contribution to the Group's consolidated revenues totaled EUR 1 billion. As of December 31, 2020, the Group employed 2,109 people in this region.

1) Specific features of the sector

Water

The Group believes that the Australian water sector suffers from acute problems linked to water resources due to recurring, long-lasting droughts and from the impact of global warming. This sector offers significant growth opportunities due to the increased use of desalination and reuse of post-treatment wastewater.

Infrastructure is well developed in this country and needs to be extended. The main challenge is to ensure the renewal and maintenance of the infrastructure while improving performance and maintaining an affordable price for the end user.

Waste

In 2017-2018, the estimated size of the waste sector in Australia was approximately AUD 13.5 billion (EUR 8.5 billion) (source: *IBISWorld, 2018*). In recent years, most governments have set targets to reduce the amount of waste sent to landfills and increased landfill site duties (imposed and regulated by each state) intended to reduce the amount of waste generated and to promote recycling and recovery.

In 2018, the Queensland Government announced the introduction of a waste disposal levy on landfill of waste from July 2019 to take into account the volume of waste sent from neighboring states such as New South Wales. In this context, the demand for waste recycling and recovery technologies involving sorting, composting and alternative fuel production continues to grow. The federal government also announced the implementation of the export ban on recyclable waste from July 2020, most of which was previously sent to Southeast Asia.

2) Description of the activities of SUEZ

Water

SUEZ is the largest private O&M contractor in the municipal sector, supplying drinking water to 7.4 million people and wastewater treatment services to 1.2 million people. SUEZ services to municipal and industrial customers include the treatment of drinking water, desalination, wastewater treatment and reuse and bio-solids management.

Resource recovery is progressing rapidly in the water sector, in particular nutrient and energy recovery from wastewater activities. In addition, the sector is currently moving towards adopting smart solutions to achieve reductions in cost and improvements in operational efficiency.

Waste

The Group is present in the waste sector in Australia through SUEZ Recycling & Recovery Pty Ltd. Through its collection services, SUEZ now serves more than 46,332 industrial and commercial customers and over 5 million inhabitants.

SUEZ continues to be Australia's market leader in recovery with services including the recycling of household, commercial and industrial waste; the treatment of organic waste through composting; the treatment and recycling of medical waste; Advanced Resource Recovery Technology (ARRT) facilities; secure product destruction, and latest-generation technology waste landfills (smart cells®).

The government has announced a significant policy change to stop the disposal of land-based organic waste on agricultural land, and the suspension of its use in mine redevelopment in New South Wales. This decision and its immediate execution have impacted SUEZ's ability to meet a number of contractual obligations, in particular the reduction of volumes sent to landfill. SUEZ has communicated with its customers about this decision and the potential impact on providing services. At present, SUEZ New South Wales facilities continue to process mixed waste organic material and SUEZ is working with the relevant authorities as well as conducting its own independent reviews to understand and assess the impact of this government decision.

SUEZ also provides a global waste management service to major customers on a national level with a focus on the mining and food markets. The Group has over 50 national key accounts.

5.3.5 Presentation of AMECA activities

In 2020, the AMECA Region's contribution to the Group's revenues was EUR 0.9 billion. As of December 31, 2020, the Region employed 6,076 people.

5.3.5.1 Africa & Near East

In 2020, Africa & Near East contributed EUR 764 million and the zone employed 5,103 people as of December 31, 2020.

A) AFRICA

1) Specific features of the sector

Water

The demographic growth of the African continent along with a very high rate of urbanization imply a massive requirement for water and wastewater infrastructures. The low level of maintenance also implies the premature ageing of certain infrastructures which then require refurbishment. Historically, infrastructure upgrade projects are funded by governments; however, funding is also provided by multilateral donors (with the World Bank being the main source of funds). The African market is dominated by international operators, and in the past Veolia and SUEZ have been the operators with the most widespread presence. However, African companies are favored for "EPC" (Engineering/Procurement/Construction) projects.

2) Description of the activities of SUEZ

Water

In Morocco, the Group is active in the water sector through Lydec, in which it has a 51% stake, with the remaining 49% owned 34.75% by Fipar Holding and RMA Wataniya, and the remainder traded on the Casablanca stock exchange since 2005. Lydec is in charge of water distribution, wastewater treatment and the electricity supply for 4.2 million inhabitants in Greater Casablanca, on the basis of a 30-year contract signed in 1997. In 2020, Lydec contributed EUR 630 million to the Group's consolidated revenues, broken down into activities related to electricity (70%), and drinking water distribution and wastewater treatment (30%).

As of December 31, 2020, Lydec employed 3,230 people.

In Algeria, the Group has been present since 2006, with a management contract to which it contributes its expertise and provides experts to the Société des Eaux et d'Assainissement d'Alger (SEAAL) in order to help improve drinking water distribution and wastewater services for the cities of Algiers and Tipasa. A dedicated program for professional and managerial knowledge transfer is being implemented by SUEZ.

Present in Egypt for several decades, SUEZ currently operates two water treatment plants, one in Alexandria and one in Cairo. Since November 2018, SUEZ has started to build an extension to the current water treatment plant in Alexandria for which a financing agreement was signed in 2017 between the Egyptian government and the French Development Agency.

In Senegal, SEN'EAU has been the drinking water operation and distribution management company in the country's urban and suburban areas since January 2020. The Group is the leading technical partner of this Senegalese company, but is also one of its main shareholders (45% of its share capital).

In sub-Saharan Africa, SUEZ remains very active through its drinking water production and wastewater treatment plant construction business activities, namely in Burkina Faso, Mali, Kenya, Angola, Uganda and Cameroon.

The Group is also present in many African towns and cities of all sizes through its UCD activities, setting up compact water treatment units in an extremely short time frame. In particular, the Group signed a contract in 2018 for the provision and installation of 40 compact units for the production of drinking water to supply 18 cities in Ivory Coast.

Waste

In Morocco, the Group has historically operated in the waste management sector through R&R Morocco, which is responsible for the collection and handling of household waste, particularly at the Meknes disposal and recovery center. SUEZ also provides industrial waste management for local and international customers and has strengthened its position in this market in 2020 with key contracts in the automotive sector.

5.3.5.2 Middle East & Central Asia

The contribution of Middle East & Central Asia zone to the Group's consolidated revenues stood at EUR 132 million and 973 people were employed in this area as of December 31, 2020.

1) Specific features of the sector

Water

In the Gulf countries, the scarcity of water resources is accentuated by increasing demand, linked to a constant rise in population and an ever-increasing rate of urbanization. The development of industry in the Gulf countries to diversify their economy also contributes to increasing water requirements, particularly for the oil industry.

Faced with the increasing demand for water and wastewater services, a strong political will for the preservation of water resources has emerged in the Gulf countries. The reform includes major investments in infrastructure, as well as improving the efficiency of the distribution network and wastewater services.

Thus, each country has drawn up national strategies or programs that plan over several years the work required and investments to be earmarked in this sector and make use of the expertise of private operators, particularly through public-private partnerships. Large infrastructure contracts, particularly for the desalination of seawater and the treatment and reuse of wastewater, are ongoing in several countries, as are major contracts for the operation and maintenance of water and wastewater services (in Qatar and Saudi Arabia in particular).

Waste

Waste management has become an important component of the roadmap of countries in the Middle East, and in the first years of the 21st century they had already launched investment programs to develop new and upgrade existing infrastructure.

Governments and municipalities are developing strategies to reduce the quantity of solid waste transferred to landfill sites. These strategies include plans to develop waste-to-energy (WtE) facilities and to generate energy to complement the electricity needs of a country and diversify its energy mix. The willingness of the authorities to reduce the amount of waste sent to landfill sites creates opportunities for the collection, sorting and treatment of municipal and industrial waste, with a view to recycling or recovering energy from such waste.

2) Description of the activities of SUEZ

Water

The Group has a historic presence in the Middle East. In the 1950s, SUEZ discovered a drinking water source in Riyadh which allowed the capital of the Saudi kingdom to remain in Riyadh. In 1975, it also built the first reverse osmosis desalination plant in Saudi Arabia, and signed 20 DBO contracts in the country between 1975 and 1986. It built the world's largest hybrid desalination plant in the United Arab Emirates in 2003 and financed, built and has operated since 2018 the largest desalination plant in the Sultanate of Oman.

The construction and operation of the largest wastewater treatment plant in Qatar and the operation (under a BOT (Build, Operate, and Transfer) contract) of the largest sewage treatment site in the Middle East in Jordan are also key references for the Group. In addition to its water treatment activities, between 2008 and 2017, the Group also managed the water services of large cities such as Jeddah, Saudi Arabia. Finally, in December 2019, SUEZ secured the contract for the operation and maintenance of the wastewater networks and treatment infrastructures in Northern Qatar.

Waste

SUEZ has been established in the waste treatment sector in the United Arab Emirates since 1977, through its subsidiary SUEZ Middle East Recycling, the country's first private company in this sector. The Group has developed its activities in the collection of industrial and commercial waste, as well as in the collection of medical waste and in the cleaning of streets and industrial sites.

In the Sultanate of Oman, through its SUEZ Al Basheer joint venture, 60% owned with Omani partners, since 2010 the Group has signed several contracts for the construction, operation and management of several landfill sites for municipal and industrial waste across the country. These contracts include the construction and operation of the Al Amerat Municipal waste landfill and, more recently, the operating contract for the Barka landfill site, which includes a system for biogas collection and leachate treatment. The Group has also positioned itself on the market by developing its management of industrial waste and securing the contract to operate the industrial waste landfill sites at Sohar and Duqm.

In Qatar, in 2017, SUEZ also secured the contract to decontaminate the soil from the Al Karaana lagoons located south-west of Doha. This project, which was completed six months in advance, is the largest contract secured by the Group in the area of soil decontamination and its first major reference in the Middle East.

Finally, the Group has joined forces with its partner Five Capital Fund I to sign an agreement to acquire a majority stake in Environment Development Company (EDCO), a Saudi hazardous waste management company.

5.3.6 Presentation of North America activities

In 2020, the North America Region's contribution to the Group's revenues was EUR 1 billion. As of December 31, 2020, the Region employed 2,832 people.

1) Specific features of the sector

United States

The Group estimates that the market share of private operators is 11% (37.4 million served out of a total of 330 million). The sector is characterized by long-term stability and a growing demand focused on the quality of service. The market is highly fragmented (over 52,000 water supply systems and over 17,000 systems for wastewater), which offers major opportunities for consolidation. The market consists of four private national operators and around 40 other small local operators operating in O&M services, which also offers opportunities for consolidation.

Canada

The government is in the process of setting up new requirements to reduce the volume of waste sent to landfill, thereby encouraging the search for alternative waste treatment solutions. A program of subsidies for the incineration of biomethane has been implemented, with an emphasis on organic waste treatment projects. The Group currently has a limited portfolio of activities in Edmonton, Swan Hill and Montreal.

2) Description of activities

United States (Water)

The Group is active in the management of water and wastewater services in the United States through SUEZ North America and its subsidiaries, SUEZ Water Inc. and SUEZ Water Advanced Solutions (formerly USG).

SUEZ Water Inc. (formerly United Water) is present in 17 states, mainly in the Midwest and Northeast of the country, and is active in two types of business activity:

- "regulated activities" (primarily in the field of drinking water services): the water production/treatment assets are operator-owned; this sector is characterized by its high capital intensity and lower financial risk, since rates are fixed by the regulators (Public Utility Commissions) of the 50 states, partly based on the investment required;
- service contracts (primarily in the field of water and wastewater treatment and network management services): operators enter into Operations and Maintenance contracts with municipalities relating to processing sites or other assets that continue to be city property; this sector is characterized among other things by low capital intensity and lower margins. These contracts are generally for between 3 and 20 years, although contracts have also been signed for a longer term.

In 2020 SUEZ Water Inc. had a portfolio of 15 regulated business activities in six different states, and finalized the acquisition of Heritage Hills Water Works Corporation, allowing SUEZ to serve 2,700 more drinking water customers and 2,900 additional wastewater customers through its contract in the State of New York. The Environmental Services business activity renewed all its O&M contracts in the United States and won new contracts with the towns of Hingham, Massachusetts and Norwalk, Connecticut. Non-regulated activities concerned 69 service contracts with terms that could extend to up to 50 years of operations. The Advanced Solutions business activity won more than 1,200 contracts, including one of the largest contracts ever awarded for the installation and maintenance of an AMI (automated metering infrastructure) contract with the town of Mansfield, Ohio (18,875 meters).

Canada (Waste)

The Group primarily operates in the area of waste management activities. In 2014, the Group acquired the remaining 40% interest in Aecom Technology, after holding a 60% interest since 2008. This company has significant management contracts in Alberta, operating the compost site in Edmonton and the toxic waste incinerator in Swan Hill. In 2019, SUEZ won two major contracts for the design and construction of the St. Laurent composting infrastructure (annual capacity of 50,000 metric tons) and a biomethanization infrastructure facility (annual capacity of 60,000 metric tons).

5.3.7 Presentation of WTS activities

WTS is a unique platform in a booming industrial water market. It represents a strategic shift for SUEZ that will lead to an acceleration of its profitable growth: by doubling revenues from industrial customers and consolidating key account relationships. WTS improves the contribution of industrial customers to the Group's revenues. Finally, WTS provides SUEZ with greater balance in terms of its geographic presence, with approximately 80% of revenues generated outside Europe.

WTS offers shareholders a unique value proposition since it comprises commercial, operational and technical synergies with historical SUEZ activities.

In 2020, WTS contributed EUR 2.4 billion to the Group's consolidated revenues. The WTS global business unit has around 10,369 employees serving 50,000 customers in 130 countries and is backed by a global presence throughout the entire water treatment solutions and facilities value chain.

1) Specific features of the sector

Depending on the geographical region, WTS may compete with local or regional operators and also with other types of operators, such as producers of chemical products (including specialized chemical products), manufacturers of water-filtration and water-quality equipment, industrial companies specializing in water treatment and builders (EPC).

WTS is facing strong competition in all its activities on a global level. Competitive pressure and the constant need to innovate and improve existing technologies require continuous R&D investment. Each target market has a different structure, distinct customer needs and specific regulations. The product and service portfolio of each competitor also varies depending on the regions in order to adapt to the customer and level of profitability.

Digital technology was one of the major trends in 2020. The Covid-19 crisis has accelerated digital investments in water networks. In the public service sector, remote monitoring and access have become a necessity. From an industry point of view, this has helped to maintain levels of activity. In addition, remote monitoring data enables improvements in operational efficiency and plant maintenance. Digital technology will continue to be a major trend in 2021.

The adoption of MABR (Membrane Aerated Biofilm Reactor) reached an important milestone in 2020. The membrane bioreactor will allow plants to achieve greater elimination of nutrients by increasing processing capacity in the aeration zone. This technology has been positively received by engineers and regulators. For example, SUEZ WTS's Zeelung MABR technology was selected for the Hespeler wastewater treatment plant in Ontario, Canada. Once it is finished in 2021, it will be the world's largest MABR plant, treating 9.34 MLD (Millions of Liters per Day) (2.47 MGD (Millions of Gallons per Day)).

Another key trend in 2020 was the emphasis on the elimination of micropollutants, particularly with the regulation of PFAS (perfluoroalkylated substances) elimination in North America. This will continue in 2021 with the introduction of numerous different treatment technologies.

2) Description of activities

WTS has recurring income that is distributed between its two complementary divisions:

- the Chemical & Monitoring Solutions (CMS) division provides integrated chemical treatment solutions for industrial water and process infrastructures;
- the Engineering Systems (ES) division is a major supplier of technological solutions and equipment used in water and wastewater treatment, water reuse and service outsourcing.

WTS profitable growth strategy is based on five "differentiating factors":

- a strong global presence: WTS focuses on product design and management on a global scale. It takes advantage of its international presence and a network of service and production centers around the world, where more than 10,000 employees meet the needs of 50,000 customers in all the key regions;
- a major presence throughout the entire value chain: the business unit provides a unique range of services throughout the entire value chain with state-of-the-art technologies, equipment, solutions and services that meet all the needs of industrial customers in the water sector;
- a global business network: the entity provides high value-added services to its customers in all market segments and employs 3,000 sales staff to look after these key accounts;
- R&D and innovation on a global scale: WTS has a significant technological presence and R&D centers on four continents, where 400 scientists and engineers develop state-of-the-art technologies;
- a leading digital platform that creates customer loyalty: WTS digital solutions provide customers with high value-added services, including real-time monitoring and predictive analysis. They also contribute to internal efficiency gains and provide relevant data analysis.

5.3.8 Presentation of Smart & Environmental Solutions (SES) activities

Launched on January 1, 2020 as part of the Shaping SUEZ 2030 strategic plan, the new global business unit – SUEZ Smart & Environmental Solutions (SES) – aims to support the development and deployment of our smart and environmental solutions on a global scale and to accelerate the Group's differentiation through its positive impact on health, quality of life, the environment and climate.

In this context, SES is a key player in the Group's transformation and an integral part of the SUEZ formula to offer its customers turnkey environmental services. These solutions are based in particular on innovative digital technology and environmental solutions. They help SUEZ customers in their transition to development with low carbon emissions by offering sustainable solutions to their challenges.

To meet these challenges, the Group has organized these solutions around five business lines:

1. Digital & decentralized solutions
2. Performance management and unaccounted-for water
3. Monitoring of environmental quality and smart agriculture
4. Air & Climate
5. Smart City & Consulting

With 3,183 employees located in the Regions and with revenue of EUR 363 million in 2020, SES has a solid commercial base and the strengths to build a genuine platform for growth. It has expertise, both in design and in operations, across a wide range of environmental activities (water, waste and air). These business activities are combined with assets in hardware and software suites, as well as strong innovation capabilities.

Despite the difficulties encountered during 2020, SES has demonstrated its resilience, supported by numerous wins, thanks to:

- resilient business activity, particularly in digital technology, which recorded an overall growth in revenue, despite the Covid-19 situation;
- a spirit that is focused on innovation with, for example, the launch of the first blockchain application for the recovery of organic waste (totally transparent and reliable management of sludge from wastewater treatment plants, using Open Data);
- R&D that is looking at current issues, such as the launch of a Covid-19 City Watch offering to monitor the virus in wastewater networks. This offering has been rolled out in more than 70 cities in Spain and France to better manage the Covid-19 pandemic and to have a positive impact on 13 million people. In the United Kingdom, the R&D team participated in a research project dedicated to identifying traces of Covid-19 in the wastewater of schools;
- a commercial success with innovative contracts, such as the signing with Sabesp of two performance contracts to combat water losses in the city of São Paulo;
- finally, a success at the partnership level, particularly with the signing of a memorandum of understanding for the creation, during the first half of 2021, of a 50/50 joint venture between SUEZ and Fermentalg. This French company, a major player in the research and bio-industrial exploitation of microalgae, will be developing algae photo-bioreactors that are capable of capturing CO_2 through biomimetics.

1) Specific features of the sector

The Covid-19 pandemic has confirmed several trends, including those linked to digital and environmental issues. Operational and financial constraints have encouraged the acceleration of digital projects and the switch from investment intensive business activities to performance and O&M contracts. An awareness of essential services has had a catalyzing effect on resilience, critical asset management and the need for an automation of our businesses ("remote everywhere"). Finally, ESG (Environmental, Social and Governance criteria) and the importance of the circular economy are now core concerns, strengthened by the impact of the pandemic and climate crises. Our sectors are thus driven, and will increasingly be driven, by the energy and ecological transition, the transition to carbon neutrality in the regions, adaptation to the effects of climate change, constant technological changes such as BIM (Building Information Modeling) and the twin digital technologies represented by the IoT (internet of Things) and Artificial Intelligence.

This awareness is reflected in new regulations or the strengthening of existing regulations. Sensors (smart water) have become key tools for monitoring network performance and regulatory compliance. EU regulations on smart electricity and gas meters have paved the way for national policies aimed at including smart meter solutions in water management (Italy and other countries have legislation on this transition). Targets for reducing non-revenue-generating water have been set in France, the United Kingdom, Bulgaria and Croatia. Regulations are also tightening in terms of water quality and asset management. The EU and the United States have reviewed their water guidelines to ensure better transparency on the quality of water provided (in Spain in particular on the criteria for discharge compliance). Lastly, despite significant reductions in air pollution emissions over the last three decades, an estimated 400,000 premature deaths each year in Europe are still due to air pollution. Regulations on air quality are being tightened as a result, with the European Court of Justice convicting Italy and France for their non-compliance with the 2008 Directive on ambient air quality in respect of nitrogen dioxide and/or fine particle parameters.

2) Description of activities

1. Digital and decentralized solutions

a) IoT (water/waste)

On'Connect metering is the flagship solution of our IoT offering. It covers hardware management, connectivity (telecommunications) and data management (software) with the possibility of integrating additional modules that target specific needs (tourism, infrastructure, help for the elderly, etc.). With regard to waste activities, "aEner'COM" wireless technology allows municipal customers and businesses to fine-tune management of voluntary contribution points. Ultrasound sensors located in containers check their filling rate and transmit information in "near" real time to a secure web interface.

With more than five million smart meters installed worldwide, SES is the European IoT leader in environmental solutions.

b) Smart Water & Smart Waste

Our smart water operating solutions provide real-time monitoring of key operating data for water network operators. The Aquadvanced software suite consists of modules that each meet a specific need, such as the performance of the water network, the effectiveness of the urban drainage system, asset-focused hypervision and operational efficiency for treatment plants. Covering the entire water cycle, the main features include compatibility with all types of sensors and existing systems, real-time modeling and forecasting and optimized operational automation. SES has over 1,000 software suites installed worldwide.

In waste business activities, multiple services have been developed to optimize the operation of our plants and target specific needs: the MyCollect mobile application is specifically intended for operators of waste collection companies. Our Valovisio centers are real smart control towers that can be used to monitor and optimize installations. Sludge Advanced is the first platform to offer traceability based on the blockchain that monitors the sludge from water treatment plants. The "My Waste Services" web portal helps citizens with waste management and, finally, our batiRIM modeling software provides users with the ability to quantify, qualify and map their building and demolition waste.

c) E-commerce & marketplace

The SES B2C offering provides access to a digital platform, available on desktops, mobiles and tablets, with a quote on request, the option to pay online, waste management services (*ad hoc* rental of big bags or refuse bins, connected collection services, recurring collection services, etc.) and the cleaning and emptying of tanks (septic tanks, oil tanks, grease tanks, etc.). There are also B2B services for SMEs, such as waste oil collection, electronic equipment recycling, waste sorting, etc.

The Organix marketplace brings together organic waste producers and biogas producers and also offers connected services, including waste transport monitoring, quality control and assistance in meeting administrative requirements.

d) Decentralized solutions

Our decentralized solutions consist of three types of offering: 1) the design and installation of stand-alone drinking water and wastewater treatment units, 2) the design, construction and refurbishment of small stand-alone units for treating surface water and sea water and 3) specific civil engineering work on water networks, the cleaning and dredging of watercourses and the restoration of aquatic biodiversity.

2. Performance management and unaccounted-for water

a) Asset performance management

Asset performance management solutions provide services for managing and increasing the performance of drinking water and wastewater networks, increasing the level of service and reducing risks. These solutions take advantage of the existing Smart solutions of SES or innovative technologies resulting from partnerships. SES brings them together in an integrated offering combining equipment (e.g. smart meters, sensors, etc.), software solutions (e.g. Aquadvanced, AssetAdvanced, etc.) and operational asset services (e.g. maintenance). The activity also offers specific services for critical assets, such as wells, tanks, pipes, networks, pumps and meters.

b) Unaccounted-for water management

Unaccounted-for water management offerings can be broken down into three areas: 1) customer management (platform centralizing customer requests and historical data on meter readings, invoicing and debt, the reviewing and updating of customer databases and customer commitment periods), 2) operations (income insurance, outsourcing of business processes – meter reading, invoicing and managing commercial and technical work on the ground) and 3) asset monitoring and management (monitoring and optimization of the meter pool, meter renewal plan support, geolocation of meters).

3. Monitoring of environmental quality and smart agriculture

a) Monitoring of environmental quality

This activity focuses on environmental analysis services for water, soil and air based on a network of laboratories. Our assets also offer a specific solution for hospitals and healthcare institutions, recommendation services for Legionnaire's disease and air quality.

b) Smart agriculture

SUEZ Agriculture promotes innovative irrigation systems, agricultural services (crop management, financing, etc.) and digital platforms based on irrigation with built-in digital tools to support farmers and optimize irrigation using satellite data and field sensors.

4. Air & Climate

a) Air monitoring and treatment solutions

Our air-related solutions target three requirements faced by manufacturers and public infrastructure managers:

- reducing the impact of odors through impact and performance studies, photocatalytic cover treatment and advanced filtering, and monitoring of them using Airadvanced platforms;
- improving air quality through impact and performance studies, treatment with our Air+ and carbon well solutions and monitoring them using Airadvanced platforms;
- improving the GHG (greenhouse gases) footprint through pollution treatment, carbon wells, pre-treatment and biological recovery.

b) Climate solutions

SUEZ Climate Solutions, in close cooperation with the Sustainable Development Department, is tasked with developing new solutions and offerings for internal and external customers linked to the positive impact on climate, natural capital and traceability, which include in particular:

- traceability and trade-off corresponding to their positive impact on the climate;
- the provision of digital tools linked to the accreditation of this impact;
- access to carbon credits;
- new treatment solutions to capture GHG and protect our natural capital.

5. Smart City & Consulting

a) SUEZ Consulting

SUEZ Consulting provides its expertise to municipal customers, public authorities, international financial institutions, public service agents, and private and industrial customers. SUEZ Consulting has customers in over 100 countries.

SUEZ Consulting is developing expertise in the energy and climate sectors and is strengthening its position as a French leader in the roll-out of digital and very high speed broadband offers. SUEZ Consulting is also continuing to expand its historical businesses in water and the environment, where it is a market leader.

As a key operator in the sustainable development sector, SUEZ Consulting supports cities and industrial sites in France and internationally throughout their ecological and energy transition and during their adaptations to the effects of climate change.

To this end, SUEZ Consulting contributes concretely to the achievement of sustainable development objectives and to the reduction of territorial inequalities. SUEZ Consulting is active at all levels of the projects offering strategic advice, masterplans, assistance with project management, design, general contracting, operational support, training and audits.

b) Smart City

The Smart City & Consulting teams, thanks to their local roots, have access to local decision-makers and proven expertise in building consortia, providing hypervisors who handle information from multiple sources in real time (connected equipment as well as requests made directly by citizens). This enables resources to be optimized and recommendations to be made on the performance of assets and the progress of standard operations. Connected control centers are urban remote management facilities that improve the resilience of cities while enabling continuity of services in the event of a crisis, as evidenced by the city of Dijon in 2020. In Angers Loire Métropole, France's leading smart region, SUEZ's objective, together with its partners, is to use digital technology to accelerate the ecological transition of the region and improve its attractiveness, optimize the organization of public services, ensure more efficient resource management and, lastly, facilitate and improve the daily life of residents.

5.4 Strategy

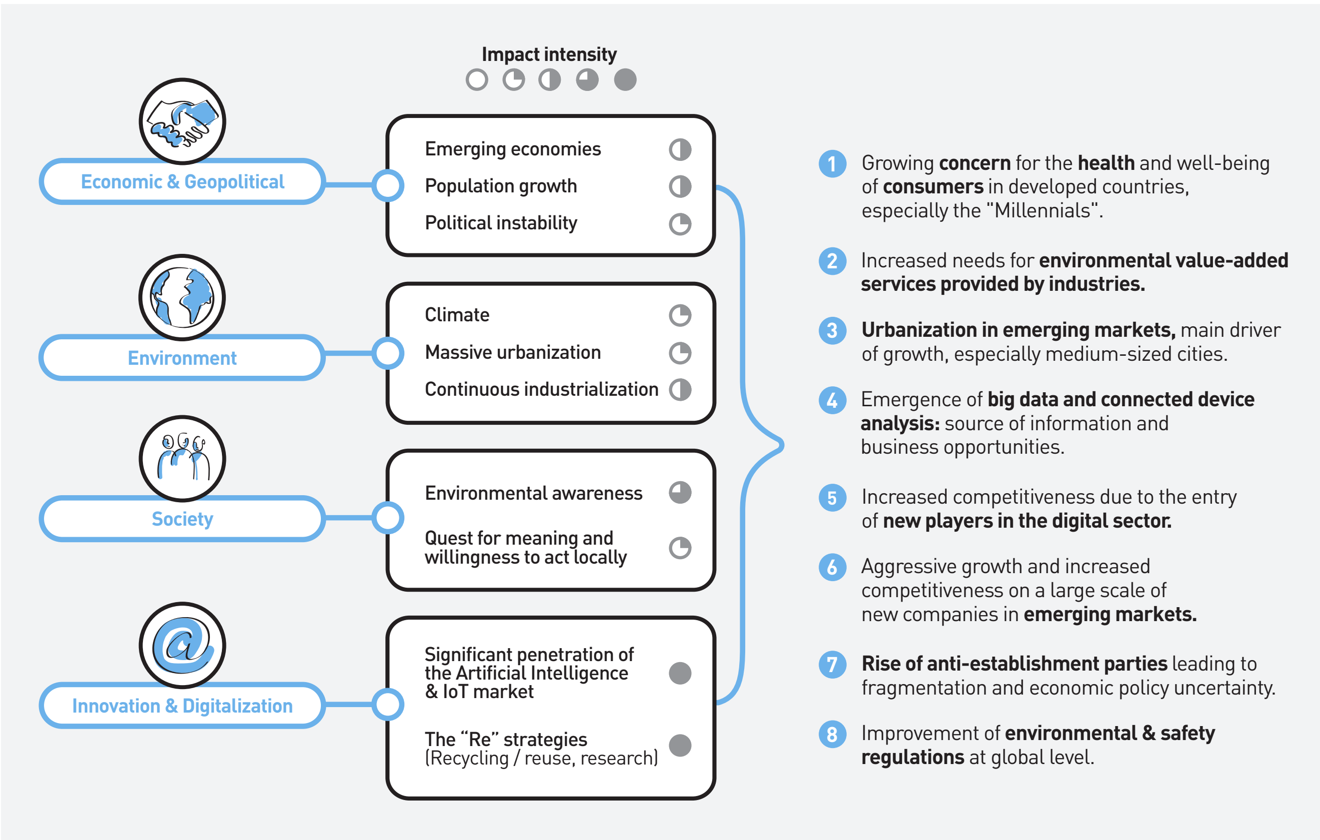
The ambition for the "Shaping SUEZ 2030" plan is to make SUEZ the world leader in environmental services. The Group's aim is to become the preferred partner of its customers, employees and stakeholders, and to work together with them to restore and conserve the fundamental elements of water, air and soil from this point onwards. SUEZ is implementing a transformation strategy to achieve its vision for 2030. This strategy is based on three pillars: a more selective path to growth, simplified operational processes and a new culture that embodies the conquering spirit of SUEZ on a daily basis.

5.4.1 Vision for 2030

The "Shaping SUEZ 2030" 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 anticipate 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.

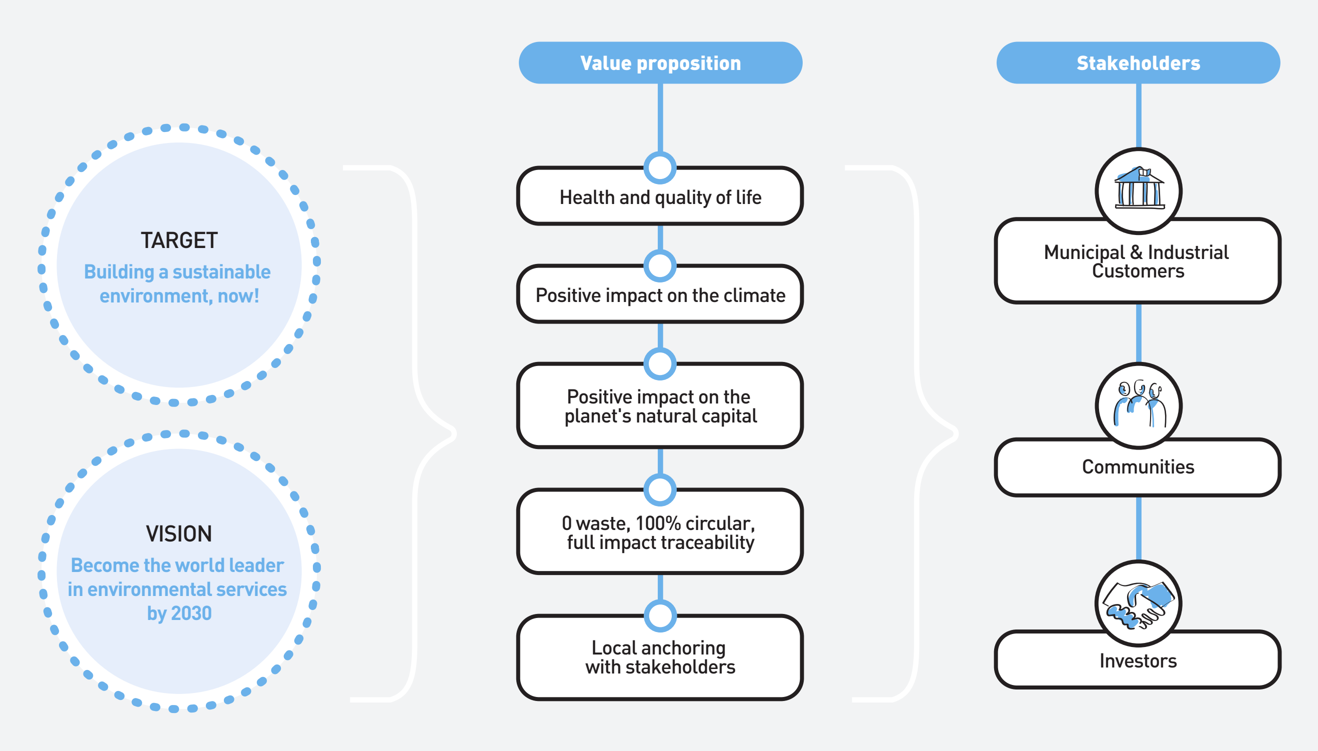
For this, 75 global trends which could impact its markets have been identified and analyzed. Eight of these trends have been ranked by order of priority.



The Group's strategy aims to offer innovative and effective solutions to help its customers to become more competitive and, more generally, to make the difference.

SUEZ intends to stand out as the preferred choice of its industrial and local authority customers as well as of citizens to jointly tackle the greatest challenges facing the planet, namely: the climate crisis, protection and restoration of our natural assets, health and quality of life. The Group aims to offer its customers a portfolio of high added-value solutions that are 100% sustainable and that will make a difference through their positive impact on health, quality of life, the environment and the climate.

SUEZ's unique and differentiating value proposition is 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.



For its customers, the new SUEZ value proposition aims to:

- help industrial customers to comply with their commitments in terms of sustainable development and to control their environmental risks, with performance-focused integrated offers, while sustainably securing their industrial processes;
- help cities and local authorities achieve their environmental transition, thanks to smart and digital solutions;
- provide easier access to sustainable consumption for citizens, by offering affordable solutions.

This strategic plan can build 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 (see section 5.9.5).

It also enhances the scope of its commitments as part of the sustainability Roadmap: in October 2019, the Group decided to strengthen its climate commitments to comply with the +1.5°C trajectory by 2030:

- reduction of greenhouse gas emissions by 45% (compared to 30% previously), in line with the +1.5°C trajectory and carbon-neutral by 2050 target;
- offer solutions that are 100% sustainable;
- approximately 20 million metric tons of CO_2 emissions avoided each year for its customers.

5.4.2 Levers for transformation

Thanks to its strengths (technology, innovation, know-how, talented staff and an excellent reputation), the Group will grow more selectively, with simplified operational processes and a renewed commitment of its teams, based on their passion for the environment.

The "Shaping SUEZ 2030" plan is based on three strategic pillars that will drive the creation of value for all stakeholders, as of 2021.

5.4.2.1 Selective growth

By targeting selective growth, the Group intends to take advantage of its high potential to innovate in Europe and, across all of its sectors of activity, to speed up development in the areas where the most promising opportunities have been identified:

- international markets: the Group intends to develop its activities in a selected range of countries, where its global value proposition will be implemented, and to increase its investments in innovative services. The Group also aims to grow in markets where the need for environmental infrastructures is rising sharply.
  - **Ambition: generate 60% of revenues on international markets;**
- industrial customers: the Group wants to speed up its growth in five key and high-growth markets (food, energy, oil & gas, chemicals & pharmaceuticals, and microelectronics), with a priority focused on high added-value activities that take advantage of a diverse portfolio of solutions. Through partnerships with industrial customers, SUEZ is able to offer personalized and integrated solutions that will help them to follow their sustainable development roadmaps.
  - **Ambition: generate 50% of revenues with industrial customers;**

- data-driven technologies and solutions: the Group relies on proprietary technologies and innovation to develop and roll out advanced solutions on a worldwide scale. SUEZ will also roll out new activities with a high potential, such as the management of air quality and smart agriculture.
  - **Ambition: generate 30% of revenues in data-driven technologies and solutions.**

5.4.2.2 Organization and performance

SUEZ intends to build a decentralized and agile organization, close to its customers. This new organization will consist of:

- simplification and optimization of industrial processes that will improve operational performance and significantly increase investments in innovation:
  - increase by 50% investments in R&D, innovation and digital technology by 2023,
  - make a total of EUR 1.2 billion in savings by 2023, of which 35-45% will contribute to improving the profitability of SUEZ; 45-50% of these annual savings would be achieved in 2021;
- a simpler and more efficient organization, with a reduced number of Business Units and a decentralized decision-making process that better meets the needs of customers. Three centers of excellence (Marketing, know-how and Performance, Digital and Innovation) will support the BUs with greater responsibility and in proximity with customers.

5.4.2.3 Culture and HR

The success of the Shaping SUEZ 2030 plan is based on the mobilization of energy and the expertise of employees, thus enabling them to meet the needs of customers and SUEZ partners.

The Group's new values – passion for the environment, customer care, respect and team spirit – combined with a culture that reconnects with its conquering spirit, will support the major transformations targeted by its strategic plan.

To offer the best level of expertise to the Group's customers, the SUEZ Human Resources policy will strive to further promote the talent, leadership and skills of employees throughout the entire Group.

The SUEZ Group will also establish Centers of Excellence on emerging markets, offering a diverse range of capacities to address the specific issues of its customers.

5.4.3 Research and Innovation

The objective of the ambitious Research and Innovation (R&I) policy practiced by SUEZ is to create differentiated and high value-added offers to enable its customers to more efficiently manage their resources and to encourage the roll-out of a circular economy, to limit its impact on the climate and the environment, and to ensure the health of both humans and the planet. As a real driver of the Group's transformation, innovation is a core component of its strategy. This entails concrete actions and commitments: investing in people and tools and digitally transforming the Group's business lines by introducing greater cross-functionality and adopting a mindset resolutely focused on the future and the customer experience.

SUEZ's Research and Innovation policy is clearly focused on these five areas of the Value Proposal (see 5.4.2.3), which is set out as 20 priorities.

In 2020, the Group invested EUR 103.3 million in Research and Development, innovation, top-level technical assistance and the management of knowledge. Beyond the conquest of new markets, this investment enhances operational performance through the integration of innovative process and technologies into the businesses, by ensuring their circulation and sharing thanks to a network of global experts. The implementation of these actions is based on the various programs and projects carried out at R&D sites and in the Business Areas (BA) and Global Business Units (GBU). It also relies on sharing all the Group's innovations and on collaborative innovation with start-ups, suppliers, industrial and academic partners, etc.

As part of the Shaping SUEZ 2030 plan, the objective is to increase by 50% the investments in R&D, innovation and digital between 2019 and 2023.

The year 2020 was deeply affected by the global health crisis linked to Covid-19. Apart from the necessary adjustments to working methods, this crisis has allowed SUEZ to assert itself as a leading player in the field of environmental health, particularly by monitoring the spread of the Sars-CoV-2 virus within the population thanks to its know-how, advanced technologies and scientific partnerships. SUEZ has deployed City Sentinel Covid-19, a solution for monitoring the presence of Sars-CoV-2 in wastewater networks. Developed by the Group's scientific and technical research teams, this innovative system offers local authorities a better way to assess the virus's circulation in their region and, consequently, anticipate the health measures to be adopted at local level.

5.4.3.1 Dedicated resources

To innovate, SUEZ relies on the talents of around 650 researchers and experts from around the world. Their roles range from technical assistance for the operational teams, to implementing applied research programs that pave the way for our future activities, expertise and technologies. The Group's main centers of expertise and research are located in France (Le Pecq-Croissy and Bordeaux), Spain (Barcelona), Belgium (Haasrode), the United States (Houston, Trevose), China (Shanghai), India (Bangalore), Hungary (Oroszlany) and Singapore.

At the Group level, the Research, Innovation and Digital Transformation Department has consolidated the global Innovation – Digital – Performance – Intrapreneurship system, which was set up in 2018, to strengthen the Group's capacity to innovate. It involves:

- clear technology priorities for the Group;
- a Group vision shared by the Innovation, Marketing and Performance departments to ensure that resources are in line with priorities.

At SUEZ, far beyond large research programs, innovation is a state of mind shared by all. A number of tools and procedures are deployed by the Group to strengthen the dynamic of innovation and to encourage the expression of ideas by employees, as well as to scale-up these ideas and ensure local innovations take advantage of the Group's global footprint. These include, for example, the seven "Golden Rules" of innovation, a sort of check-list of points to be addressed by anyone wishing to embark on an innovation project, and "Demos on Demand", a webinar world tour of the Group's innovations, intended for internal and external use, the first edition of which was held in December.

5.4.3.2 Open Innovation

SUEZ has set up a structured Open Innovation policy to benefit from external innovation capabilities. To this end, partnerships are formed and consist of stimulating collaborations around innovative projects in technical, digital, commercial and social fields. These partnerships allow the Group to increase its research and development efforts while benefiting from collaborative work with research teams, start-ups, suppliers and industrial companies. They take various shapes (including technological tests, direct investments or investments *via* funds dedicated to start-ups, research partnerships, etc.) to adapt to the maturity of technologies and to the size of the structures with which SUEZ works. Thanks to these collaborative projects, the Group has access to knowledge and technologies that complement its internal expertise and accelerate the deployment, implementation and time-to-market of innovative products and solutions.

5.4.3.3 An international network of partners

SUEZ maintains long-term privileged relationships with numerous high-level scientific and technical players:

- academics at the University of Bordeaux, INRAE, BRGM (France), the Universitat Politecnica de Catalunya (Spain), the University of Tsinghua (China), the Universidad Tecnica Federico Santa Maria (Chile), NUS (Singapore), Rice University (USA), the University of Toronto (Canada) and the University of Darmstadt (Germany);
- with French innovation and skills networks, such as competitiveness clusters in line with the business activities: AquaValley, DREAM, Hydreos for water and IAR;
- European bodies (Water Europe, KIC climate, EIT Raw Materials, etc.).

In 2020, 10 projects presented by SUEZ were selected as part of European programs.

5.4.3.4 SUEZ Ventures

Created in 2010, SUEZ Ventures is the Group's investment fund. A leading player in corporate venture capital in the water, waste recycling and recovery, and urban services businesses, SUEZ Ventures invests in and forms industrial partnerships with young and innovative tech start-ups. This investment fund, which invests several millions of euros per year, rounds out the Group's array of Open Innovation tools by helping operating entities access innovative solutions for the various businesses.

SUEZ Ventures spots several hundreds of innovative start-ups each year and has made fifteen investments in high-growth potential SMEs that have synergies with the Group.

In 2020, SUEZ continued to support companies in the portfolio during the Covid-19 crisis and participated in the USD 25 million fund-raising for the LOOP subsidiary of TerraCycle Inc. In particular, this investment enabled a LOOP section to be launched in a first Carrefour store, for the marketing of products with recyclable packaging.

5.4.3.5 Challenges (external)

In 2020, SUEZ continued to roll out its program of challenges involving start-ups, customers and students for the purpose of further expanding the area of Open Innovation. The main challenges this year included:

- EU Hackathon: Business4Change with a SUEZ theme, "How to reduce the supply chain cost of waste plastic packaging?";
- SUEZ was the sponsor for two events organized by Aerospace Valley and CNES:
  - a "Copernicus challenge" on four themes, including one on water: "Improve the leakage prediction on drinking water networks by using satellite imaging and open data",
  - ActInSpace, the leading international hackathon in the space domain, on the theme of "Making the invisible visible", and more specifically on the general themes of water, waste and air. The final phases are taking place in 2021;
- in Shanghai, at the SCIP chemical industrial park site, SUEZ NWS co-organized an international challenge with the universities and start-ups. This challenge received 387 files from seven countries. SUEZ's themes include air quality, robotics applied to plant Operations and Maintenance, carbon footprint (measurement, capture and sequestration) and e-commerce applications to waste marketplaces. In November, SUEZ participated on the Business4Change panel, a hackathon organized by the EU alongside the European Business Summit. Young innovators were invited to develop innovative business models for the circular economy;
- following the success of SUEZ's partnership with NUMA on the DataCity challenge in Paris, Indian teams once again joined forces with NUMA, as well as with the city of Bangalore and the government of Karnataka to adapt and implement the challenge in India. The result of this first edition is a packaged solution for monitoring commercial water losses and increasing revenue. The product has been implemented in Bangalore and is now ready to be rolled out.

5.4.4 Outlook

The year 2020 was the first full year of implementation of the SUEZ 2030 strategic plan. The plan, which combines the refocusing on growing and value-added activities with a plan to ambitious performance, has demonstrated tangible results in terms of the year 2020.

In particular, the Group has made significant progress on its asset rotation plan, which is expected to be completed in the course of the year. In addition, the Group recorded EUR 326 million savings in 2020 as part of its performance plan, beyond the initial target of EUR 275 million and expects from EUR 275 to EUR 325 million euros in new savings in 2021.

Sales momentum also accelerated during the year 2020, with many commercial successes in France and internationally. The first contributions of these contracts will support the Group's financial trajectory as of 2021.

On the strength of these results, SUEZ announced, at the publication of its results for fiscal 2020, an improvement in the 2021 financial trajectory compared to the trajectory initially communicated.

The Group therefore expects the following objectives and outlook for 2021 [1]:

- revenues in excess of EUR 16 billion with a return to organic growth;
- EBIT from EUR 1.4 to 1.6 billion;
- recurring earnings per share (EPS) from EUR 0.80 to 0.85;
- recurring free cash flow (FCF) in excess of EUR 500 million.

In addition, the Group intends to propose to the Shareholders' meeting of June 22, 2021 an ordinary dividend of EUR 0.65 per share in respect of fiscal year 2020.

(1) Under the assumption of constant exchange rates and prices of raw material and the absence of a return to regionally generalized lockdown situations.

5.5 Significant events in the development of the issuer's business activities

5.5.1 Roll-out of the Shaping SUEZ 2030 project

Throughout 2020, SUEZ continued its transformation according to the new strategic plan, Shaping SUEZ 2030, launched in fall 2019:

- by delivering concrete and tangible results on the asset rotation program, performance and the winning of major contracts;
- by investing to accelerate growth with the creation of sustainable value for its shareholders;
- by delivering a clear financial trajectory and repositioning business activities to create added value for its shareholders.

5.5.2 Outstanding achievements in terms of innovation

A number of important innovation events and achievements occurred during the course of 2020:

- launched in 2018, the SUEZ Digital Hub aims to accelerate every six months around fifteen digital innovation projects conducted both internally and in partnership with external companies. In 2019, it reached its cruising speed: the first four seasons were successfully completed and a fifth was launched at the end of 2020:
  - from the beginning of the pandemic, the Group's researchers, particularly at CIRSEE and in Spain, engaged with other French (Obépine network) and international players, to find solutions for combating the spread of the Sars-CoV-2 virus. As a result of this R&D work, the Covid-19 City Watch solution was created, intended to support municipal customers in their fight against the emergence of new Covid-19 clusters within cities. This system combines analysis of the presence of Sars-CoV-2 virus markers in wastewater networks with a digital platform; it provides early warning signals allowing local authorities to take the necessary protective measures as early as possible,
  - in March, again in the fight against Covid-19, SUEZ passed on to its employees in France the call for ideas launched by the French Defense Innovation Agency (Agence de l'innovation de défense – AID), an organization attached to the Ministry of Defense, in order to find solutions to improve health and quality of life during the pandemic. 130 proposals were submitted,
  - SUEZ CircPack® is a service intended to help major brands design the most recyclable packaging possible,
  - intended to trap fine particles and nitrogen oxides in a sensitive urban environment and to capture CO_2 in the industrial environment, the carbon well developed by SUEZ and its partner Fermentalg saw its first implementation (under the commercial name Combin'air) in the playground of a school in Poissy, in the Paris suburbs, after having been the subject of a demonstration observed at the last ChangeNow Summit in the Grand Palais in Paris,
  - after five years of research and development, the Valomet project, intended to recycle non-ferrous metals in bottom ash, gave rise to an industrial site, the largest in Europe, launched in Ghent (Belgium) in February,
  - in September, SUEZ launched CircularChain, the blockchain of the circular economy, whose first application, Sludgeadvanced, aims to ensure the traceability of sewage sludge from when it is produced until it is returned to the ground,
  - AFYREN, a French biotechnology company, brought together 12 players, including SUEZ (*via* CIRSEE), around an innovative European project aimed at developing an unprecedented biorefinery in France. AFTER-BIOCHEM will focus on creating new sustainable value chains from renewable raw materials, bringing a range of new high-value-added products to the market,
  - in July 2020, INRAE (National Research Institute for Agriculture, Food and the Environment) and SUEZ signed a framework partnership agreement. For a period of five years, the aim of this agreement is to strengthen the Group's scientific and industrial cooperation with INRAE in the water and environment sectors,
  - developed by LyRE, with the SUEZ France teams in Auvergne-Rhône-Alpes, the SewerBall is a dynamic inspection tool for wastewater networks that can be used to identify and locate the intrusion of parasitic water. The SewerBall is a small ball with a diameter of 10 cm and is let loose in the wastewater networks in order to "see" what may be wrong. The SewerBall is capable of analyzing four physical-chemical parameters (pH, temperature, conductivity and redox potential). The SewerBall was officially presented at the Singapore International Water Week, which was held online on November 18 and 19, 2020,
  - SUEZ and Bouygues Construction devised ANOBI®, a connected sleeve to be placed on the forearm. Adapted to our businesses, it aims to allow operators on the ground (construction sites, waste collection, urban cleaning or installation maintenance) to use their business applications *via* a specifically adapted device. However, as this product has no equivalent available on the market, it was necessary to design it from scratch,
  - at the Zero Carbon Forum, which celebrated the fifth anniversary of the Paris Climate Agreement, the Origins.earth pilot project, which the Group is conducting in partnership with the City of Paris and the Laboratory for Climate and Environmental Sciences (LSCE) to continuously monitor CO_2 emissions in the capital, announced its first results. In particular, it showed that the first lockdown resulted in a 42% reduction in CO_2 emissions compared to the same period in 2019.

5.6 Competitive position

The Group is the world's second largest provider of environmental services. Although it is faced with competition from many other players, most of them, however, are not active in a range of segments as broad as the Group, whether in terms of services, technical skills or geographical locations, even though through grouping or diversification strategies, these competing companies are working to expand the scope of their activities to meet customers' expectations. Through its presence in all water and waste cycles, to which it exclusively dedicates itself, the Group believes it holds leading positions across all its business activities.

5.6.1 Competition in the water sector

In terms of revenues, the Group ranks second in the global market for environmental water-related services, behind Veolia. Other companies active in this market have more local operations and lower revenues. In a market driven by increasing urbanization, the development of emerging countries and the strengthening of health regulations, the competition between public and foreign groups is intensifying.

In France, Veolia and Saur are the Group's main private competitors. Against the *régies* (local publicly controlled entities), which are also a potential public competitor, the balance is positive overall, in favor of private operators.

In Spain, the Group remains the leader in terms of revenues and the size of the population it serves. Aqualia maintains its number 2 position. In the rest of Europe, there has not been any notable change overall in the positions of the various private, public or mixed operators. The Group continues to actively monitor the market.

In Latin America, the water market is fragmented, mainly as a result of the diverse nature of regulatory frameworks and the level of maturity of individual countries. Spanish private companies are very active here, especially Acciona, FCC and Aqualia, along with the French Group Veolia and, to a lesser extent, Brazilian players. The last few years have also seen Japanese competitors vying to increase their market share.

In the United States, American Water Works is the largest company, operating in the US with three lines of business: 1) it is the largest operator on the regulated water market held by private investors; 2) it is the largest operator of federal military bases; 3) it is the largest provider of service to homeowners such as specialized water and energy insurance companies. Aqua America also pursues a dynamic acquisition strategy in the regulated water market. In the regulated water market, two competitors are emerging: Eversource and NW Natural. In 2018, the non-regulated market evolved slowly.

In Asia, the water market is quite fragmented. In China, Veolia is present and, over the last few years, several local players, mainly public companies, have increased their presence and extended their skills along the value chain. Beijing Enterprises Water Group and China Everbright are relevant examples of this.

New forms of competition are emerging and financial companies consider that the water market is full of opportunities. In June 2020, the Chinese authorities officially canceled the capital ratio for foreign investments in water-related activities in cities with more than 500,000 residents, thus paving the way for an increasing international presence.

In South-East Asia, the water market is very heterogeneous and is driven by local players as well as by foreign companies (major Chinese and Japanese players in particular) that are active in infrastructure projects.

In the Middle East, there is a firming up of the competitive environment with a strong presence of regional groups in the sector like Metito and Acwa, in addition to Spanish, French and Indian groups like Larsen & Toubro or VA Tech Wabag.

In Africa, the Group is in competition with French water players (Veolia and Saur) and Spanish players (Acciona, Aqualia, etc.) as well as with construction groups (Eiffage and Vinci Environnement).

In India, local competitors such as Larsen & Toubro and VA Tech Wabag are historically well established, Veolia is also active and we are seeing the emergence of other players such as Xylem.

In Australia, the water market remains extremely competitive: SUEZ dominates the O&M municipal market, followed by Veolia, Trility, Valoriza and Acciona who all offer both DB and O&M solutions. Local competition is strong, especially in the DB market.

5.6.2 Competition in the waste sector

The Group ranks fourth in terms of revenues in the global market for waste-related environmental services, behind Waste Management, Republic Services and Veolia. Except for Veolia, most of the Group's competitors in the waste sector are national players and/or do not provide all the services offered by the Group. In Europe, the Group's main competitors are Veolia, Remondis, FCC, Renewi, Urbaser and Biffa.

The market for solid recovered fuel (SRF) is growing strongly. These are alternative combustible products that come primarily from waste residue that is treated to certain specifications. SRF is used as a replacement for fossil fuels by cement manufacturers or in general by industries with high fuel consumption levels.

In France, the competition is still very active, but with no substantial change in positions or significant consolidation movements. In the United Kingdom, SUEZ R&R UK is well placed on the market. The market is continuing its transformation with stable recycling volumes and increased energy recovery from waste. The number of landfill sites continues to decline, leading to issues related to residual waste in some areas. The landfill ban coming into force in Scotland at the end of 2025 is likely to lead to further stress on English landfill and EFW capacity and RDF exports.

In Belgium, the Group estimates that it is one of the market leaders with solid positions in the area of collection and treatment, particularly for industrial customers.

In Germany, the Group's presence is concentrated in the west and south, particularly in terms of collection activities. The Group considers that it is ranked in fourth position on this market.

In the Netherlands, the Group operates across the entire value chain and estimates that it is the second largest operator on this market.

In Australia, the waste market remains highly competitive, with regulatory disparities between the states resulting in cost differences for waste treatment and recovery. The Australian recycling market suffered greatly as a result of China's ban on waste imports known as "National Sword", as Australia exports more than 50% of its plastics to China. Interstate waste transportation to the state of Queensland continues to be a critical issue, although this is expected to change as a new waste disposal levy was introduced in Queensland in July 2019. SUEZ has progressed in exploring large scale energy from waste projects and continues to be proactive in looking for projects to develop in both the municipal and industrial sectors. The main competitors include Cleanaway and Veolia.

In Asia, particularly in China, the Waste segment is undergoing robust growth and competition has intensified. The authorities are encouraging sustainable solutions to address the challenges related to waste treatment and are launching public tenders for projects focused on energy recovery from household and organic waste. The main competitors are public companies and companies supported by the government, such as China Everbright International, CECEP, Shanghai Environmental and Chongqing Sanfeng, which are active at national or provincial levels. The Chinese authorities are taking significant action to reduce existing pollution problems: the first aim of this is to improve standards to a level similar to that of Europe; the second, equally important, will be to ensure the application of these standards. The result of these measures is an increase in the volumes of waste treated at the appropriate sites.

In Latin America, international competitors who are well established in the main countries are applying an aggressive external growth strategy, especially in the hazardous waste segment. The risky context and political instability require greater selectivity.

5.6.3 Competition in the environmental technology and solutions sector

1) SES business activities

Given the specific nature of SES (Smart & Environmental Solutions) business activities, the GBU operates in an environment that is both competitive and partnership-based, plural and fragmented.

In smart solutions and asset management performance, for example, it faces equipment manufacturers operating in a very competitive environment, with strong pressure on margins and needing to diversify throughout the value chain (Xylem, Itron, Mueller), players in integrated technologies that are highly competitive in their respective geographic markets, and finally purely software/Artificial Intelligence players, innovative players in new functionalities for predictive analysis and infrastructure optimization.

As Italy's largest water companies (a2a and Hera) are developing innovative solutions themselves, SUEZ could be considered as a potential competitor by these customers. In Asia, many alliances and partnerships have been established between companies in the Information and Communication Technologies (ICTs) and water companies to develop smart water solutions (Huawei, Tencent, Alibaba, China Unicom and China Mobile), and are actively conducting actions in this sector.

The decentralized market is similarly very fragmented, with hundreds of small local players benefiting from advantageous delivery costs and resources.

In the air market, the GBU faces major traditional players in measuring systems, air monitoring specialists (systems and/or software) and emerging players in urban air monitoring.

Lastly, in consulting, energy/environment manufacturers are gaining a strong foothold in sustainability consulting and are competing with specialists in sustainable development consultancy services, strategy and management consultancy firms, and carbon offsetting specialists.

2) WTS business activities

SUEZ Water Technologies & Solutions (WTS) competes with Nalco (Ecolab Group), Veolia, Evoqua, Solenis, Dupont and several other global and regional players that provide water-related technologies and services.

Depending on the geographical region, WTS may compete with local or regional operators and also with other types of operators, such as producers of chemical products (including specialized chemical products), manufacturers of water-filtration and water-quality equipment, manufacturers and companies specializing in water treatment, as well as with builders (EPC).

WTS is facing strong competition in all its activities on a global level. Competitive pressure and the constant need to innovate and improve existing technologies require continuous R&D investment. Each target market has a different structure, distinct customer needs and specific regulations. The product and service portfolio of each competitor also varies depending on the regions in order to adapt to the customer and level of profitability.

5.7 Dependence factors with regards to patents, licenses, contracts and manufacturing methods

5.7.1 Patents and trademarks

The assets developed by SUEZ to offer its customers new products and services with high added value contribute significantly to value creation. That is why the Group is particularly attentive to the development, recovery, and especially the protection of its assets. Whether with regard to trademarks or patents, SUEZ employs a deliberate policy to protect intellectual property.

SUEZ's intellectual property strategy aims to gain a decisive competitive edge for the Group's business units, business areas and Global Business lines through its portfolio of proprietary technologies and to protect them from litigation risk, but also to make the Group more attractive to technological and commercial partners and to create a portfolio of valuable intangible assets.

Since 2015, the Group has centralized its intellectual property strategy and had it supervised by an *ad hoc* department comprising qualified patent engineers. This department ensures the roll-out of intellectual property processes throughout the Group, which are managed *via* a database that includes all the Group's patents.

SUEZ's intellectual property structure integrated the WTS team in 2018 and now has several US patent attorneys alongside European patent attorneys, already present at corporate level.

5.7.1.1 Patents

At December 31, 2020, SUEZ's intellectual property portfolio included 3,972 active patents divided into 804 categories. These patents are grouped into four cross-entity business portfolios: Water for Municipal Use and Treatment Infrastructures, Industrial Solutions, Recycling and Recovery, Digital and Emerging Business.

In 2020, SUEZ filed 44 new patent applications, including 10 in industrial water activities, 11 in digital solutions, 7 in recycling and recovery activities and 16 in municipal water. The strategic areas protected include, for example, Biorefineries for the production of sugars that can be recycled from paper and cardboard waste, a process for eliminating PFAs in the production of drinking water, a process for eliminating micropollutants in sewage station sludge, and the use of Artificial Intelligence to identify the types of resins in a flow of plastic waste. Also included is a patent application for the ZeeNAMMOX technology, which involves a membrane aeration bioreactor for the treatment of wastewater.

5.7.1.2 Trademarks

Regarding institutional trademarks held by SUEZ and its subsidiaries, in 2020 the Group pursued the implementation of its unique trademark.

The "SUEZ" trademark was filed in France in March 2005 and was registered internationally in August 2005.

Apart from the "institutional" trademarks, SUEZ has a portfolio of local trademarks, as well as trademarks extended internationally to protect the technical products and services offered in all regions in which the Group operates. These trademarks protect product names such as "AQUADVANCED" and "Densadeg", as well as the names of services and technological platforms. In 2020, SUEZ filed the City Watch trademark, which refers to a new service offering developed during the health crisis and which aims to determine the viral load present in wastewater as an early indicator of the circulation of the Sars-CoV-2 virus within the population.

5.7.2 Other dependence factors

Information on dependence factors can be found in chapter 3 of this document.

5.8 Investments

5.8.1 Main investments made by SUEZ over the past two years

A description of the main investments made by the Group over the course of 2019 - 2020 is provided in section 7.3.1, "Cash flows from investing activities", of this Universal Registration Document.

5.8.2 Main investments of the Company in progress

None.

5.8.3 Main investments planned or subject to firm commitments from the management bodies

None.

5.9 Non-Financial Performance Statement – Group environmental, corporate and social responsibility policy

A regulatory framework based on the significance of non-financial information

By Ordinance 2017-1280 of July 19, 2017 and Decree 2017-1265 of August 9, 2017 amending Articles R. 225-104 through R. 225-105-2 of the French Commercial Code, France has translated European Directive 2014/95/EU relating to the publication of non-financial information, which requires French listed companies to publish and declare non-financial information for fiscal years starting on or after September 1, 2017. This translation was completed in November 2018 by amending Article L. 225-102-1 of the French Commercial Code.

This new system, which replaces the system put in place by the Grenelle II Law, prioritizes "significance" and the gathering of more relevant and useful information for the companies and their stakeholders by emphasizing relevant social, environmental and societal information (and for listed companies, information on anti-corruption and respecting human rights) in terms of the main risks and challenges identified by the Company. It also enables the Company to include legal requirements regarding the "duty of vigilance" law and the Sapin 2 law in their non-financial reporting while still reporting on requirements related to the Energy Transition for Green Growth Law.

In accordance with the above-mentioned regulations, and in line with the other chapters of the Universal Registration Document, this non-financial performance statement also includes the following topics:

- an explanation of the Group business model;
- an analysis of the main challenges related to the Group's business;
- a description of the policies applied to manage these main challenges with a description of their corresponding action plans;
- the results of these policies, including key performance indicators.

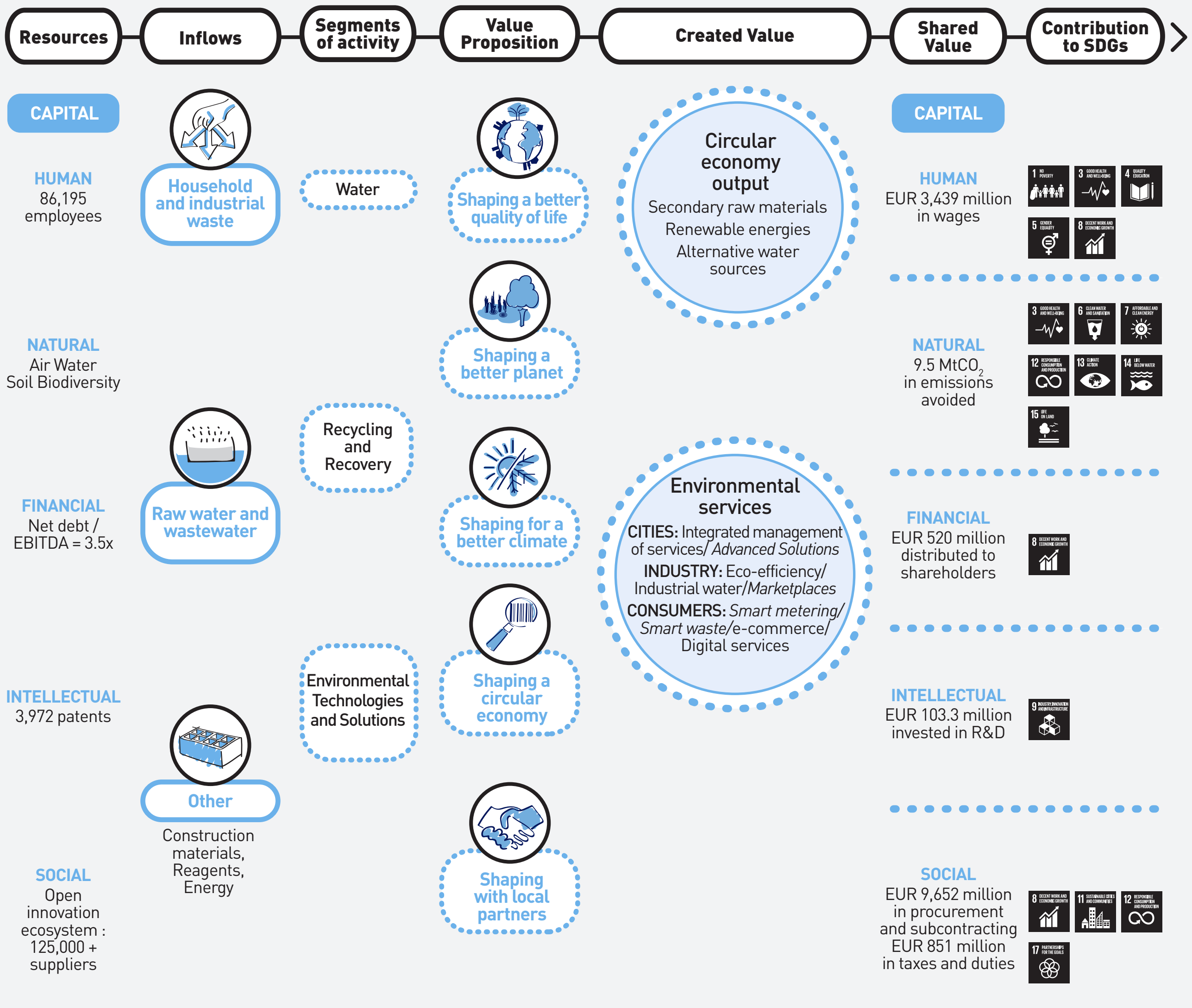
5.9.1 Group business model

With total revenues in excess of EUR 17.2 billion and 86,195 employees at December 31, 2020, the Group is one of the two main global environmental players and the only international player exclusively dedicated to water and waste activities working to serve local authorities and industrial customers.

The Group operates throughout 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 aims to be the preferred partner of companies, local authorities, citizens and all stakeholders to solve the planet's greatest challenges: the increasing scarcity of water and resources, climate change acceleration and loss of biodiversity, pollution, health and quality of life. Its business model falls steadfastly within the principles of the circular economy.

The value creation chain illustrating the Group's business model is presented below; its markets and competitive positioning in chapters 5.3 "Main markets" and 5.6 "Competitive position", and its strategy and growth outlook for its various markets in chapter 5.4 "Strategy".

The SUEZ value creation chain



One of the Group's principal strengths lies in the diversity of its markets and the balance of its customer portfolio, businesses and geographical exposure.

The equilibrium in the Group's business model is also due to the variety of its exposure: service contracts, equipment and chemical supply, short, medium or long-term O&M contracts, exposure to local authorities or industrial customers as well as to regulated/non-regulated markets, and finally investment, construction and operation of proprietary assets.

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.

Faced with a rapidly changing environmental market regarding both demographic and climate changes, new expectations from these customers in terms of overall performance, and societal demands as citizens and companies alike grow more assertive, the SUEZ 2030 strategic plan, presented by the Group on October 2, 2019, aims to make the Group the world leader in environmental services by 2030. In particular, it is accelerating the transformation of the Group business model moving:

- from volume-based economic models to new models based on operating performance, reliability of processes and sustainable solutions;
- from offerings based on infrastructure construction and operation to offerings with high technological added value, particularly digital-based;
- from contractual models in which the Group provides significant infrastructure financing to arrangements that include a wider variety of financial partners.

This also involves a change in the Group's solutions portfolio, moving towards "100% sustainable" solutions that will stand out in their value proposition for their positive impact on the climate, the environment (air/water/soil), on minimizing waste production, and – more generally – health and quality of life.

As reported in chapter 5.2, in the Water sector around the world:

- in 2020, the Group operated 1,401 drinking water production sites, and produced around 7 billion cubic meters of drinking water;
- in 2020, the Group operated 2,605 wastewater treatment sites, and biologically treated around 5.3 billion cubic meters of wastewater.

In the Waste sector, around the world:

- 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;
- the Group operated in 2020 106 composting platforms, 65 incineration sites (including 59 with energy recovery capacity), 802 sorting, material recovery and transfer stations and 96 landfills, and used a fleet of 11,358 heavy vehicles.

SUEZ's position as leader in environmental activities as well as its ambition for growth and for transforming its business activities against a backdrop of both growing needs in new environmental services and a shaky macroeconomic environment made even more uncertain due to the Covid-19 pandemic, led the Group to apply an integrated management approach for identifying its main risks (chapter 3.1) and its opportunities (chapters 5.2 to 5.4). This management approach is described in the action plans applied within different levels of the Group.

SUEZ plans to be a driving force in meeting the United Nations' Sustainable Development Goals for 2030, in particular the goal related to water and wastewater (No. 6), as well as the goals related to climate (No. 13) and sustainable production and consumption (No. 12). SUEZ wants to increase its visibility by transforming its business activities in these areas or where needs are growing (No. 11 – Sustainable cities and communities, No. 15 – Life on Land). SUEZ's 2017-2021 Sustainable Development Roadmap as well as its integrated approach for managing risks and opportunities are based on a thorough analysis of the 169 targets of the UN's 2030 agenda (see below).

5.9.2 Main non-financial challenges related to the Group's business activities

Since 2008, SUEZ has managed its non-financial performance using a Roadmap with goals the Company has set, including dates and figures targeting the major sustainable development challenges driven by its business activities. The 2017-2021 Roadmap was defined in line with the United Nations' Sustainable Development Goals (SDGs) and based on an in-depth materiality study conducted in 2015 including a survey that more than 5,000 stakeholders in 49 countries participated in. The Roadmap was approved by the Board of Directors' Ethics and Sustainable Development Committee and discussed with staff representatives and external stakeholders. The Board of Directors' CSR, Innovation, Ethics, Water and Sustainable Planet Committee performs an annual review.

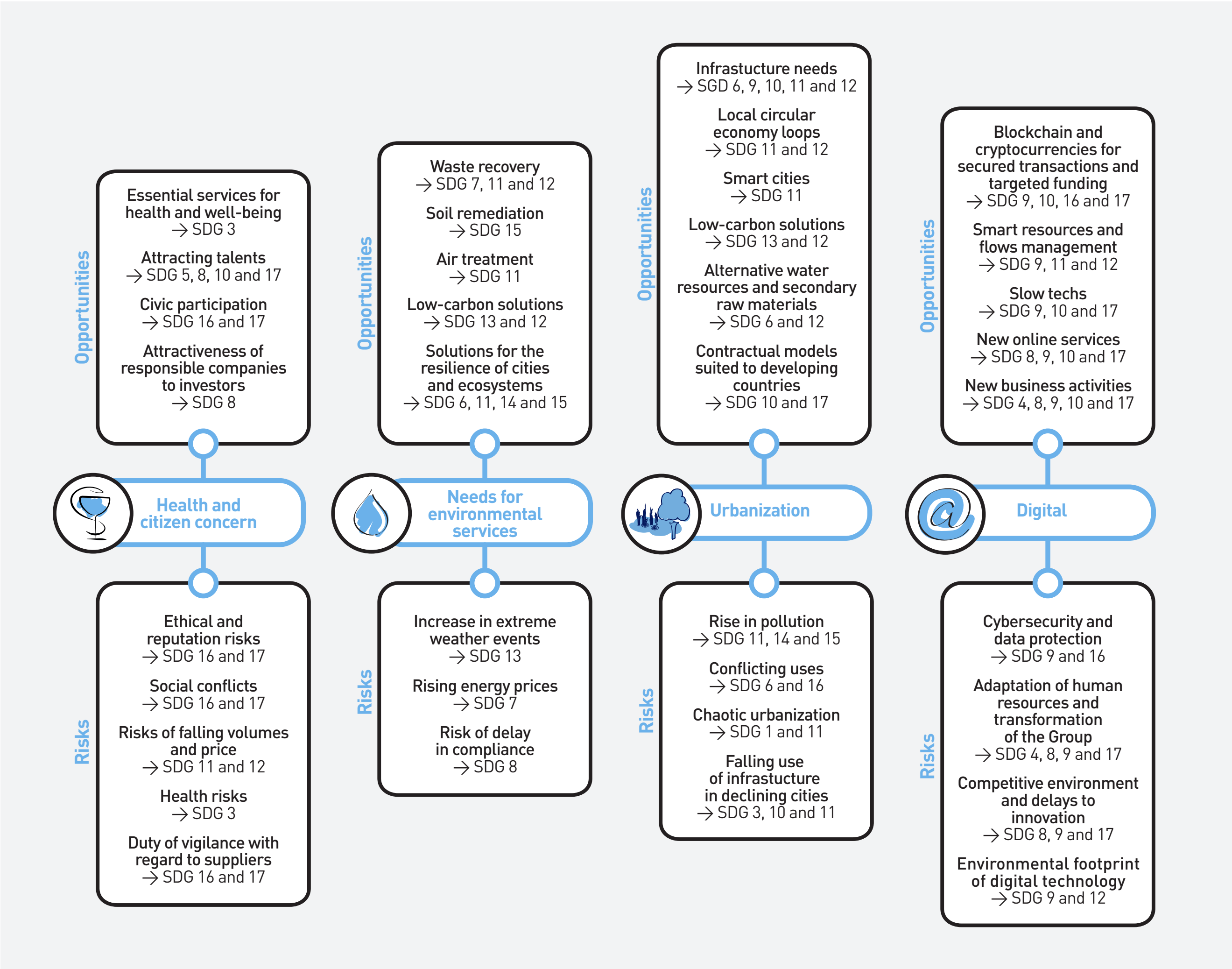
The Group actively kept stakeholders involved in developing its purpose[1] in 2019 and then in 2020, presenting it to the 2020 shareholders' meeting together with its SUEZ 2030 strategic plan:

- 20,000 Group employees participated in the online survey and 42,000 comments were collected;
- 595 online survey participants were individual shareholders;
- 4 advisory panels with around 30 stakeholders (customers, investors, NGO partners, universities, non-financial analysts, unions, etc.) supplemented by individual interviews;
- 2 internal working groups called "Purpose and Vision 2030" and "Corporate Value and Culture" personally managed by the Chief Executive Officer, the Head of Human Resources and the General Secretary.

SUEZ has set up societal watchdog measures to monitor CSR challenges, which could expose the Group to either risks or opportunities. These watchdog measures include the regularly held surveys with customers and stakeholders, tools that analyze news, social media and publications released by our stakeholders as well as the Engagement and Communications Department's network. A summary of the risks and opportunities brought on by macro-trends influencing the Group (health & citizen concerns, climate change, demographics, digital technology), in line with the UN's SDGs is published every year in the integrated report (see below).

(1) https://www.suez.com/en/who-we-are/a-worldwide-leader/our-purpose.

Summary of risks and opportunities



A correspondence between the most prominent CSR challenges in the Group's Non-Financial Performance Statement, the Group's major risks (including risks related to the public health crisis described in more detail in section 3.1.2) and the SDGs targets is shown below.

Optimized management issue = targets 6.4, 7.3, 8.4, 12.2, 12.4 and 12.5
Biodiversity Issue = 14.1, 15.1 and 15.5
Climate issue = 7.2, 7.3 and 13.2
Water Issue = 6.4 and 13.1
Societal Contribution Issue = 5.5, 8.8 and 16.7
Human rights issue = 8.8
Health and Safety issue = 3.6 and 8.8
Corruption issue = 8.8 and 16.10

Main challenges identified	Description of the challenge and associated management policies	Risks presenting a residual risk level described in chapter 3.1 of the Universal Registration Document	Monitoring indicators	Associated Sustainable Development Goal associated with the indicators
1. Management of environmental challenges	► 5.9.2.1	► Environmental and industrial risks ► Reputation and opinion risk	-	
2. Optimized water and waste management	► 5.9.2.2	► Environmental and industrial risks ► Risks related to service continuity	► Recovered waste *(%)* ► Recycled plastic production *(metric tons)* ► Bottom ash recovered *(%)* ► Technical yield from drinking water distribution networks ► Energy produced/primary and secondary energy consumption ratio for water activities *(%)*	6.4, 7.3, 8.4, 12.2, 12.4, 12.5

Main challenges identified	Description of the challenge and associated management policies	Risks presenting a residual risk level described in chapter 3.1 of the Universal Registration Document	Monitoring indicators	Associated Sustainable Development Goal associated with the indicators
3. Protection of biodiversity and ecosystems	► 5.9.2.3	► Risks relating to the change in environmental regulations and ecosystems and their implementation	► Percentage of priority sites with a biodiversity action plan in place *(%)*	14.1, 15.1, 15.5
4. Fighting climate change	► 5.9.2.4	► Risks related to climate change, carbon and to changes in environmental regulations	► GHG emissions avoided by SUEZ customers *(tCO_2e)* ► Direct GHG emissions *(tCO_2e)* ► Indirect GHG emissions *(tCO_2e)* ► Production of renewable energy *(MWh)* ► Consumption of primary and secondary energy *(MWh)*	7.2, 7.3, 13.2
5. Making the water supply safer	► 5.9.2.5	► Risks related to service continuity ► Reputation and opinion risk	► Wastewater reused *(%)*	6.4, 13.1
6. Social and societal contribution of the Group's activity	► 5.9.2.6	► Employee relations risk	► % of women in management ► % of employees covered under a social dialog system	5.5, 8.8, 16.7
7. Promotion of human rights and duty of vigilance	► 5.9.2.7	► Risks relating to delays in implementation and duty of vigilance regarding regulatory compliance measures ► Reputation and opinion risk ► Risks relating to cybersecurity, data protection, and information system unavailability	► % of supplier contracts that include CSR clauses	8.8
8. Protection of Health and Safety for all	► 5.9.2.8		► Number of fatal accidents involving employees ► Frequency rate of workplace accidents – water ► Frequency rate of workplace accidents – waste	3.6, 8.8
9. Fighting corruption	► 5.9.2.9	► Reputation and opinion risk ► Risks relating to delays in implementation of regulatory compliance measures	► Number of employees trained in anti-corruption rules	8.8, 16.10

Note that for 2020, the risk related to a second wave of Covid and its long-term effects was added to the list of main risks. The Group is examining whether to include the human, labor and societal aspects of this risk to this list of challenges.

5.9.2.1 Management of environmental challenges

5.9.2.1.1 DESCRIPTION OF THE CHALLENGES

The facilities that the Group owns or manages on behalf of third parties carry risks to the surrounding natural capital (air, water, soil, natural habitat, and biodiversity) and may pose risks to the health of consumers, local residents, employees, or even subcontractors. These health and environmental risks, which are governed by strict national and international regulations, are regularly monitored by the Group's teams and by the public authorities. These changing regulations with regard to environmental responsibility and environmental liabilities carry the risk of increasing the Company's vulnerability in relation to its activities. This vulnerability must be assessed for older facilities (such as closed landfills) and for sites in operation. It may also involve damage caused to habitats or species.

For a more complete description, see section 3.1.3 of this document, in the paragraph entitled "Environmental and industrial risks", as well as in SUEZ's Vigilance plan [1].

5.9.2.1.2 POLICIES AND ACTION PLAN

The Group's environmental management approach is based on measures to identify and manage industrial and environmental risks, particularly its Vigilance plan as well as its operating performance policy. As a result, environmental risks are managed from several angles and in relation to other policies (Health and Safety and human rights, for instance).

It addresses risks which may be of accidental or natural origin. They may be due to human or organizational factors, equipment breakdowns or malicious acts, and include:

- all types of pollution (air, soil, aquatic environments) or environmental nuisance (noise, vibration, odor, visual discomfort, etc.);
- environmental damage as well as property damage and personal injury caused by fire, explosion, machine breakage, natural disasters, collapse of structures, etc.

SUEZ has to take extreme care in monitoring environmental and industrial risks. Since 2014, the Environmental Risks Management Policy was expanded to include industrial risks and was approved by General Management. In 2016, this policy was clarified to include management of the cybersecurity risk of Industrial Control Systems to prevent the control and monitoring systems at the industrial facilities from becoming vulnerable, which could result in, for instance, losing partial control of a water or waste treatment plant (see section 3.1.3).

This policy is consistent with the Global Risk Management and the Occupational Health and Safety Risks policies as well as SUEZ's Vigilance plan. It clarifies the scope, policies and resources to be implemented and the respective roles of the business areas (BA) and headquarter. It also aims to define the Group's management rules and to specify the environmental and industrial standards that are to be applied worldwide. Details of this policy are available in section 5.9.2.2 of this document.

The environmental management measure supplement the risks management system mentioned above. In fact, SUEZ has rolled out environmental standards that apply to all of the Group's business activities, and the risk management, technical and operating performance departments are responsible for applying them and ensuring compliance with the criteria set by the Group. This is why SUEZ rolls out targeted audit campaigns led by the Performance and Industrial Risks teams on a yearly basis.

Any failure to comply with this requirement is corrected through corrective action plans to be applied within a defined time frame in agreement with the business area.

The governance and organization associated with monitoring risks is detailed in chapter 3.2 of this document. The Board of Directors' CSR, Innovation, Ethics, Water and Sustainable Planet Committee reviews SUEZ's results on this subject on a yearly basis.

5.9.2.2 Optimized water and waste management

5.9.2.2.1 DESCRIPTION OF THE CHALLENGES

Optimized waste and wastewater management is central to SUEZ's business model. The regulatory framework for these business activities is currently undergoing rapid change in the main countries where the Group operates (see chapter 9 "Legal and regulatory framework"). For instance, in Europe, states are gradually adopting regulations for the circular economy aiming to reduce, reuse and recycle waste under the European Commission's Circular Economy Package. In addition, the international recycling market is undergoing serious changes due to the gradual ban on certain types of packaging such as single-use plastic, changing prices in secondary raw materials or China's decision to stop importing waste.

These regulatory and geopolitical changes represent an opportunity for SUEZ to leave its traditional waste and wastewater management methods for circular economy solutions such as recycling and materials recovery, in addition to energy and biological matter recovery from all types of waste, with the objectives of creating new resources, producing renewable energy and reducing the greenhouse gas emissions (GHG) for its own account and that of its clients. These activities contribute to decorrelating economic growth from the consumption of raw materials and thus to generating cascading reductions in GHG emissions linked to production and consumption patterns.

5.9.2.2.2 POLICIES AND ACTION PLANS

The Group's environmental services business highlights the close relationship between its operating performance and its environmental performance. For example, guaranteeing distribution network efficiency and maintenance limits resource losses, and properly categorizing sorted waste ensures maximum recovery, which increases the volume of secondary raw material produced. With this in mind, the Group set up an integrated environmental management system to cover the entire scope of its business.

(1) https://www.suez.com/en/who-we-are/a-committed-group/ethics-and-vigilance.

Organization and operational and environmental performance measurement and control systems

Since 2003, SUEZ has employed a special environmental and operational reporting system to manage the rollout of its environmental and industrial actions, to control environmental and industrial risks, to ensure the Vigilance plan is implemented, and to keep stakeholders informed about its environmental performance and operating results. This system was developed on the basis of recommendations arising from the work performed at international discussion forums like the Global Reporting Initiative (GRI) or the World Business Council for Sustainable Development (WBCSD). It meets the requirements of the NRE law and covers the information required by Article 225 of the French Grenelle II Law of July 12, 2010, in accordance with Ordinance 2017-1280 of July 19, 2017, which transposes European Directive 2014/95/EU, and Decree 2017-1265 of August 9, 2017.

Indicators measuring and improving environmental and operating performance are reported by the business areas and consolidated at headquarters, and the results are relayed *via* business intelligence applications. The indicators show the progress made and provide an overall view as well as specific views of each of the Business Units with comparable activities within the Group (benchmark-type analysis).

In an annual Environmental and Industrial Compliance letter, the CEOs of SUEZ business areas and subsidiaries express their commitment to the following:

- the data conveyed through the reporting process has been audited and is deemed fair and consistent;
- the Group's Environmental and Industrial Risk Management Policy is applied. Significant risks are identified and appropriate action plans are established, quantified and monitored.

Information regarding the Group's environmental and operational performance is reviewed internally by the Management Committees and then publicly communicated in the SUEZ Integrated Report, as well as through reports published by its local entities.

Headed up by its network of Environmental and Industrial Risks officers (EIRO) and its annual technical and performance reports, SUEZ monitors its subsidiaries' environmental management activities and ensures that best practices are shared.

Since 2003, SUEZ has also been continuing its efforts to increase the reliability of its environmental data, which is audited by accredited third parties. The aim is to make this non-financial reporting process an increasingly effective guidance tool for supporting the aims of the Group's Sustainable Development Roadmap, as well as a tool used in dialog regarding the ongoing improvement of its sustainable development performance and, more broadly, its non-financial performance.

Environmental Management Systems certification

The Group also encourages the organizations in charge of the services it offers to obtain ISO 14001 certification or equivalent, according to international standards. Environmental Management Systems certification is especially advanced in the waste businesses. In the water businesses, Business Units may prefer to implement other certifications, such as those related to quality management (ISO 9001), which has been obtained by the main business areas of the Group, Health and Safety (OHSAS 18001), food safety (ISO 22000), energy management (ISO 50001), or even asset management (ISO 55000).

Expenses related to the protection of the environment

In accordance with European regulations, the Group records provisions intended to cover the expenses of the long-term monitoring of landfills after their closure. Other provisions are also recorded to deal with potential environmental risks.

(in millions of euros)	2020 data
Provision for current and non-current site restoration	540.6
Provisions for environmental risks	20.3
Provisions for the dismantling of non-nuclear facilities	7.8

In addition to applicable regulatory requirements, the Group's type of business itself has a positive impact on the environment. As a result, several expense items even have a direct or indirect impact on protecting the environment (innovation, business development in areas that lack basic waste management infrastructure, R&D, etc.).

Energy consumption and water usage

Energy consumption

The Group's energy consumption is directly integrated into its optimized water and waste management. It also has an impact on Greenhouse Gas (GHG) emissions, and therefore on SUEZ's carbon profile.

Energy consumption per business activity	Unit	2020
Waste	GWh	5,441
Water	GWh	7,967
Industry [a]	GWh	276
Total	**GWh**	**13,684**

(a) Industry includes all water production and wastewater treatment activities for industrial companies, as well as the production of equipment and chemical products.

In 2020, SUEZ's energy consumption for all business activities combined totaled 13,684 GWh and broke down as follows:

- Water activities consumed 7,967 GWh, or 58% of the total consumed; as shown in the table below, 85% is consumed in the form of electricity. It should be noted that the share of electricity purchased from the grid as part of total consumption of water activities is of 82%;
- the Group's Waste activities consumed 5,441 GWh, or 40% of the total consumed; as shown in the table below, 29% is consumed in the form of electricity.

Energy consumption by source	2020 GWh	2020 % total consumed
Electricity	8,473	62%
of which waste activities	*1,560*	*29%* [a]
of which water activities	*6,798*	*85%* [b]
of which industrial activities	*115*	*42%* [c]
Natural gas	978	7%
Biogas	1,143	8%
Other fuels – Vehicles	2,420	18%
Other fuels – Sites	670	5%
Total	**13,684**	**100%**

(a) % of total energy consumed by waste activities.
(b) % of total energy consumed by water activities.
(c) % of total energy consumed by industrial activities.

Water usage

In 2020, water withdrawals made by the Group's Water activities for the production of drinking water *via* its various drinking water treatment plants amount to 7,145 millions of cubic meters: these volumes come mainly from surface water (61%), but it is also important to note that seawater and salt water withdrawals represent 14% of total withdrawals. These are used to produce drinking water for local populations by SUEZ desalination plants in regions where water resource availability is limited.

Water usage by source	2020 Mm^3	2020 % by source
Surface water	4,392	61%
Groundwater	761	11%
Seawater, saltwater [a]	1,017	14%
Bulk water purchases	975	14%
Total	**7,145**	**100%**

(a) Seawater and saltwater usage contributes to drinking water production thanks to SUEZ's desalination plants.

Waste: monitoring polluting atmospheric emissions

NO_x, SO_x, mercury and dust/particle emissions are monitored locally and are included in the data collected in the Group's annual environmental reports.

In order to meet expectations of local residents near sites in terms of air quality, the Group has committed to "continuously maintain emissions into the air below the thresholds established by local regulations" as part of its 2017-2021 Roadmap. This performance above the thresholds established by local regulations applies in particular to all the waste incinerators for hazardous and non-hazardous waste managed by SUEZ around the world. As a result, at the Group level, the level of atmospheric pollution emissions is defined in a way that accounts for a maximum 3% of the total volume of incinerated waste. In line with its commitments to protect human health and the natural capital from risks associated with atmospheric pollution emissions resulting from chemical substances, and in accordance with the principles of its environmental and industrial risk management policies, SUEZ is also committed to complying with European REACH regulations (see section 9.1.2 of this document).

The Group consolidates information on the atmospheric emissions from its incinerators on a yearly basis in its Air Quality Report (AirQR), which enables the Group to follow up on the action plans led jointly by the Recycling and Recovery Technology Department and business areas, that aim to totally eliminate risks of non-compliance or exceeding quality thresholds.

Information on air quality is presented each year to the SUEZ Board of Directors. Prepared by the Performance teams in conjunction with the business areas, the AirQR is thus the preferred tool for management bodies to monitor the implementation and performance of action plans, as well as regulatory compliance. In 2019, the average rate of NO_x and SO_x emissions per ton of waste incinerated was 650 g/t (total emissions: 5,690 t) and 54 g/t, respectively (total emissions: 477 t).

In the waste sector, polluting atmospheric emissions are primarily due to treating smoke from heat treatment of waste (ACPR: Air Pollution Control Residues). They are monitored constantly in accordance with local, regional and/or national regulations.

This waste comes from the Group's operating processes and is distinct from the volumes of hazardous waste generated by the Group on behalf of its customers (see description of the subsidiary IWS's business activities in section 5.3.2 of this document).

Distributed water: the need for quality to protect end customers

Concern for consumers' health is the reason for implementing major control mechanisms within the Group, as well as for the use of methods and tools to prevent a potential health crisis. As a result, self-monitoring programs for water quality in the system are, in general, superior to regulatory requirements and the Group's sites are equipped with remote surveillance systems or 24-hour operational alert systems. Service continuity is ensured by organizing work and especially through on-call systems.

The Group consolidates information on how its water production quality and water distribution contracts are performing on a yearly basis in its Water Quality Report (WQR), which enables the Group to follow up on the action plans, led jointly by the Water Technology Department and business areas, that aim to totally eliminate risks of non-compliance or exceeding quality thresholds. In addition to this prevention policy, the Group has developed crisis management procedures in liaison with local authorities in the event of an accidental deterioration of water quality.

SUEZ assesses the quality of drinking water produced and/or distributed by its entities according to 21 bacteriological and physicochemical parameters from European Directive 98/83/EC of November 3, 1998 regarding water intended for human consumption. In accordance with the principles of this Directive, exceeding quality limits is deemed non-compliant if this pertains to sanitary parameters, or overstepping where parameters are just quality references measuring an operating performance level. Non-compliance analysis is consolidated based on populations served by taking into account, for a case of non-compliance, the entire population of a distribution unit, which represents an upper bound with respect to the population actually concerned. On this basis, the Group's compliance for water produced and distributed was 99.82% in 2019.

Regulations concerning distributed water quality parameters are constantly changing in line with the emergence of new risks. Therefore, aside from bacteriological and physicochemical criteria, certain "emerging" pollutants (pharmaceutical products, endocrine disruptors, etc.) are of particular concern to experts and operators in the water and environment sector. In addition to developing solutions to treat these pollutants emerging in wastewater described below, the Group has set up specific research programs on their appearance in water resources to better understand, analyze, monitor and handle these new molecules while participating in the public debate on the subject.

Wastewater treatment

Treating wastewater in facilities managed by the Group contributes to significantly reducing the content of polluting substances discharged into the environment and likely to reduce the quality of water resources. The quality of discharges from wastewater treatment stations is measured constantly based on predefined parameters (COD, BOD, nitrogen, phosphorus, coliforms, etc.) *via* sensors and regular sampling. The Group uses its own oversight principles to define testing parameters and frequency, including minimum thresholds that are stricter than the thresholds laid down in current national regulations.

Additionally, the Group is rolling out many innovative solutions to solve environmental challenges and protect both consumers' health as well as the natural capital. Consequently, in 2020, SUEZ rolled out the Covid-19 City Watch solution to confront the Covid-19 pandemic. This system offers local authorities a way to better assess the spread of the virus in their region by detecting Sars-CoV-2 virus markers in wastewater networks so they can better predict public health measures to adopt at neighborhood level.

At the French government's request, SUEZ also helped create a Covid-19 epidemiological monitoring center based on monitoring the viral load in the wastewater of major French cities. The initial results of the OBEPINE project (epidemiological wastewater monitoring project) illustrate that the viral load in wastewater, measured during the peak of the pandemic, correlates with public health indicators (incidence of cases and mortality). Measuring the virus in wastewater can therefore help as a simple and rapid approach to epidemiological monitoring. As part of its partnership with the University of Lorraine, SUEZ is a trailblazer in epidemiological research using wastewater. Thanks to its R&D capabilities and extensive expertise in wastewater treatment systems, SUEZ can and wants to play a major role in this R&D project, particularly by analyzing samples as well as managing and interpreting data.

In recent years, large-scale research programs have been dedicated to developing solutions to treat micropollutants in wastewater discharge; these come mainly from transposing the procedures used for treating drinking water. We can thus cite the linking of ozone oxidization to biological treatment processes, a procedure applied at the wastewater treatment plant in Sophia Antipolis where performance guarantees are required for micropollutant treatment; and the adsorption of micropollutants using active carbon, which can be used in combination with the previous procedure, as envisaged at the Lausanne wastewater treatment plant. Furthermore, catalytic ozone procedures allow these compounds to be destroyed or reduced to biodegradable blocks. They were tested at the Achères wastewater treatment plant, in partnership with SIAAP, the Greater Paris Wastewater Authority.

Water and Waste: limiting noise, odor and visual pollution

SUEZ has developed a service called "NOSE", which objectively evaluates and models the impact of the olfactory footprint of wastewater collection and treatment activities or sites, sludge recovery or waste management on local residents.

This service enables the Group to suggest solutions for controlling the olfactory footprint, by keeping it below the level of two units of odor per cubic meter (UO.m^3) and thus meeting regulatory requirements (footprint below the threshold of five units of odor per cubic meter) when they exist.

Specific measures to prevent or treat odors can thus be planned from the design phase of the facilities.

For existing facilities, preventive and corrective measures are implemented to limit olfactory, noise and visual nuisances. The following examples illustrate these actions:

- sizing and installation of dedicated treatment units;
- installation of biogas capture and processing systems;
- operational practices to minimize the generation and dispersion of odors;
- application of masking agents (e.g. in the working areas of landfills in operation);
- measurement and verification of compliance with regulatory thresholds for day/night noise levels;
- soundproofing of technical facilities and noisy machines;
- use of hybrid or all-electric waste collection vehicles.

Recovery of treated resources and related waste

The Group operates several types of facilities, such as:

- voluntary drop-off centers/household waste disposal centers;
- sorting and recycling centers;
- production facilities for Solid Recovered Fuel (SRF);
- disassembly and dismantling facilities: waste from electrical and electronic equipment, end-of-life vehicles, bulky waste, furniture, etc.;
- facilities for reprocessing of specific, pre-sorted recyclable materials: transformation into secondary raw materials.

Waste recycling and recovery techniques are detailed in section 5.2.2 of this document.

Each of these sites treats incoming waste to recover it and support the expansion of circular economy models. In addition to mechanical recycling techniques, biological treatments also represent recovery options:

- composting platforms: household waste, urban and industrial sludge, green waste, livestock sludge, grease, etc.;
- mechanical and biological treatment.

In 2020, the SUEZ Group recovered 46.5% of the total volume of waste treated in the form of material or energy recovery and produced 397,119 metric tons of recycled plastic. The percentage of recovery of bottom ash (solid waste from thermal waste treatment) increased in 2020 to 83.9% vs. 67.1% in 2019.

In addition, while the circular economy model is more commonly associated with materials, it is important to note that it also aims to optimize and diversify the use of water throughout its life cycle. Aware of these challenges, the Group has developed several solutions that fall under this process, such as smart solutions or wastewater reuse, which are generating an in-depth transformation of wastewater treatment plants role. These solutions are described in more detail in section 5.9.2.5 of this chapter.

Combating food waste

SUEZ's commitment to combating food waste began in 2016 with the publication of a collaborative guide in French and in English on reducing food waste in company cafeterias. The guide was made in partnership with the association Chaînon Manquant, which collects surplus food and redistributes it to the appropriate charities.

SUEZ is a founding member of the association La Défense des Aliments, a group of companies located in the Paris-La Défense district that want to combat food waste in corporate catering. Its purpose is to discuss collective local solutions that could be applied to the issue of food waste within companies. A quantitative and qualitative analysis of food waste within corporate catering establishments in the La Défense district was carried out, which enabled SUEZ to establish the current state of play, develop an action plan, as well as propose solutions that can be rolled out in other business districts around Europe.

The Group is also involved in the International Food Waste Coalition, a voluntary agreement signed by major players in the food service and hotel sectors, with the support of WWF, to combat food waste in the food service and hotel industries. This initiative, which will continue until the end of 2025, is based on five working groups: winning over consumer support, portions and service, separating trash and waste, frozen food, reporting. SUEZ participates in all five groups.

In Australia, in 2019, SUEZ partnered with Yume, an online marketplace for high-quality surplus food that offers food suppliers an option to sell their surplus food for a discounted price. According to the founder of Yume, Katy Barfield, the partnership resulted in the sale of 450,285 kilograms of surplus food, which yielded nearly USD 700,000 for the companies involved.

Moreover, and considering the significance of the challenges, the Group's business activities do not require specific measures for the fight against food insecurity or the promotion of responsible, fair, and sustainable food.

5.9.2.3 Protection of biodiversity and ecosystems

5.9.2.3.1 DESCRIPTION OF THE CHALLENGES

The massive decline in biodiversity is a global challenge. The Group has started implementing solutions faster to encourage substantial improvement in the ecological quality of environments at both its own business locations as well as at its customers' locations.

SUEZ's value chain is highly dependent on four types of ecosystem services: supply, regulation, cultural and support services. Specifically, ecosystem services to regulate water, control erosion, treat water and waste, and regulate soil quality are particularly tied to SUEZ's value chain.

SUEZ helps reduce humanity's environmental footprint through its water treatment, waste management and decontamination activities. Biodiversity, however, remains a vulnerable component impacted by the Group's business activities, be it from residual pollution or from soil artificialization, for example. SUEZ strives to avoid these impacts in the first place, reduce them if they occur and offset these impacts on biodiversity in accordance with regulations in effect. Avoidance, reduction, and offsetting actions are incorporated into the Group's environmental management and risk prevention systems.

Biodiversity is part of SUEZ's Natural Capital value proposition and is included in the Group's solutions. SUEZ offers soil remediation operations, ecological rehabilitation and rewilding solutions that can fall under the concept of nature-based solutions, sustainable agriculture initiatives and environmental monitoring services.

For example, in Spain, SUEZ built and manages a floodable urban park called "La Marjal", which is a multi-functional green space that protects the city of Alicante from floods caused by torrential rain. This environmentally-friendly infrastructure, inspired by humid areas in the Mediterranean region, aims to make the city more resilient to climate change and also offer inhabitants a place to relax and have fun.

Moreover, as the Group has no activity that directly affects the use of resources relating to animals, the Group's business activities do not require specific additional measures to ensure animal welfare is respected, as described previously.

5.9.2.3.2 POLICIES AND ACTION PLANS

Including biodiversity management within environmental management

Since 2008, the Group's commitment to protecting and promoting biodiversity has been part of its Sustainable Development Roadmap, which applies to all its activities around the world. Commitment No. 14 of the Group's 2017-2021 Sustainable Development Roadmap, "Promote biodiversity and ecosystem services", is therefore split into two objectives: "Implement a biodiversity strategy within all the Group's business areas" and "Establish biodiversity action plans at 50% of the priority sites managed by the Group". This approach has allowed the Group, with the support of a network of internal experts, to initiate biodiversity action plans in all countries in which it operates; these plans aim to prevent or reduce the impact of the Group's activities on biodiversity and to promote it. In 2020, 39.9% of the Group's priority sites were covered under either a voluntary or regulatory biodiversity action plan.

SUEZ commitments for supporting biodiversity continuously reinforced

SUEZ specifically mentions biodiversity in its purpose [1] adopted in 2020: "SUEZ invests in preserving and restoring natural capital, and in the future of biodiversity, both on land and at sea.".

In 2020, SUEZ renewed its Group commitments to the Act4nature international initiative launched by the EpE (Enterprises for the Environment) corporate network. This initiative aims to get economic players involved in protecting biodiversity through 10 shared commitments and having each company define its own commitments with dates and numbers. The Act4nature international initiative's goal is to motivate business leaders, prepare an ambitious agreement during the COP15 on biological diversity, present companies as problem solvers and raise employees' awareness. SUEZ made 11 individual commitments to strengthen its biodiversity strategy, improve its environmental performance to protect biodiversity and offer solutions that benefit biodiversity. The Act4nature international steering committee, which comprises scientific entities and NGOs (French Museum of National History, Foundation for Biodiversity Research, WWF, Noé conservation, etc.), among others, has recognized SUEZ's commitments.

The Group's biodiversity commitments break down as follows.

- **Affirm SUEZ's strategy to support biodiversity**

Individual commitments	Objectives
Make preserving natural capital a central focus of the Group's strategic plan SUEZ 2030	Starting in 2021, develop a reference framework to steer SUEZ's service portfolio toward 100% sustainable offerings that have a positive impact on the planet's natural capital
Incorporate biodiversity into the Group's internal processes	By 2023, index the variable portion of the compensation of members of all the top executives with objectives related to protecting natural capital
Make biodiversity a mandatory criterion for project approval	Starting in 2021, assess 100% of projects submitted to the operating committee with regard to their impact on biodiversity

- **Strengthen the way in which biodiversity is taken into account in the value chain of the Group's business activities**

Individual commitments	Objectives
Measure the ecological footprint of our business activities using a suitable tool	By 2025, use an ecological footprint tool well-known in the scientific community to qualify the Group's activities
Preserve biodiversity at the sites SUEZ manages	By 2025, set up an action plan to support biodiversity at all priority sites SUEZ manages
Align SUEZ's business activities to the 1.5°C trajectory	By 2030, reduce the Group's GHG emissions by 45% and enable our customers to save 20 $MtCO_2$-e/year
Help combat plastic pollution in our oceans	By 2025, triple the Group's recycled plastic production capacity

(1) https://www.suez.com/en/who-we-are/a-worldwide-leader/our-purpose.

► **Play an active role in preserving biodiversity**

Individual commitments	Objectives
Offer new solutions for resilient ecosystems	By 2025, develop at least five new solutions dedicated to sustainable farming and agroforestry on a global scale
Make nature a more prominent experience in downtown areas and develop Nature-Based Solutions (NBS)	Starting in 2021, provide a customized urban nature offer for all French urban local authorities. By 2025, design ten reference projects under the NBS concept in France and abroad
Continue developing innovative solutions that support and protect aquatic and marine biodiversity	By 2025, develop at least two new operational innovations that protect aquatic and marine biodiversity
Share the Group's passion for the environment and raise awareness of biodiversity	By 2022, roll out the Environmental Collage to 86,000 SUEZ employees and disseminate the training module on biodiversity to all employees

In France, SUEZ has reaffirmed its commitment to the National Strategy for Biodiversity (NSB) by joining the initiative *Entreprises Engagées pour la Nature – Act4Nature France*, led by the Office Français pour la Biodiversité (OFB) in 2020. The OFB deemed the action plans led by SUEZ in France acceptable. In this regard, SUEZ is officially "committed to nature" and is a legitimate partner to support local authorities involved in the "regions committed to nature" initiative.

Acting to protect the oceans

In line with the objectives in its Sustainable Development Roadmap and with its commitment to the Act4Nature initiative which particularly emphasizes this point, SUEZ is working hard to protect the oceans by reducing land-based pollution primarily caused by plastic. The challenge is as behavioral as it is technological: the Group is working in partnership with UNESCO's International Oceanographic Commission and specialized NGOs, employees and citizens to avoid plastic waste in oceans, while offering more solutions to treat microplastics in wastewater.

In 2019, the Group joined forces with the Alliance to End Plastic Waste led by the WBCSD to bolster its commitment to fighting plastic marine pollution alongside 24 other chemical and retail companies. SUEZ's role there is to promote eco-design and to facilitate the use of recycled plastic in packaging. In France, the Group has worked with Fondation de la Mer to establish a reference framework for companies' contributions to achieving the SDG 14 targets.

Finally, the Group launched a global campaign to rally employees to organize events to pick up plastic waste in coastal areas and catchment areas. Called #suez4ocean, this campaign includes an interactive map that shows all the local initiatives led to reduce pollution in coastal and marine areas upstream.

5.9.2.4 Fighting climate change: reducing Greenhouse Gas emissions

5.9.2.4.1 DESCRIPTION OF THE CHALLENGES

SUEZ's activities are very closely linked to the issue of fighting climate change. This can present risks for the Group relating to the economic impact of certain environmental regulations currently being studied, but it can also take on a more operational dimension due to the physical impacts it can cause, such as those related to extreme weather events. However, climate change also represents a source of opportunities for the Group: its operational solutions can provide a very substantial positive contribution to the challenges experienced by its customers in this area in terms of decarbonization of their business activities and of their regions, energy/climate performance, the resilience of local authorities, and increasing the safety of industrial processes with regard to the proven effects of climate change.

There are two types of climate-change-related risks that are included in the Group's integrated risk management process:

- for risks relating to changes in environmental regulations, and particularly regulations concerning climate challenges and their implementation, as well as the possibility of a carbon tax impact on certain of the Group's waste activities or on those of some of its suppliers;
- for more operational physical risks, and particularly risks related to service continuity, considering the global acceleration of the frequency and intensity of extreme weather events, be they periods of drought or flooding, for example.

These risks are described in more detail in section 3.1.2 "Strategic risks".

In terms of opportunities, regulatory changes represent a significant driver in developing solutions within the circular economy, such as recovering energy and materials from waste (material recycling and reuse) and wastewater or optimizing the energy performance of industrial facilities. The objectives set by states as part of their Nationally Determined Contributions under the Paris Agreement, by municipalities and by industrial companies, have enabled the Group to identify business development opportunities for its low-carbon solutions. In emerging countries, greenhouse gas emission reduction targets mean the Group can promote the transformation of municipal and industrial waste management from an elimination to a recovery model. These new treatment sectors clearly align with the priorities announced by the governments and generate numerous related benefits such as improving hygiene and quality of life in cities.

The acceleration of public and private finance earmarking for low-carbon solutions, as seen in the adoption of the EU's Green Deal in December 2019, which provides for various strategies for sectors involving the circular economy or waste treatment, for example, and its works that are underway as part of the EU Action Plan for Sustainable Finance Growth and the implementation of the European Taxonomy of Sustainable Activities in 2020, also provide the Group with a change of scale in the development of carbon-free solutions, with the additional inclusion of new economic partners.

Finally, the industrial sector's increased commitment in contributing to a pathway towards carbon neutrality, as seen in the actions of more than 400 companies, including SUEZ, who have pledged to submit their pathway toward meeting the 1.5° goal set by the IPCC to the Science Based Targets initiative (SBTi), combined with citizens' ever-growing mobilization around the climate emergency, gave even further impetus to the acceleration of the commitment to the climate challenge by all non-state actors, who are clients of SUEZ.

5.9.2.4.2 POLICIES AND ACTION PLANS

The Group's carbon profile

In 2020, the Group's carbon profile was calculated taking into account a methodological adjustment consistent with the activities: the Group is currently working on strengthening the resilience of its Scope 3, which concerns all the other indirect emissions occurred in the Company's value chain. SUEZ continues to calculate its Scope 1 emissions (the Group's direct emissions) and Scope 2 (indirect emissions related to consumed energy) according to previous year methodology.

SUEZ emissions in 2020 (in tCO_2-eq)

	2018	2019	2020		
	Scope 1 & 2	Scope 1 & 2	Scope 1	Scope 2	Total
Waste	6,526,252	6,649,366	6,202,401	194,778	6,397,179
Water	2,421,716	2,705,700	148,793	2,616,325	2,765,118
Industry [a]	90,003	113,606	33,406	45,789	79,195
Total	**9,037,371**	**9,468,672**	**6,384,600**	**2,856,892**	**9,241,492**

(a) The industrial business line includes all water production and wastewater treatment activities for industrial companies, as well as the production of equipment and chemical products.

The 2020 Group's emissions may be broken down as follows:

- in its waste business: 6,397,179 metric tons of CO_2-equivalent, i.e. 69% of total Group emissions (Scopes 1 and 2). Up to 97% of these emissions are direct (Scope 1 at 97%), resulting from fugitive methane emissions released when waste is landfilled or from greenhouse gases produced through incineration or emissions from waste collection vehicles. These also include emissions from the vehicles of subcontractors transporting incoming waste and the secondary raw materials leaving facilities managed by the Group (186,067 tCO2-eq.);
- in its water and wastewater business: 2,765,118 metric tons of CO_2-equivalent, i.e. 30% of total Group emissions. These emissions are primarily indirect (Scope 2, at 95%): they result essentially from the use of electricity in water treatment processes;
- in its industry business: 79,195 metric tons of CO_2-equivalent, i.e. 1% of total Group emissions. These emissions are mostly indirect (Scope 2, at 58%).

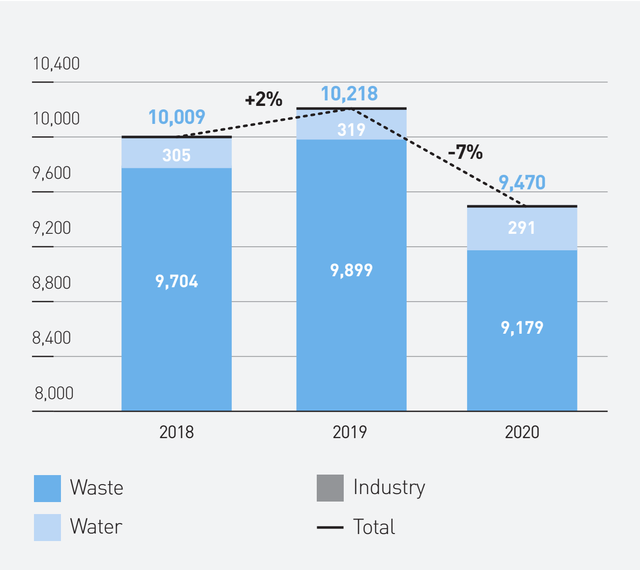
Emissions avoided for SUEZ customers in 2020 (in tCO_2-eq)

	2018	2019	2020
Waste	9,703,735	9,898,531	9,179,205
Water	305,198	319,323	291,010
Industry [a]	286	331	61
Total	**10,009,218**	**10,218,184**	**9,470,276**

(a) The industrial business line includes all water production and wastewater treatment activities for industrial companies, as well as the production of equipment and chemical products.

In 2020, the emissions avoided for the Group's customers can be broken down as follows:

- in its waste business: 9,179,205 tons of CO_2 equivalent, or 97% of the Group's total avoided emissions. The emissions avoided correspond to emission reductions for the Group's customers, of the customer's Scope 1 type (through the use of Solid Recovered Fuel), the customer's Scope 2 type (through the use of energy from waste or wastewater) or the customer's Scope 3 type (through the use of secondary raw materials);
- in its water and wastewater business: 291,010 tons of CO_2-equivalent, or 3% of the Group's total avoided emissions. These avoided emissions correspond to Scope 2 emission reductions for the Group's clients through the use of energy produced from the digestion of wastewater treatment plant sludge (biogas transformed into biomethane or natural gas) compared to a reference scenario where the energy used by clients would be more carbon-intensive.



In 2020, the Group's avoided emissions fell by 7%, explained by a decrease in the volumes of waste sorted; the health crisis led to a decrease in selective waste collection (particularly light packaging), which resulted in a drop in the volumes entering the sorting centers. Since the reuse of this waste allows SUEZ customers to use secondary raw materials to replace raw material, the associated avoided emissions have consequently decreased compared to 2019.

Scope 3

SUEZ calculates and published its Scope 3 in its response to the CDP Climate questionnaire and specifies the emissions, notably related to use of its products, purchases and energy used throughout its value chain excluding Scopes 1 and 2. SUEZ estimates the amount of its Scope 3 emissions at 9 $MtCO_2$-eq, excluding energy consumed for water heating by users, which has an impact of approximately 15 $MtCO_2$.

At the end of 2020, SUEZ began a methodological review of its Scope 3 emissions in order to strengthen its calculation methodology by basing it in particular on physical rather than financial data; this initiative will make it possible to consider the actions necessary for its optimization, in particular with its suppliers by mobilizing them to define emission reduction targets.

Group climate strategy

In direct continuity with its climate commitments outlined in its Roadmap 2017-2021, in October 2019, SUEZ made its climate commitments even more ambitious in its SUEZ 2030 strategic plan in order to bring them within the 1.5°C target recommended by the IPCC in its special report on global warming in October 2018. As part of the 2050 carbon neutrality outlook, the Group is now committed to:

- increasing its greenhouse gas emissions target from -30% to -45% over the whole of its business scope by 2030 (Scopes 1 and 2, 2019 baseline, SBTi);
- make its customers avoid the emission of 20 million metric tons of greenhouse gas emissions per year by 2030, compared to 10 million currently.

As part of the submission of its commitments to the Science Based Targets Initiative mid-2021, the Group is relying on the 1.5°C scenario to steer the transition toward a low-carbon economy by motivating its various entities. SUEZ is in the process of identifying initiatives to implement starting in 2021 to reduce its emissions and reach its objective of -45% by 2030 *via* an investment plan (for instance improvement in covering landfills to reduce diffuse methane emissions and increase the production of biogas, including for self-consumption, purchasing green energy, and launching innovation projects to find solutions for capturing, storing and using carbon).

The initiatives are identified over the medium term according to the Group's projections of existing activity and over the long term to take into account objectives that fall under current and future European regulations in terms of the climate and the circular economy, as with incineration.

SUEZ's climate strategy, aiming to reduce GHG emissions related to the Group's operational activities and those of its municipal and industrial customers, in particular by promoting the circular economy model, is thus deployed throughout the Group as described below:

- **"Reduce GHG emissions over the entire Scope of activities by more than 45% by 2030"**

In 2019, the Group established detailed mapping of its Scopes 1 and 2 greenhouse gas emissions: emissions per business, activity, source, and country, enabling priority actions to be defined to achieve the target of -45% by 2030, and then carbon neutrality by 2050:

- **Energy management: energy efficiency, low-carbon transportation and purchasing green energy**

  Use of electricity by the Group's Water business and consumption of fuel for its collection vehicles are the two items representing a significant portion of the Group's energy use.

  As part of its 2017-2021 Sustainable Development Roadmap and in line with its commitments for the climate adopted in August 2015, the Group made increases in the energy performance of all of the sites it manages, together with streamlining waste collection logistics and bolstering its "clean vehicles" policy, three levers of its commitment to reduce GHG emissions.

  It should, nonetheless, be noted that the sites managed by SUEZ are occasionally obliged to increase their energy consumption to improve services rendered, e.g. treating pollution more effectively or increasing proportions of waste recovered, or due to heightened regulatory obligations related to environmental protection. Improving the energy efficiency of its processes is therefore a challenge.

  The Group strives to improve the energy efficiency of all processes it manages. It is especially seeking to reduce consumption of energy related to its collection activities, transportation of waste and urban cleaning carried out with a fleet of 11,358 heavy vehicles, representing GHG emissions of 447,668 metric tons of CO_2-equivalent in 2020, i.e. nearly 7% of the Group's direct emissions. It strives to reduce fuel consumption by optimizing collection rounds (frequency and distance traveled, for example) and by introducing new engines and alternative fuels, as well as by training drivers to drive more economically.

In waste treatment facilities, examples of actions implemented include purchasing green energy, implementing new technologies, installing variable speed mechanisms, controlling consumption through metering, correcting the power factor and using new lighting systems (solar, LED, etc.).

In the water sector, context-specific action plans have also been put in place: purchasing green energy, like the Water Spain subsidiary, which committed to reducing its energy-consumption related greenhouse gas emissions by 90% from 2016 to 2021 and for which electricity from renewable sources currently represents 96% of its power consumption, renovating facilities and introducing more efficient equipment, implementing variable-speed pump systems, installing systems to modulate pressure in drinking water supply networks, establishing automated tools for checking treatment processes, and creating inspection plans to identify potential energy savings. More widespread consumption of electricity from renewable sources will be one of the main drivers in achieving the target set by the Group for 2030.

The Group takes into account changes in energy regulations at the European level (EU Energy Efficiency Directive, the Climate and Energy Package, etc.) and at the national level, in France, such as the Energy Transition for Green Growth Law of August 17, 2015. Its subsidiary Water France has already achieved ISO 50001 certification for 100% of its energy invoicing, to address the new regulatory framework in France regarding the obligation of companies to carry out energy audits. Today, all actions taken by the Group in this area are in line with these regulations.

- **Production and internal consumption of renewable energy**

  As part of its 2017-2021 Sustainable Development Roadmap, and in line with its commitments for the climate adopted in August 2015, SUEZ has committed to increase the Group's renewable energy production by 10% by 2021, in conjunction with national policies of transitioning from landfills to recovery and, on landfills in emerging countries, through a substantial increase in the production of biogas.

  A key priority for SUEZ, the renewable energy produced from incineration plants, anaerobic digestion plants, and biogas recovery from landfills and wastewater treatment plants reached 7.19 TWh in 2020, accounting for 64% of the Group's total energy production. A portion of this energy is dedicated to internal consumption and thus helps reduce the Group's greenhouse gas emissions. It can be estimated at 2,136 GWh for 2020, i.e. 16% of the Group's total energy consumption.

Energy production	Unit	2020
Total energy production	**GWh**	**11,170**
of which electricity	*GWh*	*4,889*
of which thermal energy	*GWh*	*5,487*
of which biogas	*GWh*	*795*
Production of renewable energy	**GWh**	**7,189**

The two indicators "Useful energy production of Group Recycling and Recovery activities" and "Useful energy production of Group Water activities", consolidated and audited annually, enable follow-up and monitoring of this energy performance.

- **Capture and recovery of biogas**

  In the waste sector, a change in treatment methods from elimination to recovery of materials and energy should lead to a gradual reduction in greenhouse gas emissions related to landfilling waste, namely methane, which contributes to global warming 28 times more than CO_2. For existing landfills, SUEZ offers its customers the most high-performance solutions possible from an environmental standpoint, particularly capturing biogas and turning it into renewable energy. Also, often used for facility internal energy consumption, this technology enables a reduction in both the direct and indirect greenhouse gas emissions of landfills. Establishing solutions for increased biogas capture on landfills will also be one of the main drivers in achieving the target set by the Group for 2030.

- **Digitizing Waste activities**

  As with the Water business and as set out in Commitment 10 of its 2017-2021 Roadmap, "Accelerate the digital revolution in Water and Waste solutions to benefit agriculture, industry, cities and citizens", SUEZ is committed to the digitization of its Waste activities, which will improve management and optimize environmental impacts, and especially greenhouse gas emissions. In this way, smart waste covers the entire waste value chain: at the collection stage, geo-tracking trucks streamlines movements; in the sorting sites, robotized arms improve recycling rates; lastly, end users benefit from new services, such as SITA.scope, SITA.connect and e-commerce.

- **Capture, storage and use of carbon**

  As part of its commitment to the SBTi to reduce its direct and indirect emissions, and in line with its Sustainable Development Roadmap, SUEZ is developing its emissions reduction strategy, particularly for its business activities with the most emissions, like incineration. The solutions planned to mitigate these emissions rely in particular on innovative smoke capture and storage technologies. SUEZ went a step further in 2020 by signing a memorandum of understanding with BP to explore the feasibility of the UK's first energy from waste carbon capture and storage project. The "Net Zero Teesside" project involves capturing up to 10 million metric tons of CO_2 emissions, the equivalent of more than 3 million UK households of annual energy consumption.

"Enable our customers to avoid emitting 20 million metric tons of GHG per year by 2030"

Emissions avoided by SUEZ customers are part of emissions linked to the "use of goods and services that the Group produces", within the meaning of information obligations related to Article L. 225-102-1 of the French Commercial Code, which relate to materials and energy recovery activities. Accordingly, because of the multitude of sources available, the Group decided to base its calculations of avoided emissions on public data issued by Prognos on the Europe-27 scope, as 75% of waste processed by the Group is in Europe. As calculating avoided emissions is very sensitive to the choice of emission factors used, the Group has used the same source of information since 2012 to ensure comparability of data. Uncertainty about calculated data remains still quite high due to the wide variability of emission factors that may be used.

The sources of emissions avoided are mainly linked to the implementation of circular economy solutions that the Group offers its municipal and industrial customers, namely:

- materials recovery by means of:
  - waste recovery, sorting and recycling,
  - composting,
  - recovery of residual waste from incineration of non-hazardous waste,
  - production of solid recovered fuel;
- energy recovery by means of:
  - incineration of municipal or industrial waste,
  - burning of biogas recovered from landfills,
  - energy recovery from biogas produced from wastewater.

To meet this goal, the Group set additional targets aiming to increase emissions avoided through material and energy recovery, respectively: "Double the volume of recycled plastic" and "Increase the production of renewable energy by more than 10%", a portion of which is resold to Group customers.

The Group upheld its commitment in 2020 through a strategic partnership signed with Loop Industries to build Infinite Loop, the first plant to manufacture 100% recycled and infinitely recyclable plastic in Europe. With SUEZ Group's expertise, the Infinite LoopMC plant will meet the growing demand of European drink and consumer goods manufacturers who have set ambitious goals to increase the amount of recycled materials incorporated into their products. This new plant dedicated to improved PET plastic recycling will be the biggest facility in the world, with an annual production capacity equivalent to around 4.2 billion bottles in 100% recycled and infinitely recyclable food grade PET. Thanks to Loop's innovative technology, the plant can reduce annual CO_2 emissions by 180,000 metric tons compared to the production of virgin PET from traditional petrochemical processes-the equivalent of around 418,000 barrels of oil.

Committing responsibly to climate policies

Throughout 2019, SUEZ continued its commitment toward collective projects to accelerate the involvement of non-state actors in climate action, be it in terms of contributing to the circular economy, reducing greenhouse gas emissions or implementing solutions aimed at protecting water resources when faced with the consequences of climate change. The Group's Chairman participated in the United Nations General Assembly and the Global Compact during Climate Week in New York in September 2019. In August 2019, the Group was one of the first signatories to the United Nations' Global Compact Pledge "Business Ambition for 1.5°C – Our only future" that was launched during this event and brought together more than 400 companies at that time, reaffirming the increased ambition for its climate commitments. It was also invited to speak on the key role of water management in the joint achievement of the climate objectives and of the United Nations Sustainable Development Goals.

During the COP25 in Madrid in December 2019, SUEZ's Chief Executive Officer reminded the high-level meeting of the United Nations Global Compact's Caring for the Climate initiative, and the twofold necessity of accelerating the reduction in companies' greenhouse gas emissions and of their contribution to the policies of adaptation to cope with the proven effects of climate change. Furthermore, in 2020, SUEZ was a partner of several research centers or organizations that contribute to stepping up the fight against climate change, such as the Ellen MacArthur Foundation, the National Institute of the Circular Economy, and the French Meteorological Society (Météo et Climat – SMF). In 2018 and 2019, SUEZ contributed to the ZEN 2050 study carried out by *Entreprises pour l'Environnement* to explore how all the business sectors can contribute to the feasibility of carbon neutrality in France by 2050.

Management of climate risks and opportunities

Risks related to climate change, be they transition risks or physical risks that are more operational in nature, are included in the Group's integrated risk management process described in detail in chapter 3.2 of this document. A report on climate-related vigilance actions for 2020 is shown in paragraph 5.9.2.7.2 below, and a cross-reference table with recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD) is available in section 5.9.2.5.2.

In addition, the opportunities the Group identified with regard to the climate are a vital part of the new SUEZ 2030 strategic plan published in october 2019. This plan is described in more detail in chapter 5.4 of this document.

Several Group Departments are responsible for identifying and assessing the risks and opportunities related to climate change under the auspices of the Board of Directors and the Executive Committee. The Risk Department is in charge of assessing operational, physical, and transitional risks with the support of the Sustainable Development Department. Regarding opportunities, a new Air and Climate business line was created in early 2020 in particular to implement the Group's climate solutions defined under the SUEZ 2030 strategic plan. Additionally, the Board of Directors' CSR, Innovation, Ethics, Water and Sustainable Planet Committee reviews the Group's strategy concerning climate challenges. The Board of Directors' Strategy Committee is also responsible for reviewing SUEZ's strategic objectives included in the SUEZ 2030 plan while taking into consideration the Group's need to transition to a low-carbon and circular business model. Their respective functions are described in more detail in section 14.4.3 of this document.

5.9.2.5 Making the water supply safer: guaranteeing availability and high-quality water resources

5.9.2.5.1 DESCRIPTION OF THE CHALLENGES

Water is a very unevenly distributed resource that must be protected, particularly when it comes to the growing external pressure it is subject to. External pressure includes population growth, changes in food habits, and the resulting changes in agricultural demand for water, and the inadequacy of cleanup systems. As a result, a study by Water Resources Group estimates that the gap between water demand and resource availability could reach 40% in 2030.

In addition, climate change in a growing number of regions implies a risk of increased tensions, particularly through the accentuation of periods of drought or the increased frequency and severity of turbidity related to periods of heavy rain. Some countries have already experienced water stress situations, which are harder to manage when the country is at a low level of economic development. According to the UN, by 2025, two thirds of the world's population could be living in regions affected by strains in the water supply, particularly the Middle East and certain regions of Africa, Asia and Latin America.

Owing to its business activities in the drinking water and wastewater treatment sector, these substantive dynamics represent a clearly identified risk for SUEZ. As a result, there are several risks related to water resources incorporated into the Group's integrated management processes and in its Vigilance plan:

- risks related to the resource's volumetric availability; existing pressure on water resources represents a non-negotiable operational risk due to the potential impact that one period of prolonged drought or increased chronic water stress may have on the service continuity the Group provides. In fact, such a situation may sometimes lead to a temporary disruption in drinking water production operations, and potentially water cuts;
- risks related to water quality; the Group's ability to provide water that complies with standards and specific requirements directly depends on the quality of local resources; the corresponding operational risk is therefore important. The increased frequency and severity of extreme weather events may sometimes lead to a service interruption due to the resource being too degraded, as can be observed in Chile, where heavy rains have caused unacceptable levels of turbidity;
- in addition to existing service continuity risks, climate events such as major flooding, heavy rain, or hail may also cause significant damage at SUEZ sites, including for waste business activities, causing substantial maintenance expenses.

These risks are described in more detail in section 3.1.2 "Strategic risks" of this document and are incorporated in the Risks and Investments Department's annual review. In addition, the monitoring of drinking water and wastewater production site vulnerability to droughts and flooding in the medium- and long-term is carried out periodically using climate risk mapping tools, such as the World Resource Institute's (WRI) Aqueduct Water Risk Filter.

In terms of opportunities, the concept of resilience to climate change becoming increasingly important is a major opportunity for the Group to roll out its ability to innovate to help its municipal and industrial customers in their process to adapt. The Group supports customers through multiple solutions such as desalination, wastewater reuse, digital solutions that can better anticipate leaks, and new contract models called performance contracts aiming to optimize the management of water systems operated by SUEZ.

5.9.2.5.2 POLICIES AND ACTION PLANS

Conserving water resources is a major priority for SUEZ. Hence, the Group has directly incorporated these factors into its new SUEZ 2030 strategic plan published in October 2019. In particular, it declares that:

1. by 2030, SUEZ aims to have a portfolio offering 100% sustainable solutions with a positive impact on the climate, health, and the environment, including with regard to water resources;
2. smart solutions and wastewater reuse are one of the Group's primary growth drivers, which is a logical continuation of the GE Water acquisition in 2017.

This strategy is in line with the Group's long-standing commitments to protect water resources as described in the 2017-2021 Sustainable Development Roadmap and further elaborated below.

Making drinking water networks more efficient and optimizing water consumption to reduce usage

As part of its 2017-2021 Sustainable Development Roadmap, SUEZ committed to saving the equivalent of a city with two million inhabitants worth of water consumption through numerous actions to reduce water usage. As a result, the demand management programs implemented by the Group include infrastructure measures (reducing leaks) and other measures targeting user behavior by putting in place tariff structures to encourage water saving and awareness campaigns to combat waste. As of December 31, 2020, SUEZ posted a technical performance of drinking water distribution networks of 78.3%.

SUEZ is developing smart and digital solutions such as smart meters as part of its efforts to improve the output of drinking water distribution networks. Smart meters better predict consumption, calculate water network yields online, give a precise location of leaks and they also offer users the option to manage their water consumption. Another solution from the Advanced Solutions line, Aquadvanced Water Networks, improves the monitoring of drinking water systems through the analysis of numerous data provided by sensors measuring flow, pressure and rate. As part of the renewal of the water and wastewater service management contract of the city of Adelaide, Australia, SUEZ will offer smart solutions developed by the Group, and particularly the Aquadvanced suite. More broadly, the Group is also committed to stepping up the digital revolution in Water and Waste solutions to serve agriculture, industry, cities and citizens by increasing the number of smart objects by 20% by 2021.

For example, in India, 15 million people have already benefited from SUEZ's expertise in enhancing the performance of drinking water supply systems (8,000 leaks identified). The new contracts won in 2019 and 2020 (in Bangalore, Mangalore, Udupi, and Puttur) also target system performance with the goal of reaching 24/7 supply. In addition, smart management contracts for drinking water systems signed recently by the Group in Brazil will help the city of Sao Paulo save 20 million of cubic meters of water over the duration of the contracts-the equivalent of the annual consumption of more than 368,000 Brazilians. SUEZ and Sabesp plan to optimize the supply of drinking water by getting involved in the entire value chain, from analysis to efficient management of searching for leaks, by going over the operational capability of the infrastructure, particularly using pressure control measures, actively monitoring leaks, or renovation. The Group will also set up a hydraulic simulation system to study and optimize the city's water supply.

The Group's partnership approach also stood out in the contract signed in 2020 with the municipality of Tashkent in Uzbekistan to modernize the capital of Uzbekistan's water and wastewater systems and support the water company Tashkent Shahar Suv Taminoti (TSST) in optimizing the management of these systems in compliance with international standards. This seven-year contract includes the implementation of smart water management solutions as well as skills transfer to TSST employees. This partnership is based on both TSST's innovative co-management approach: the transformation plan will reduce water loss by rolling out advanced techniques to detect and repair leaks and ensure real-time monitoring of the water system. A water academy (the Uzbekistan Water Academy) will train thousands of Uzbek water professionals on-site and abroad to build their skills and train the country's next generation of water managers and specialists.

SUEZ also supports residential customers and industrial customers in better use of the resource, allowing them to better monitor their water consumption. As a result, in France, SUEZ has established the On'Connect Coach solution for residential customers that allows the user to monitor its water consumption and associated energy usage *via* an online platform, thus preventing the risk of leaks, and offers advice on usage optimization and environmental impact reduction. For its industrial customers, SUEZ offers the Waterlily solution that allows them to optimize the water footprint of their sites. This solution, in accordance with ISO 14046, provides a precise diagnostic of the water cycle on the site and allows the areas for improvement and the most suitable technologies to be identified in order to reduce water consumption throughout the production chain. The Group also put in place adaptive rates that go up with water consumption in several regions around the world, including in Morocco and New York, where financial incentives have been set up for customers to optimize their consumption. More generally, SUEZ is supporting these municipal customers with their transition from classic lump sum rates to consumption-based rates. In addition, SUEZ also offers adaptive rates in several countries where it operates. As a result, Spain offers invoices that include a social component where the price is adjusted based on revenue.

Even though water consumption in the Group's industrial processes is very low in contrast to the volumes managed by the drinking water production business, this consumption is still subject to streamlining actions on the sites that the Group manages.

Offer customers resilience plans and adaptive solutions to climate change

Aware of the risks posed by climate challenges, SUEZ strives to help customers improve their resilience to the effects of climate change as well as predict the possible impacts on their own facilities. With this in mind and as listed in the 2017-2021 Sustainable Development Roadmap, the Group has committed to:

1. systematically suggest to its customers resilience plans for addressing the impact of climate change;
2. encourage different water uses by providing three times as many water availability alternatives by 2030.

In some regions, the Group must already adapt to the impacts of climate change by adapting facility operations. Consequently, in Chile, an increase in elevation of the 0°C isotherm in the Andes causes an increase in frequency and intensity of turbidity episodes in the Mapocho river, which can alter drinking water production capacity in Santiago. In order to confront these extreme climate events, the Group is investing in infrastructures that increase facility autonomy by up to 48 hours and ensure service continuity, for example, by building water reservoirs for additional raw water.

In countries that are more vulnerable to climate change (particularly in Southern Europe, the Middle East or in Australia), the Group also offers its customers seawater desalination solutions to ensure drinking water availability in areas that do not have sufficient quantities or that have repeated drought episodes. To ensure the sustainability of this solution, SUEZ worked on energy consumption for its desalination plants. In Australia, for example, all the plants are powered by renewable energy. In addition, SUEZ is a member of the Global Clean Water Desalination Alliance that aims to power desalination plants with at least 80% renewable energy by 2035.

The target above also includes reuse of treated wastewater that allows water usage from nature to be limited, especially in zones under water stress. In fact, as a major market player, SUEZ is well known for its cutting-edge solutions that promote a very high reuse rate and are based on membrane filtration, ozone and UV treatment, reverse osmosis processes and micropollutant treatment. As a result of these solutions, in 2020, the Group produced 1,237 million of cubic meters of reused wastewater, or 23.5% of treated wastewater. This solution has been rolled out in many wastewater treatment plants, such as Biofactory in Santiago, Chile, which treats 100% of the city's wastewater and reuses the wastewater for agricultural irrigation. The West Basin County Station near Los Angeles is another example of this new model of wastewater treatment plant. Using wastewater, it produces a "hydraulic mix" of several types of water for different uses (industrial water, process water for refineries, municipal uses, agriculture and groundwater recharge).

SUEZ has also developed a UCD offer. UCDs are small, decentralized units that produce drinking water in a very short period of time. This solution is rolled out in regions without traditional water supply systems, or to meet an urgent water demand and ensure service continuity if operations are stopped. Additionally, to anticipate this type of incident as much as possible, the Group has set up an on-call system with agents, remote monitoring and alerts rolled out on a continuous basis throughout all of its water business activities.

Protecting and optimizing existing water resource management

Apart from solutions offered to its customers to better manage water resources, the Group has also committed to forming partnerships in France and Latin America to bring together local authorities, industrial companies and agriculture companies to together protect the quality of water resources in river basins. SUEZ is an active participant in all French river basin committees, and Aguas Andinas, one of the Group's Chilean subsidiaries, is also a founding member of the Santiago-Maipo Water Fund, a collaborative public-private initiative aiming to guarantee that local water resources will be protected and sustainably used.

In addition, the Group regularly controls the quality of water sources that it uses and constantly innovates to help make them more sustainable, especially in regions experiencing major water stress, by suggesting geofiltration techniques that involve re-injecting previously treated surface water into the groundwater.

5.9.2.6 Social and societal contribution

5.9.2.6.1 DESCRIPTION OF THE CHALLENGES

As a global environmental service company, SUEZ develops and distributes technological and social solutions for regional development. To be both satisfactory and high-performing, these solutions must take into account the specific needs of the regions they address but also the interests of all stakeholders. Internal and external surveys, and particularly those of the Reputation Institute conducted for SUEZ in 2018 (2,000 participants) show that citizenship is a key criterion, both to attract and retain talents and satisfy public and industrial customers' expectations. In a time of demographic, environmental and digital change, characterized by social tension throughout the world, SUEZ believes the Company's societal contribution is a priority issue, particularly for managing opinion and reputation risk (see chapter 3.2). Accordingly, SUEZ intends to:

- be the mirror to society and to promote diversity, social dialog and cooperation;
- foster a passion for the environment among Group employees;
- invent solutions for all regions and their inhabitants, in line with the United Nations Sustainable Development Goals;
- share the value that it creates with regional players, notably through its purchasing policy, anti-tax evasion measures and its sponsorship efforts;
- be a positive influence and lobby responsibly.

5.9.2.6.2 POLICIES AND ACTION PLANS

Promoting diversity, dialog and cooperation

Since 2010, SUEZ has devised a policy and joint initiatives with all the subsidiaries to promote diversity and Equal Opportunities (see section 15.1.4). As part of its Sustainable Development Roadmap, SUEZ is making it a priority to foster gender diversity within the Group. The professional equality Roadmap relies on various levers such as hiring, reducing wage gaps, promoting women internally, the working environment and the corporate culture. The proportion of women hired as managers was 29.9% in 2020. In 2020, women represented 22.3% of the workforce, 28.9% of management, and 44% of Talents. On September 12, 2019, the Group renewed the gender equality agreement, which was negotiated over seven meetings with the EPSU (European Federation of Public Service Unions) and the European trade unions within the Group. Major innovations in this agreement lie in:

- improving working conditions to encourage women to apply for operational jobs (PPE for women, changing rooms for women, etc.);
- combating sexism and sexual harassment, with the implementation of a whistleblower procedure (protection of victims by setting up a counseling center, raising awareness among managers, setting up a point of contact in each BU, and having a zero tolerance policy in this matter);
- developing support for parents (making maternity leave gender neutral in the wage policy, encouraging parents to take parental leave without fear of gender discrimination, and paying the same amount for paternity leave with the same conditions as maternity leave);
- promoting career changes and professional development in professions where a gender is under-represented.

In 2020, SUEZ created an internal network for women to make progress on professional equality. Its creation and Roadmap were announced on March 8, 2020 during International Women's Day.

SUEZ encourages cultural diversity and takes tough action against all forms of discrimination, such as discrimination linked to sexual orientation and religious affiliation. The Group is also rolling out an ambitious policy to integrate disabled people into the workplace. In 2020, the Group employed 1,532 people with disabilities, and in December 2020, the Group signed the International Labour Organization Global Business and Disability Charter. Launched in October 2015, the Charter is a global tool intended for companies to reference its principles and initiatives to promote business success and equal opportunities for the more than 1 billion disabled people or 15% of the population, worldwide. By joining the Global Business and Disability Network, SUEZ pledges to fight discrimination and promote equal treatment and equal opportunity on a global scale by applying the ten commitments throughout the Group and raising employees' awareness. In February 2020, the Group created a network of more than 300 "Inclusion and Diversity" Ambassadors, whose primary mission is to spread SUEZ's values in this area and share all best practices locally and globally. These Ambassadors are mainly operations workers from each of the Group's Regions and Business Units.

As part of an inclusive workplace plan, in 2020, SUEZ also partnered with "Tous en Stage" to help more than 500 junior high school students from REP+ middle schools (middle schools in priority neighborhoods) to take group training courses at our sites or digitally and discover environmental activities, despite the health situation. SUEZ has also started developing "inclusive part-time learning", increasing from 3% part-time learning contracts from priority neighborhoods in 2018 to more than 9% in 2020. SUEZ also signed a charter with the French Office for Immigration and Integration (OFII) in January 2020. This Charter calls on SUEZ to ease the occupational integration process for refugees throughout the country, and the OFII has committed to supporting SUEZ and assisting us in this process. Around ten people with refugee status were trained in high demand jobs such as truck driver positions.

SUEZ strives to organize and boost social dialog measures and sign collective bargaining agreements (section 15.1.3). The goal is for 95% of employees to be covered under social dialog systems by 2021. In 2020, 86.6% of employees of the Group were covered, either directly within their legal entity, or at a more comprehensive level (85.5% in 2019). SUEZ is developing innovative social dialog systems like the Observatoire Européen des Métiers, to better identify the businesses that are under pressure and those that will be in the future. During 2020, the European Works Council met multiple times (nine non-scheduled meetings were held) as part of the implementation of the SUEZ 2030 strategic plan. In effect, in order to be transparent and ensure a better understanding of the Group's strategic challenges, the EWC was notified well in advance of the waste business disposal projects in Northern Europe. Meetings between the future buyer and the EWC representatives of the countries concerned were even organized before the EWC was consulted. The quality of social dialog has led to mutual trust throughout the disposal process resulting in the issuing of opinions during the 3rd and 4th quarters of 2020. SUEZ is also committing to continue its now standard system for internal engagement surveys to reach a 100% coverage rate (cumulative over the past three years) and a 60% participation rate in these surveys (section 15.1.3). Based on their results, the Group puts in place the necessary improvement plans. SUEZ also promotes employee shareholding. A SUEZ employee shareholder association was created in 2020 and a new subscription through the "Sharing" plan was opened in January 2021.

SUEZ is fostering a culture of cooperation and undertaking to encourage new collaborative practices by increasing the coverage rate of tools such as Skype, Yammer, OneDrive, Sharepoint, Groups, etc., so employees can build internal relationship systems using internet communities. The Group is prioritizing the digital transformation for training (section 15.1.3) and bolstering its cybersecurity and personal data protection action plans (section 3.2.3).

With its customers, the Group is promoting contractual models and shared management principles (industrial framework agreements, semi-public companies, joint ventures) to promote efficiency and performance for industrial companies and local authorities. SUEZ is also committing to develop partnerships with entrepreneurs, associations and players in the field of research using an Open Innovation approach (section 5.4.3. and the paragraph on "Developing customized solutions for all regions and their residents" below).

In order to define its sustainable development strategy and priorities but also prevent and manage controversies related to its business activities, for over ten years, SUEZ has maintained a voluntary open dialog policy and regularly consults experts and stakeholders to manage dilemmas it encounters together. On the ground, SUEZ offers customized ways to dialog depending on the context and stakeholders of its projects. The Engagement and Communications Department is responsible for organizing this dialog with the goal of preventing opinion or reputation risks (see section 3.1.2); it monitors what is going on in the world, informs managers and provides direction to internal stakeholders regarding the issues to handle.

Fostering a passion for the environment among Group employees

The Group informs its employees about its positioning, performance, actions and best practices to promote environmental protection by means of its intranet system, its Integrated Report and dedicated events on the subject. Since 2015, SUEZ has committed to a voluntary Integrated Report process, inspired by the reference framework published in December 2013 by the International Integrated Reporting Council (IIRC). The purpose of the integrated report is to illustrate the reconciliation of the Group's financial and non-financial performance and it aims to provide better comprehension of the ecosystem in which the Company operates in order to accordingly strengthen the quality of dialog with stakeholders. Specifically, in 2018 the Group launched "Ambassador", its first "Serious Game", the purpose of which is to help all employees, particularly new recruits, to understand the Group's businesses and challenges, especially those involving sustainable development. In an urban environment, "Ambassador" simulates relationships between the management of water and waste, the environment and society.

In 2019, the Group supported the Climate Collage initiative and an Environment Collage was made based on a similar principle, aimed at raising awareness of all Group employees through a network of ambassadors. This Collage in the form of a serious game is an opportunity for all employees to showcase their expertise, raise awareness of sustainable development, and be engaged every day while helping them realize how their work and personal life impacts and contributes to the environment. Despite the public health crisis, 142 organizers were trained and more than 1,000 employees participated in the Environmental Collage in 2020. A "citizen passport" made up of five e-learning modules lets employees expand their knowledge of the challenges of the Collage, SUEZ's solutions, best practices at sites and individual eco-friendly behavior. In 2020, Local Deployment Leads were appointed to cover all the trained subsidiaries to organize the roll out of the Collage. With the goal of reaching 30% of employees in 2021 and 100% by 2023, every SUEZ employee, be they blue collar or white collar, will have participated in the Collage by the end of 2023.

To support the dissemination of the environmental and industrial risks management policy and its operational rules, a set of distance training modules was developed and distributed within the Business Units. At the subsidiary level, training and information activities tailored to the local context are also organized as part of the Group's global training policy (chapter 15.1). The employee representative bodies of the Group and its main subsidiaries, and particularly the European Works Council, are also regularly informed of the progress achieved by the Group in the areas of sustainable development and environmental protection.

Optimizing the Group's socio-economic footprint

The Group's policy promotes adherence to and compliance with local and applicable tax legislation and regulations in each of the states where Group companies operate as well as compliance with international tax rules and standards. More specifically, in accordance with French regulations (Art. 223-5.c of the French General Tax Code), SUEZ provides the French tax authorities a country-by-country report based on OECD recommendations on the subject on an annual basis.

Every year SUEZ publishes a chart showing the redistribution of cash flows generated by its business activities to the various stakeholders (suppliers and service providers, employees, states and municipalities, shareholders, financial institutions, NGOs and communities). In addition, SUEZ carries out a socio-economic footprint study every year to find out the direct and indirect impacts in terms of jobs generated by the Group throughout the different sectors of the global economy. The LOCAL FOOTPRINT® method makes it possible to estimate how the effects of business activity are propagated along the entire supply chain. In 2019, the Group supported more than 220,000 direct and indirect jobs around the world, almost 2.6 times the number of direct jobs provided by the Group's subsidiaries. With more than 125,000 suppliers, SUEZ has rolled out a responsible purchasing policy that binds subcontractors and suppliers to its sustainable development requirements, contributes to the progress of the sector as a whole and encourages the emergence of eco-industries. SUEZ is committed to behaving toward suppliers with fairness, transparency and impartiality, in accordance with regulations and according to the rules and principles of its Ethics Charter (section 3.2.4), its Human Rights Policy and its Vigilance plan (section 5.9.2.7.1). Approved by the Group Management Committee in 2016 and distributed to all subsidiaries, the Group's procurement policy aims specifically to:

- innovate in partnership with suppliers by contributing to their integration into new services and into the circular economy;
- develop competitiveness by optimizing resources and implementing win-win supplier relationships and partnerships;
- contribute to the development of regions by fostering support for SMEs and the promotion of diversity among suppliers in the social and solidarity economy, economic inclusion, and disabled workers (sheltered employment in France) sectors.

The ethics and sustainable development clauses are specified in SUEZ's General Conditions of Purchase and standard contracts. As a result, in 2020, 57% of the Group's supplier contracts contained a CSR clause (56% in 2019). SUEZ has been a signatory to the Responsible Supplier Relations Charter (formerly known as the Intercompany Relations Charter) in France since 2012 and the SME Pact since 2013, and has set up a mediation process to address any difficulties SMEs may have in making themselves heard as part of their relations with the Group. SUEZ is developing a supplier relationship barometer alongside a panel of very small enterprises/SMEs/intermediate-sized enterprises in order to measure the quality of the business relationship and the impact of actions implemented with its suppliers. SUEZ then establishes an SME Pact action plan aimed at developing business relationships and partnerships that promote innovation. SUEZ also participates in competitiveness clusters related to its businesses and is involved in the work of COSEI (Strategic Orientation Committee of Eco-Industry Sectors).

The Human Resources social innovation department's goal is to "make employment and the circular economy come together" in France, in the regions where SUEZ operates, by supporting the needs of the subsidiaries as much as possible (integration clauses in procurement, employee social commitment, etc.) and by increasing collaboration with local players (section 15.1.4). It coordinates various programs and integration mechanisms such as Rebond Insertion: established in 2003, this is an integration company wholly owned by R&R France. In 18 years, Rebond Insertion has supported over 9,000 people in need and helped more than 5,000 of them return to work.

Developing customized solutions for all regions and their residents

SUEZ provides customized and adjustable solutions according to the specific needs of each region, the size of cities, the limitations of farmers, and/or the location of industrial companies. In order to address the issue of water access in some regions of the world or specific situations, SUEZ is developing UCDs, mobile water treatment, desalination or wastewater treatment units in more than 42 countries, such as Indonesia, Mali, Ivory Coast, and the Caribbean and Pacific islands. Thus, since 1990, SUEZ's activities have provided drinking water to more than 24 million people in developing. Having officially committed itself to implementing the right to water and wastewater services since the United Nations recognized this right in 2010, SUEZ intends to contribute to the achievement of SDG 6 in accordance with its 2017-2021 Sustainable Development Roadmap, based on three additional objectives:

- to develop sustainable access to essential services within the framework of our contracts;
- to allocate EUR 4 million per year to the SUEZ Foundation and support 30 projects per year to promote access to essential services in the countries with the greatest need;
- to share our know-how in order to accelerate access to services by supporting training and making our expertise available.

The expertise developed by the Group, which has been consolidated under the "Services for All" program since 1999 and rolled out on five continents, now puts SUEZ in a position to address the issue of access to essential services in both developed and developing countries.

- In developed countries, SUEZ offers to assist its customers in the determination and establishment of social water policies that aim to guarantee access to services for persons in economic difficulty. All programs are defined in concert with local actors, whether they involve implementing a mediation and social assistance program, setting up special pricing or creating subsidy mechanisms, in order to address the specific challenges of the region in the best manner possible. In 2020, the solidarity fund (EUR 2.5 million) set up by the Group and its association partners in Barcelona awarded more than 364,000 grants, delivered to households in precarious circumstances to help them pay their water bills. In addition to grants, nearly 4,615,000 households also received a social rate reduction for their water. This service has improved considerably since January 1, 2020. It now offers 50% (instead of 25%) for the first two water price bands, which correspond to essential consumption water supply.
- In order to address the major issues facing cities in developing countries regarding access to services, the Group has made the expertise and experience it has acquired available to customers to improve and extend services in disadvantaged neighborhoods with no services. The Group's know-how on the subject was especially of use in Argentina, South Africa, Algeria or more recently in India and, since January 1, 2020, in Senegal, where it combined knowledge of water businesses with mastery of social engineering practices to ensure good understanding in a local context, involvement of communities throughout the project and establishment of technical and sales solutions appropriate to the circumstances.

In this way, the INMAE program, which has been developed as part of the National Initiative for Human Development (INDH) since 2005, aims to connect 90,000 homes in the informal settlements of Greater Casablanca to drinking water, wastewater systems and electricity. As of December 31, 2020, more than 60% of operations for the INDH-INMAE project now have access to water and/or wastewater services and/or electricity at home, 20% are currently in progress, 5% are being examined and 15% are awaiting more funding.

In India, 163 million inhabitants do not have safe access to drinking water, only 16% of homes are served by a water distribution system, and 70% of wastewater in towns and cities and 50% of industrial effluents are not treated. Present in India for more than 30 years, SUEZ supplies 44 million people with drinking water and 4.8 million people with wastewater services. SUEZ's expertise has benefited 15 million people through performance improvements in the water networks and in drinking water distribution (e.g. 8,000 leaks identified). The Group has designed and built 250 drinking water and wastewater treatment plants and was operating 25 plants in 2020. SUEZ supplies drinking water and wastewater services for large cities such as New Delhi, Mumbai, Bangalore and Calcutta, and other major cities such as Lucknow, Mangalore, Kolkata, Davanagere, Coimbatore, Udupi and Puttur. In 2020, SUEZ won two contracts to produce drinking water for more than 10 million residents in Bangalore. These contracts include the design, construction and operation for seven years of a drinking water production plant with a total capacity of 775,000 cubic meters of water per day as well as a treated water reservoir and a pumping station at the TK Halli drinking water production plant site. The Group has also opened a new "Kelani River Bank" drinking water production plant in Colombo, Sri-Lanka. This new plant doubles total production capacity to reach 360,000 cubic meters of water per day, supplying 1.75 million additional residents with drinking water north of the capital.

SUEZ is therefore extending its "Services for All" expertise to waste treatment and recovery activities by developing know-how based on the creation of partnerships with waste collectors who operate informally on landfill sites in emerging and developing countries. To allow them to keep the revenue generated by their activities while also improving their living and working conditions, SUEZ is offering a solution to its municipal customers that is based on the creation of a formal recycling cooperative. Consisting of a comprehensive program that combines social mediation, training (accounting, legal, technical, etc.), the provision of equipment and administrative support, this solution is in place most notably in Meknes, Morocco, where a cooperative of 150 sorters has been active since 2014 and is an integral part of the SUEZ Advanced Solutions waste recovery offer.

Generally speaking, SUEZ works hard to take the UN's Sustainable Development Goals (SDG) into account in its investment strategies, in order to provide its expertise to regions while taking into account their economic, legal and technical realities. SUEZ intends to play a leading role in meeting the United Nation's Sustainable Development Goals for 2030, and particularly the goal related to water and wastewater treatment (No. 6), as well as those concerning the climate (No. 13) and sustainable production and consumption (No. 12) . As a result, SUEZ wants to increase its presence by transforming its business activities in areas with growing needs (No. 11 and 15). SUEZ's 2017-2021 Sustainable Development Roadmap, as well as its integrated risk and opportunities management process, is based on an in-depth analysis of 169 targets on the UN's 2030 agenda.

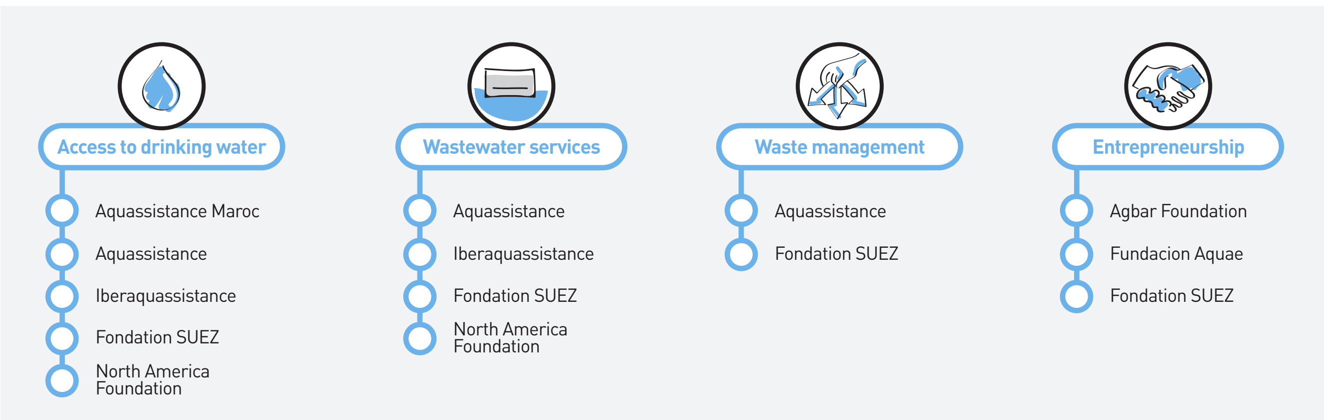
SUEZ has also developed a specific methodology, tools, as well as dedicated training in order to support its managers in defining their priorities in terms of dialog and initiatives to optimize societal contributions to the regions. SUEZ has systematically rolled out this methodology for its critical projects. In keeping with SDG 17, the Group encourages the use of innovative partnerships allowing players in the region to work together to build solutions that are adapted to the challenges and problems they face (see section 5.4.3).

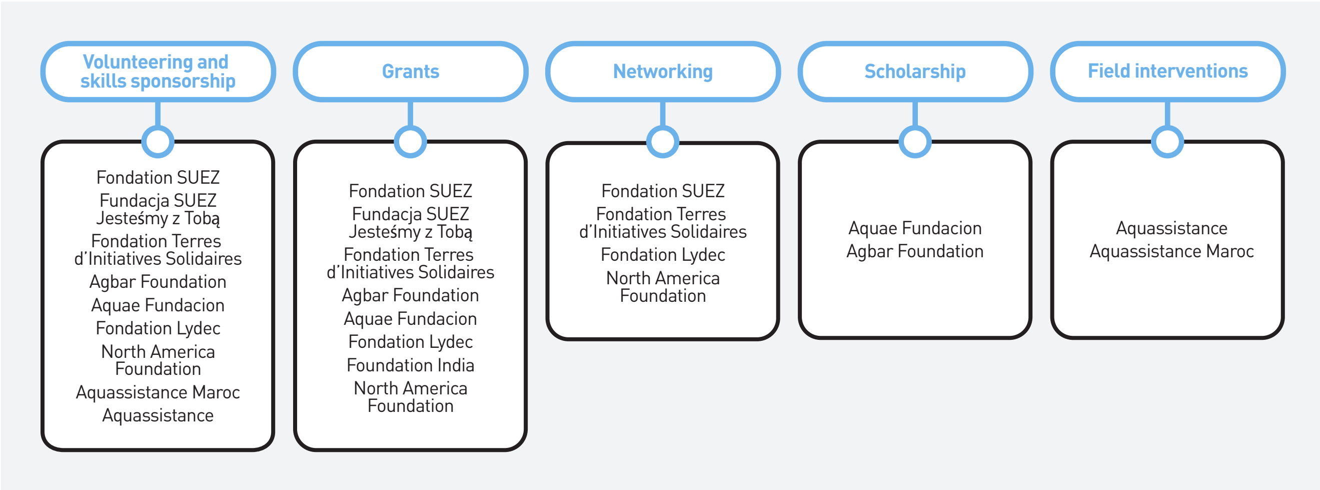
Increasing our impact through sponsorship

SUEZ intends to combine its expertise and the energy of its employees with that of civil society. This social commitment addresses a very strong ambition of Group employees that was expressed in the internal surveys.

In 1994, SUEZ employees founded the Aquassistance association. This 800-member network makes its volunteers' expertise and equipment available to support projects around the world. Aquassistance provides water, wastewater treatment and waste management assistance to vulnerable populations and provides support on development aid projects as well as in emergency situations and after emergencies.

SUEZ focuses its sponsorship efforts on areas and populations that need them most and tries to distinguish them clearly from its contributions that fall under its commercial activities. As part of its public service contracts, SUEZ promotes and applies contractual solidarity mechanisms and decentralized cooperation initiatives when regulations and contract specifications allow. In terms of sponsorship, the Group has eight foundations and four associations spread out over four continents, and SUEZ dedicates an overall budget of around EUR 12 million per year to them.





The SUEZ Foundation is managed by a Board of Directors that has 13 Directors, including one Group employee representative and 6 experts in the areas in which the foundation operates. With regard to access to essential services, the Foundation acts by supporting partner associations, and Aquassistance in particular, by boosting innovation with the "SUEZ Initiatives Award – *Institut de France*", or by training water and wastewater service operators in developing countries through the AgroParisTech Chair "SUEZ – General Management of urban water and wastewater services". Since its creation in 2009, this chair has trained 194 people from four continents. The Foundation also takes action in France in the area of integration by supporting the employment and training of the most vulnerable people, and in the area of social cohesion, through education, culture and sports for young people in zones classified as priority under the town or city's policy. In 2020, the SUEZ Foundation set up a specific Covid-19 fund to support urgent initiatives in France and in developing countries. Some of the Foundation's notable projects in 2020 were:

- the Paris Samu Social: maintaining social interaction with the homeless and covering their basic food needs, monitoring their health, providing medical attention and setting up a day center where personal care kits and clothes are provided;
- Ordre de Malte France: expanding social support services, rolling out new food distribution services and personal care products, setting up emergency services that detect sick people, and carrying out public health transport missions on behalf of authorities (ARS, SAMU, Centre 15, etc.).

In developing countries, the Foundation supports:

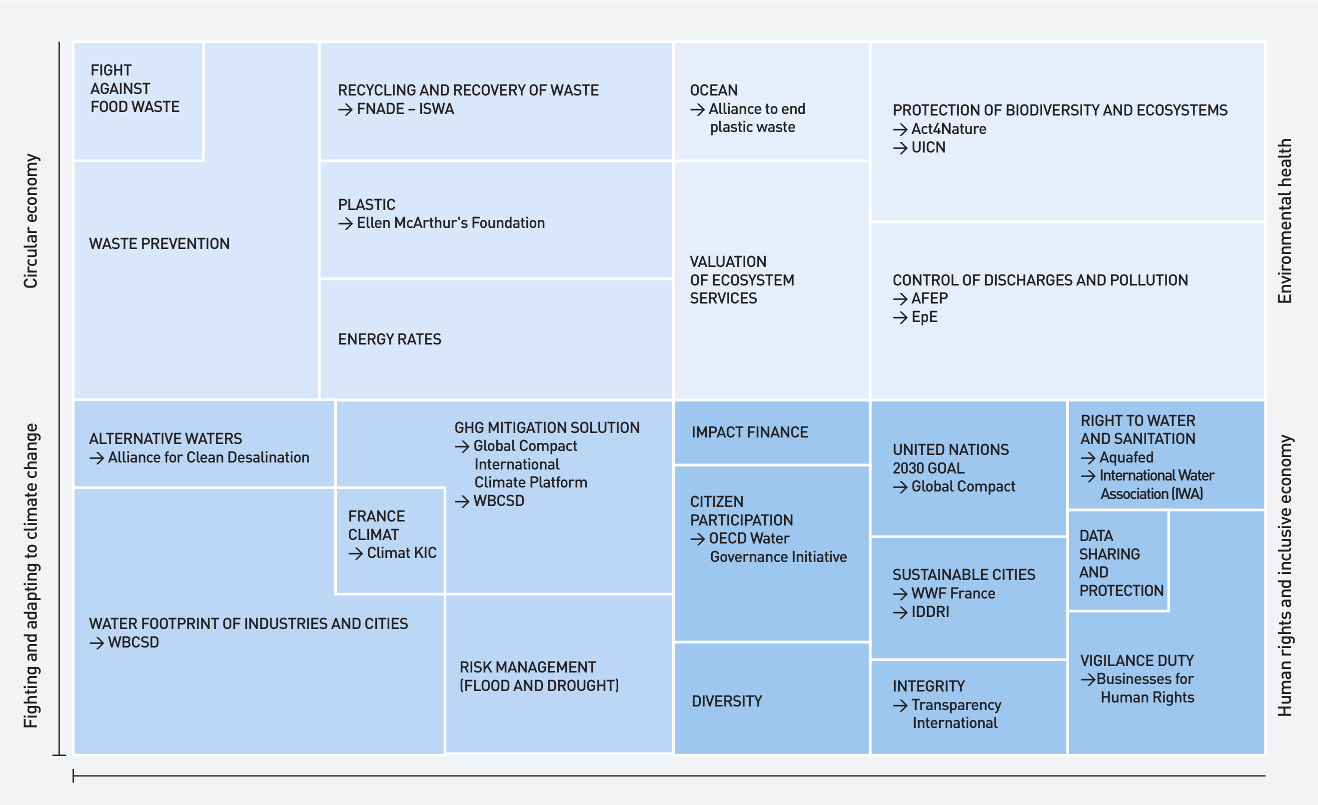
- ACTED Haïti: setting up immediate measures to prevent the spread of the virus: communicate protective measures and continue regular drinking water access and food safety programs. Hand-washing stations in assembly areas have been set up;
- ACF Senegal: supporting districts and health centers with equipment and personal protective equipment for healthcare professionals and community health workers in the Louga region. An infection prevention and control guide in healthcare facilities and other points of care as well as public awareness posters have been distributed.

Placing its initiatives under the UN's Sustainable Development Goals, the Foundation works with its partners to ensure that conditions exist for lasting improvements to the living standards of populations concerned by the projects, and that the results are sustainable. Since its creation in 2011, the SUEZ Foundation has spent EUR 38.2 million to support 245 projects with 120 partners that have left an impact on 6.2 million people around the world.

In order to increase its support to SUEZ Foundation partners confronting Covid-19, in 2020, SUEZ's Social Innovation Department set up "Friday CC", a web platform for employees in France that groups together solidarity needs and remote volunteer opportunities. As a result, skilled volunteer opportunities are offered to employees who want to give back to the community – academic support, maintaining social interaction with isolated people by telephone, and French conversation – to assist partners in the solidarity ecosystem of the Foundations and the Group. A week after opening, the platform registered 400 volunteer employees.

Being a positive influence and lobbying responsibly

The Group exerts a positive influence and responsible lobbying strategy with institutions on topics related to its business activities, builds strategic alliances with other players to support the environmental transition, and initiates data exchange platforms and shared standards, such as the OECD principles for water governance. SUEZ maintains regular dialog with public institutions at the local, national, European and international levels. As part of its lobbying activities, the Group regularly communicates with French, European and international institutions, in particular through position statements, direct contact and participation in professional bodies, think tanks and events. The main issues addressed include such general-interest subjects as combating climate change, the efficient management of natural resources, and sustainable production and consumption. They also deal with subjects that have a more direct link to the day-to-day activities of the Group, such as management procedures and public procurement, legislation related to recycling and to waste recovery, and drinking water and wastewater treatment.



The Group is registered as an official lobbyist with European institutions. It publishes the following information each year on the European Commission's website: the Group's centers of interest, its membership of associations linked with the European Union, the amounts and sources of finances received from institutions of the European Union, and the costs of activities for representing interests to European institutions (personnel and travel costs, memberships in professional associations, and external consultants). Furthermore, in France, in accordance with the Sapin 2 law of December 9, 2016, the Group has been registered with the French High Authority for Transparency in Public Life (HATVP).

Since 2018, SUEZ has created an Annual Report of all its activities in representing interests to public institutions and of the related costs. A portion of the expenses related to these activities comes from SUEZ's memberships in associations and national federations. As a result, for 2020, the Group declared around 20 actions for representation of interests and between EUR 800,000 and EUR 900,000 in expenditure for representation of interests to the European Union. Lastly, the Group applies a charter on Ethical and Responsible Lobbying, in line with its Ethics Charter. This Charter, which contains nine sections and commitments for each employee or consultant involved in lobbying activities on the Group's behalf, is implemented as part of the Ethics Program described in section 3.2.4.

5.9.2.7 Promotion of human rights and duty of vigilance

5.9.2.7.1 DESCRIPTION OF THE CHALLENGES

Because it manages community assets in sometimes tense political and economic situations, relying on more than 125,000 suppliers worldwide, SUEZ is regularly confronted with situations that put human rights at stake. As a large company that operates around the world, SUEZ is vigilant about respecting human rights, through its employees and its business partners. In accordance with Law 2017-399 of March 27, 2017 relating to the duty of vigilance of parent companies and contractors, SUEZ identifies and prevents risks of serious harm to human rights and fundamental freedoms, as well as to the environment, health and safety. In addition to its vigilance measures, SUEZ promotes human rights, especially professional equality and diversity, and plays a leading role in effectively implementing rights to water on behalf of its customers as well as through its sponsorship efforts (see above, section 5.9.2.6.2).

5.9.2.7.2 POLICIES AND ACTION PLANS

Promotion of human rights

Having been committed for many years to human rights and respect of human dignity, SUEZ explicitly incorporates this challenge in its 2017-2021 Sustainable Development Roadmap. The Group implements its Human Rights policy under the leadership of a dedicated internal committee. It is based on international standards, and in particular:

- the Universal Declaration of Human Rights and additional pacts;
- the International Labour Organization (ILO) conventions;
- the Charter of Fundamental Rights of the European Union;
- the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational companies;
- the United Nations Convention against Corruption.

SUEZ employees are asked to consider the impact of their actions and decisions on any person, to ensure that the integrity or dignity of said person is not compromised by a Group entity or one of its employees. All new employees sign the Ethics Charter and employees explain their contribution to ethics during their annual performance review. In this respect, all SUEZ employees must ensure that their words and actions are non-discriminatory, particularly in terms of age, gender, ethnic, social or cultural origin, religion, political or union affiliation, lifestyle choices, physical characteristics or disability.

Based on the United Nations Guiding Principles on Business and Human Rights, SUEZ's human rights approach is fully incorporated into its compliance management and ethical procedures (see section 3.2.4). An assessment of the negative impacts on human rights that may be linked to the Group's activities was conducted in 2018 at the Group level and throughout the Group, but also more specifically in Great Britain, Australia, Morocco and Chile.

Identified in the first instance thanks to the development of an overall matrix of potential impacts linking the specific rights in question with the type of activity, the type of stakeholder affected and the level in the relevant supply chain, the impacts assessed cover both rights related to compliance with working conditions (non-discrimination, promotion of diversity, health and safety, social dialog) and ILO conventions (forced and illegal labor, child labor, etc.) as well as more specific issues, such as:

- the right to water and wastewater treatment: SUEZ has promoted the right to have access to water and wastewater treatment and has developed specific expertise to accomplish this in several parts of the world (see section 5.9.2.6.2). Accordingly, SUEZ pays close attention to the most vulnerable people, especially in accordance with OECD principles on water governance;
- the protection of personal data: launched at the end of 2016, SUEZ's compliance program for the new European Regulation 2016/679 pertaining to the protection of personal data that entered into force on May 25, 2018 (GDPR) fully meets the Group's commitments, especially those included in its Roadmap and concerning respect for human rights and adopting higher standards of protection, particularly regarding the handling of employees' and end customers' personal data (see section 3.2.3).

An action plan aiming to strengthen the existing measures to mitigate and prevent the risk of human rights infringements that could occur in connection with the Group's activities and supply chain was implemented in 2018. It is based on two pillars:

- informing and training staff in best practices to adopt in the event of a risk of human rights violation. For instance: factsheets providing information on the main points of vigilance to observe concerning human rights in certain countries are sent to the managers of teams operating in these countries, and awareness-raising and training materials are available for all Group managers;
- strengthening of qualification, control and support processes for suppliers and subcontractors based on supplier-specific risk mapping by the Procurement Department, which coordinates relations and negotiations with the Group's strategic suppliers and which specifically ensures that they undertake to respect the principles of sustainable development and human rights and to comply with SUEZ's ethical rules. The ethics and sustainable development clauses are specified in SUEZ's General Conditions of Purchase and standard contracts. In 2020, 57% of the Group's supplier contracts include a CSR clause (56% in 2019).

In accordance with Law 2017-399 relating to the duty of vigilance of parent companies and contractors, SUEZ's Vigilance plan contains:

- a mapping of the risks identified, analyzed and prioritized and the methodology used;
- the procedures for regularly evaluating these risks;
- the actions taken by the Group to prevent and mitigate these risks;
- the alert and report collection mechanism for the existence or development of risks;
- the arrangements for steering and monitoring the plan and the measures implemented.

The General Secretary and Group Sustainable Development Department are responsible for co-managing this "Human rights policy", and in particular:

- developing and regularly updating a global map of potential negative impacts and notifying other Group players at all levels of any risk or challenge related to their activities;
- ensuring the operational implementation is followed up on and giving a report on the application of this Policy;
- ensuring people both inside and outside the Group are aware of it.

At the operations level, Risk Officers are responsible for reviewing the mapping of local impacts on an annual basis. It is each identified risk owner's responsibility to ensure the Policy is applied correctly.

SUEZ's Vigilance plan covers the entire Group. Published for the first time in the 2017 Reference Document, SUEZ's Vigilance plan combines key information on risks and mitigation procedures by adopting the point of view of third parties, beyond the major corporate risks described in chapter 3 of the Universal Registration Document. The plan also represents a continuous improvement process within the Group and with its partners. Starting in 2020, it was made into its own dedicated document to make it easier for stakeholders to read and access. It is available at the following web address: https://www.suez.com/en/who-we-are/a-committed-group/ethics-and-vigilance. In line with the United Nations Guiding Principles on Business and Human Rights, this plan introduces:

- the characteristics and organization of SUEZ in performing its duty of vigilance;
- how to assess and map the risks of serious harm to human rights and fundamental freedoms, to personal health and safety and to the environment;
- the main actions to take to mitigate and prevent risks;
- the monitoring indicators and results of the Vigilance plan.

A summary of its implementation over the year ended is published below, in accordance with French law.

SUEZ's Human Rights policy and Vigilance plan have been discussed with external stakeholders as well as staff representatives within the European Works Council.

SUEZ participates in voluntary initiatives and working groups such as the Global Compact on Human Rights, and is a part of the Entreprises pour les Droits de l'Homme (EDH – Businesses for Human Rights) association. These discussions between peers support SUEZ's continuous improvement approach. In line with best practices, these discussions are shared using advanced educational tools.

Implementation of the Vigilance plan in 2020

Communication

In order to incorporate the progress made from implementing the plan developed in 2018, in 2020, SUEZ updated its Vigilance plan and now offers the plan in a separate document[1] to make it easier for stakeholders to access and read the plan. This document includes all the policies and indicators used to measure actions to reduce or prevent risks of serious harm to human rights, the environment, and Health and Safety throughout the entire value chain. A diagram published in the 2020 Integrated Report (page 42) also offers an insightful visual of environmental risks and prevention and mitigation measures put in place at wastewater treatment plants managed by SUEZ.

Managing the Covid crisis

In a particularly difficult business environment in 2020 (service continuity obligation, management of hospital waste, monitoring of the virus in water), SUEZ made protecting its employees during the Covid crisis a priority. The Group rolled out measures and coordinated the Health and Safety, HR and Operations areas like never before (see section 15.1.5). As an essential services operator, SUEZ has managed the Covid crisis with a twofold objective: protect employees and ensure continuity of water and waste public services. SUEZ's approach has been to constantly anticipate needs and implement very protective measures for employees.

The Group has paid close attention to managing masks by setting up a global dedicated taskforce: a genuine collaborative multi-country effort took place within the Group to make masks available to everyone everywhere quickly and transparently.

The massive working-from-home roll-out was very well supported with accelerated training in digital tools, recommendations on workstation ergonomics as well as enhanced internal and management communications. The Group expanded coverage for its counseling hotline, which already operated in 80% of countries. The 2,500 employees on the ground most vulnerable to Covid-19 risks were protected and exempted from work. Health and Safety messages were increased for teams on the ground to avoid additional accidents, which worked.

Regarding financial support, the Group decided to supplement government assistance to maintain 100% of employees' salaries impacted by temporary layoffs, and to pay additional bonuses to the most financially vulnerable, one in June and one in December. In countries without temporary layoffs, the Group rolled out measures to maintain salaries. Additionally, the Group took measures to financially support families of employees who died of Covid-19 in the countries where no insurance and benefit plans exist.

Flu vaccine campaigns were deployed in all of the countries where SUEZ operates during the Covid crisis. Facilitated access to antigen tests, PCR tests and serological tests was organized by public health experts on a voluntary basis, while respecting confidentiality.

With regard to customers and users, SUEZ worked hard to make sure that water bills would not be a problem people had to deal with during the crisis: automatic meter reading as in Algiers or the waiving of payment fees for remote invoices, as in Senegal, limited exposure for employees and customers. Payment facilities were also set up. SUEZ also showed solidarity with local communities and authorities, particularly by distributing masks. For example, SUEZ offered 12,500 surgical masks to PIMMS (Point Information Médiation Multi-Services), one of the Group's partners in France: the mediators are equipped to welcome users in compliance with public health rules. These masks will also be given to users without a mask visiting partner PIMMS locations.

Feedback was collected after the first phase of the crisis, led by the Audit Department in June – July, and a survey was conducted with employees. Nearly 80% were satisfied with SUEZ's support during the crisis and very few (6%) submitted a negative opinion. From this experience, 143 lessons have been extrapolated from the feedback and incorporated into an action plan covering HR, logistics and procurement, IT, reporting and organizational topics. The Group launched a "Crisis process owner" network on October 15, 2020 to increase each country's preparedness for all types of crisis scenarios, with more consistent processes and regularly trained teams. The Group's continuity plan model was updated to take into account the Covid feedback received. We shared our Covid predictions and best practices with our customers to help them anticipate as well, through two Webinars hosted in April by the Agro-Paris Tech Chair with 36 countries in two languages.

Research work was conducted on assessing and managing risks related to Sars-CoV-2 in wastewater and sewage sludge, and to dust, particles and bioaerosols (bacterial endotoxins, molds, and mycotoxins) in waste management operations. The results were assessed at conferences and by publications in peer-reviewed international scientific journals (*Waste Management, Détritus Journal, International Journal of Hygiene and Environmental Health, etc.)* to share with the entire profession and the scientific community.

(1) Available at the following web address: https://www.suez.com/en/who-we-are/a-committed-group/ethics-and-vigilance.

Health & Safety and industrial risks

The improvement noted in recent years in the Health and Safety key indicators has continued in terms of frequency, with the Frequency Rate (FR) decreasing by 13%. The Severity Rate was impacted by Covid-19 in 2020 (both regarding total qualifying hours to compensate for prior days of sick leave and medical follow-up of sick leave, and the ability to manage specially prepared workstations during the pandemic), coming to 0.41. SUEZ Group ranks among the highest performing companies in its business sector in terms of Health and Safety according to benchmarks. At the end of 2019, ANSES for instance, published a report indicating 59 work-related accidents per 1,000 people in the waste industry and 33.8 accidents per 1,000 people, all sectors combined. At SUEZ France, in 2020, it was 22 accidents per 1,000 employees. The number of job-related deaths among all people working for the Group (employees, temporary workers, interns and part-time learning students) was three in 2020: one employee in Poland in a car accident caused by a third party, and two municipal waste collection employees who fell off their truck (one in Poland and one in the Czech Republic). An employee of a subcontractor also died at a worksite in Senegal during a lifting operation.

In 2020, the Group's audit schedule was impacted due to Covid-related travel restrictions. Two Health and Safety audits of the central team were conducted on the ground in 2020, *versus* eleven conducted in 2019. However, all entities that were scheduled for an audit in 2020 (six additional entities) conducted a self-assessment with respect to the Group's criteria and shared it with the central team, which will be used for the on-the-ground audit postponed until 2021.

Health and Safety training is a priority and accounted for 43% of training hours in the Group in 2020. Despite the public health crisis, the Group trained almost 500 people through a digital course on human and organizational risk factors launched in 2019. Additionally, the "Health and Safety Leadership" face-to-face training program that is mandatory for all operations managers was adapted to virtual format. In order to make a bigger impact with Safety training, the Group decided to roll out virtual reality training to the entire Group. Four modules covering various at-risk situations are already available in the SUEZ catalog, and one training program for local trainers has been set up. Starting in early 2021, 70 headsets will be rolled out throughout the Group to help with organizing this training. Four new Virtual Reality training modules on Health and Safety will be added in 2021. In 2020, a "Health and Safety onboarding" movie to promote SUEZ's Health and Safety values and expectations was designed with an employee version, a visitor version and a subcontractor version. The mass-scale roll out is scheduled throughout 2021 at every industrial site and also at employee integration.

The Group increased engagement by management in all Business Units by substantially increasing site visits and sharing best practices. For the most part, these site visits continued even during the pandemic, with certain managers performing some of their visits remotely using digital technology. In addition to closely monitoring how the Covid crisis was being managed, concrete actions such as road-related risk and risk related to additional equipment wanted for waste collection or risk related to managing psychosocial risks were specifically discussed with labor relations partners.

In 2020, feedbacks from all processes rolled out in Europe were collected to choose the best sensors to improve detection and visibility in gray areas, and to define equipment instructions for the entire fleet over three years. The instructions were provided in October and the equipment accounts for a budget of nearly EUR 7 million. As part of our increased work on road-related risk, a first entity (Middle East) certified its business under ISO 39001 (for road traffic safety management) in 2019, and a second one (R&R Morocco) obtained it in July 2020.

In 2019, in line with the Group's Vigilance plan, the Group made significant efforts mapping subcontractors to assess the most at-risk subcontractors according to country and business, and prioritizing our actions. In 2020, a coordinated action with the procurement and Health and Safety Departments has been encouraged to meet the strategic subcontractors in the various sectors. Regular meetings take place so we can all improve.

In 2020, after an accident involving a compressed gas cylinder caused an explosion and fatality in India in 2019, the Group developed and shared a new standard on how to manage compressed gas (procurement, transportation, handling, storage, etc.). The subsidiaries performed a supplier quality assessment and launched a self-assessment to verify compliance with the standard in preparation for rolling out corrective actions in 2021.

The frequency rate for subcontractors in the construction and infrastructure business, a sector identified as particularly at risk, especially at our worksites abroad (Sri Lanka, Bangladesh, Africa, etc.) was 2.96 in 2019 and 2.50 in 2020.

Cybersecurity

The Group approved and deployed its 2020-2022 Cybersecurity Roadmap by:

- launching an awareness raising program, which includes deploying a phishing simulation platform and organizing a regular phishing campaign at the business unit and Group level, disseminating Cybersecurity awareness-raising videos for all employees, launching an e-learning module and broadcasting Cybersecurity videos at all industrial sites;
- deploying a unified Group Cybersecurity solution to protect against advanced attacks on more than 55,000 workstations and servers (new generation anti-virus solution with Endpoint Detection & Response technology);
- deploying a firewall rule audit solution to ensure compliance;
- deploying a Cloud proxy solution to protect employees, including those working remotely;
- selecting and deploying a Cybersecurity Solution designed to cover all the Group's security events;
- consulting and entering into contracts to prepare to deploy a "Security Operations Center" at the Group level covering all entities (global SoC).

A new crisis exercise was conducted in 2020 at the Group level, following the exercises from 2018 and 2019.

Climate vigilance and service continuity

Aware of risks posed by climate challenges (see section 3.1.2), SUEZ has joined an initiative to bring the Group within the 1.5° target (a detailed action plan will be presented to the Science Based Targets Initiative by summer 2021), and strives to help customers improve their resilience to the effects of climate change as well as predict the possible impacts on their own facilities (see section 5.9.2.4.2). These consequences can, in particular, exacerbate conflicts surrounding the use of water resources and jeopardize the effectiveness of the human right to water. After major incidents took place, notably in Chile in 2019, as well as in France, Australia, and Morocco in 2020, SUEZ is bolstering its monitoring of physical risks associated with climate change and adjusting its performance plans accordingly, especially in the countries most exposed to this risk (Chile, Spain, Morocco, and Australia). To better predict the long-term consequences of climate change on its business activities, in 2019, the Group's Chilean subsidiary, Aguas Andinas launched an over USD 500 million investment plan aiming to ensure service continuity. This ten-year plan includes building new infrastructure as well as construction to improve drinking water supply networks to strengthen digital management. These efforts will enable Aguas Andinas to reduce its exposure to turbidity and drought risk and guarantee residents have access to drinking water in Santiago.

When a contract does not allow for boosting investments needed to adapt services and infrastructure to climate change, SUEZ offers customers solutions with a duty to alert and offers a consulting role, in accordance with its 2017-2021 Roadmap. The feedback and work on continuity plans carried out in 2020 at headquarters and in the subsidiaries as part of the Covid crisis (see above), contribute more largely to preventing risks that affect service continuity, including physical risks related to climate change. Monitoring physical risks (and service continuity) linked to climate change is a major focus area in the annual Sustainable Development contract implemented in 2021 with the subsidiaries.

Other noteworthy actions at the level of subsidiaries

Like every year, SUEZ UK reviewed its action plan to combat modern slavery. This plan was approved by the subsidiary's Management Committee on June 1, 2020. The subsidiary prioritized training: the Management Committee was trained by the association "Slave Free Alliance" in 2019. Covid-19 slowed the initiative considerably in 2020: training courses targeting sites and high-risk positions will continue in 2021. Elsewhere, as in Australia and Morocco, labor audits scheduled at certain suppliers and subcontractors were not able to be performed and were rescheduled for 2021.

5.9.2.8 Protection of Health and Safety for all

All of the challenges, policies and action plans summarized below are detailed in section 15.1.5 "Health and Safety – Quality of life in the workplace" of this Universal Registration Document, as well as in the section entitled "Implementation of the Vigilance plan in 2020" in section 5.9.2.7 above.

5.9.2.8.1 DESCRIPTION OF THE CHALLENGES

SUEZ is committed to preserving the Health and Safety of its employees, subcontractors, customers and all those it works alongside. This commitment took on special relevance in 2020, where business continuity plans set up as part of the Covid crisis had a dual goal of ensuring essential water and waste service continuity and guaranteeing employee safety against risks caused by the pandemic. In order to achieve this, the Group enhanced the Health and Safety policy commitments in its SUEZ 2030 strategic plan. This policy aims to meet the "Zero serious and fatal accidents" goal, create a fair and inclusive Health & Safety culture and inspire employees to care more about everyone's well-being, based on three areas of work:

- control the major risks to protect health and life;
- make Health and Safety a key factor in decision-making;
- commit to Health and Safety individually and collectively.

5.9.2.8.2 POLICIES AND ACTION PLANS

The Group's Health and Safety action plan is prepared by the Health and Safety Department and its network, discussed in the Performance Management Committee and in the Health and Safety and Human Resources Steering Committees, then presented to the Board of Directors' CSR, Innovation, Ethics, Water and Sustainable Planet Committee. It is then distributed to all the Group's operational subsidiaries *via* an annual Health and Safety Contract.

This Health and Safety objectives contract is established with the management of each subsidiary at the beginning of the year and is signed with the Group Health and Safety Department. Points of contact in the corporate Health and Safety team follow through on this contract throughout the year, then at the end of the year, they perform an in-depth review to ensure actions have been implemented and targets achieved. An assessment of its results is included in the Group's entities' scorecards, which significantly impact the variable portion of all Top Executives' compensation.

A sweeping management training and mobilization plan has been rolled out over the past three years, which has made management more committed and motivated. Of particular note is the sharp increase in the chain of command's involvement in risk prevention by conducting regular Health and Safety Management visits at all sites, following up on corrective actions identified, sharing HIPOs (High Potential Incident) and monitoring proactive indicators. Conducting these Health and Safety Management visits falls in line with the Group's Fair Culture mindset (recognizing best practices, reporting deviations and following up on corrective actions).

Social partners are heavily involved and have been driving forces in the Health and Safety area, be they in the field at subsidiaries, in local works councils, or within the Group's bodies (France Group Committee and European Works Council). In 2020, in addition to discussions on the H&S Roadmap, results, fatal accidents and best practices, the Working Group of the European Works Council dedicated to Health and Safety helped roll out Covid measures then the crisis management feedback process. In addition, concrete actions such as actions to prevent road-related risks, provide additional equipment wanted for waste collection, and manage psychosocial risks were specifically discussed.

As an essential services operator, SUEZ managed the Covid crisis in 2020 with a dual objective: protect employees and ensure continuity of water and waste public services.

In all the countries where the Group operates, operations never stopped, even during the first lockdown. Business Continuity Plans (BCP) were rolled out to maintain only those tasks and personnel critical for services, by setting up rotas. To work safely, new risk analyses of business activities and workstations were made followed by the adaptation of working methods and enhancement of Personal Protective Equipment. At the same time, the Group rolled out mass working-from-home measures with thorough support.

In terms of managing major risks, and with the "Zero serious and fatal accidents" ambition, since 2016, the Group has developed a new targeted approach by type of risk. The work began with pedestrian-vehicle collision risk at all Group sites around the world. The first action was to identify, indicate and organize access to "Restricted Access Areas" (ZARs) on our sites. These ZARs are areas on the sites that have a proven higher risk for pedestrians due to a constant or near-constant presence of moving vehicles.

Since 2018, in addition to the rollout of the ZAR system, all subsidiaries in the R&R activity have focused on the risk of pedestrian-vehicle collisions outside the sites, subsidiaries in the water sector on working at heights and both businesses on the issue of lockouts/shut-offs (for electrical, mechanical, pneumatic and hydraulic systems, etc.). In addition, the attention paid to the quality of trench shoring remains a major concern with regard to the subcontractors, especially in countries where local on-the-job safety requirements are not as stringent as the Group's rules. On water treatment sites, we will continue to rigorously monitor the gaseous chlorine risk to employees and persons living in the vicinity of our plants. Lastly, after a fatal accident in India in 2019, in 2020, the Group established and disseminated a new standard on managing compressed gas recipients.

Serious accidents remain primarily collisions between collection trucks and pedestrians (third parties). Managing this collision risk remained the priority in 2020 with a focus on human and organizational factors in collection activities, road safety training for drivers and avoiding fatal accidents, and improving personal protective equipment for waste collection employees.

Safety management systems are integrated into the business units' overall management systems as part of their gradual process to get ISO 45001 certified.

In terms of results, the work accident frequency rate for SUEZ Water activities came to 3.54 in 2020 (vs. 4.14 in 2019), and for waste activities it came to 9.19 (vs.10.27 in 2019). The severity rate for SUEZ's water activities stood at 0.17 in 2020 (vs. 0.19 in 2019), and for waste activities, it came to 0.69 (vs 0.62 in 2019).

5.9.2.9 Fighting corruption

All of the challenges, policies and action plans summarized below are detailed in section 3.2.4. – Ethics Program in this Universal Registration Document.

5.9.2.9.1 DESCRIPTION OF THE CHALLENGES

SUEZ has made ethics an indispensable element of its overall performance improvement. Adherence to these values is essential in all the Group's activities, both in internal relationships within the Company and in its relationships with clients, partners, suppliers and all external stakeholders. Ethics and integrity are therefore an integral part of SUEZ's values, as affirmed under the SUEZ 2030 plan.

The Group applies a zero-tolerance principle, which is listed in its Ethics Guide for business relationships, for any act that could be interpreted as attempted active or passive corruption in its sales relationships. These acts are prohibited in all relationships with customers and technical consultants as well as with competitors, partners, suppliers and subcontractors.

5.9.2.9.2 POLICIES AND ACTION PLANS

As part of the Ethics Program set up by the Group described in section 3.2.4 of the Universal Registration Document, specific anti-corruption rules are set forth in the Ethics Guide for business relationships, which was updated in 2020, which can be consulted by all employees and is available on the Group website.

Furthermore, procedures to manage ethical risks, particularly corruption risk, have been defined and verification measures are in place:

- a specific procedure for finalizing contracts with commercial or institutional consultants. This defines the due diligence measures to be undertaken prior to finalizing these contracts and the prior approval mechanisms;
- due diligence measures are implemented in the selection of co-investors, co-contractors and subcontractors;
- a procedure for patronage and sponsorship initiatives defines the principles applicable in this area and the mechanisms for prior validation;
- an Ethical and Responsible Lobbying Charter has been drawn up to serve as a reference for employees who are required to represent the Group's interests.

In line with the requirements of the Sapin 2 law, a corruption risk mapping was drafted in 2017. In 2019, this mapping was updated again. It was validated by the Group's Executive Committee and then presented to the Board of Directors' CSR, Innovation, Ethics, Water, and Sustainable Planet Committee.

Under the responsibility of the Group's Ethics Officer and its network of Ethics Officers (23 Ethics Officers in "first-tier" entities and 94 people including local Ethics Officers), in-class training and e-learning modules are rolled out on a regular basis, in order to strengthen ethical risk prevention, in particular through good knowledge of anti-corruption and competition rules. This rollout is based on training programs defined upstream, with priority given to training the groups most exposed to risks.

As a result, during 2020, approximately 17,000 employees were trained in ethical issues and 15,000 of them were specifically trained in anti-corruption rules (mainly populations identified as being at risk of exposure). The goal is to ensure all employees in this category are trained every two years.

In 2020, the Group also reviewed due diligence procedures applicable to business partners, to mergers and acquisitions, as well as to the Group's subcontractors.

SUEZ's Ethics and Anti-corruption Program is also integrated into the Group's internal control program.

Lydec, the Group's Moroccan subsidiary, received its ISO 37001 certification in 2019, relating to the fight against corruption. This certification had already been received by Aguas Andinas, the Chilean subsidiary of the Group, certified in 2017, and the Italian subsidiary Trattamento Acque, certified in 2018.

5.9.3 Key performance indicators associated with the main challenges identified as part of the Non-Financial Performance Statement

5.9.3.1 Environmental challenges

	Municipal and industrial customers			Employees			Regions			Consumers			Environmental health		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Optimized water and waste management															
Waste recovered *(%)*[a]	53.8	50	46.5												
Recycled plastic production *(metric tons)*	525,000	400,950	397,119												
Bottom ash recovered *(%)*	77.54	67.1	83.9												
Technical performance from drinking water distribution (XXX)										79.7	79.8	78.3			
Energy produced/energy consumption ratio (primary and secondary sources) from activities *(%)*													9.5	9.7	10.9
Making the water supply safer															
Wastewater reused *(%)*	22.8	25.4	23.5												
Fighting climate change															
Emissions avoided by SUEZ customers (KteqCO_2)[b]	10,009	10,218	9,470												
Production of renewable energy *(GWh)* – (XXX)							7,603	8,668	7,189						
Direct GHG emissions (KteqCO_2)[b] – (XXX)													6,789	6,682	6,385
Indirect GHG emissions (KteqCO_2)[b] – (XXX)													2,479	2,787	2,857
Consumption of primary and secondary energy *(MWh)*													15,199,224	17,286,513	13,683,796
Protection of biodiversity and eco-systems															
Percentage of priority sites with a biodiversity action plan deployed *(%)*													34.1	39.8	39.9

(XXX) Indicator verified with reasonable assurance (see sections 5.9.2, 5.9.3. and chapter 15.2.).

(a) Formula used to calculate the indicator: quantity of waste recovered (in the form of matter or energy, excluding inert waste and biogas recovery on landfills)/sum of waste recovered and disposed waste.

(b) Since fiscal year 2017, the calculation of greenhouse gas emissions has been based on the recommendations of the 5th IPCC's report, including a Global Warming Potential equal to 28 for methane. The Group's carbon profile was calculated in 2019 and 2020 taking into account a methodological adjustment consistent with the Group's activities: taking into account the "combustion" emission factor alone in the greenhouse gas emissions produced and avoided related to energy consumption, with upstream and downstream parts falling under Scope 3. Emissions related to subcontractors' activities integrated into the value chain of SUEZ activities (e.g. waste collection and transport) are also included in this indicator.

5.9.3.2 Social and societal challenges

	Municipal and Industrial Customers			Employees			Regions			Consumers			Environmental health		
	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020	2018	2019	2020
Social and societal contribution of the Group's activity															
% of women in management – (XXX)				27.6	28.2	28.9									
% of employees covered under a social dialog system				86.7	85.5	86.6									
Promotion of human rights and duty of vigilance															
% of supplier contracts that include CSR clauses							55 [a]	56	57						
Protection of Health and Safety for all															
Number of fatal accidents involving employees – (XXX)				4	2	3									
Frequency rate of workplace accidents – water – (XXX)				4.53	4.14	3.54									
Frequency rate of workplace accidents – waste – (XXX)				12.38	10.27	9.19									
Fighting corruption															
Number of employees trained in anti-corruption rules [b]				3,300	5,000	15,000									

(XXX) Indicator verified with reasonable assurance (see sections 5.9.2, 5.9.3. and chapter 15.2.).

(a) Excluding WTS.
(b) The indicator "Trained employees" is verified with reasonable assurance.

5.9.4 Annual reporting methodology

5.9.4.1 General principles

In order to control the rollout of its sustainable development commitments, manage related risks and encourage communication with stakeholders, SUEZ developed a specific reporting system for these areas in 2003. This system was developed on the basis of recommendations arising from the work performed at international discussion bodies like the Global Reporting Initiative (GRI) or the World Business Council for Sustainable Development (WBCSD). It covers all information required, including publication in the Management Report required by Article 225 of the Grenelle II Law and by Decrees dated April 24, 2012 and August 19, 2016 as well as by Ordinance 2017-1280 of July 19, 2017 and Decree 2017-1265 of August 9, 2017.

Through its subsidiaries, SUEZ conducts very different types of business in the water and waste industries and has many different types of contracts, as shown by the wide variety of operational methods implemented at several thousand sites across the world. This wide array of situations in addition to constant change in the Group's operational scope make it particularly difficult to harmonize the definitions of relevant indicators as well as to calculate and collect statistical data. As a result, SUEZ is continuing its efforts to have data audited by third parties, a key to increased reliability. The aim is to make the non-financial reporting process an increasingly effective guidance tool for supporting the goals of the Group's Sustainable Development and Corporate Social Responsibility Roadmap, as well as a tool used in dialog regarding the ongoing improvement of its overall performance.

5.9.4.2 External audits and verifications

Until 2017, external audit work entrusted by the Group to an independent third-party organization fell under the obligations of Article 225 of the Grenelle II Law, enabling it to obtain:

- a declaration stating that all information required by Article R. 225-102-1 of the French Commercial Code and Decrees dated April 24, 2012 and August 19, 2016 was contained in the Management Report and the Reference Document;
- a reasoned opinion on the fairness of the information published in the Management Report and the Reference Document, with a limited assurance conclusion that the information is presented fairly in all material aspects.

Since the 2018 fiscal year, the work that the Group requested a third party to perform now falls under the new obligations under Ordinance 2017-1280 of July 19, 2017 and Decree 2017-1265 of August 9, 2017, which translates into French law European Directive 2014/95/EU pertaining to the publication of non-financial information, namely producing a reasoned opinion on the statement of non-financial information expressing a limited assurance conclusion on:

- the statement complying with the provisions set forth in Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with paragraph 3 of Article R. 225-105-I and II of the French Commercial Code, namely actions and results of policies, including key performance indicators related to the main challenges identified.

However, for the sake of maintaining continuity with previous years, this assignment has been expanded to producing a limited reasoned opinion on all the environmental and social indicators published during previous years and in the Management Report and Universal Registration Document under the previous obligations of Article 225 of the Grenelle II Law, and which remain published for 2019 in chapters 5.9 and 15.2.

In addition, beyond these regulatory obligations and to maintain continuity with previous years, the Group also entrusted its Statutory Auditors with specialized services for 2020:

- an assignment to verify four calculated environmental indicators based on 99 primary environmental indicators with reasonable assurance;
- an assignment to verify 9 calculated social indicators based on 15 primary social indicators with reasonable assurance.

The indicators verified with reasonable assurance are indicated by special characters (XXX) in sections 5.9.2, 5.9.3 and chapter 15.2.

5.9.4.3 Methodological aspects of the environmental report

SCOPE

The figures published in the Universal Registration Document relate exclusively to fully consolidated companies whose operations are controlled by SUEZ. When a company becomes fully consolidated, 100% of its environmental data is incorporated, irrespective of the percentage held by the Group in its capital. The scope of consolidation is set on June 30 of each year. For disposals occurring after that date, the entity is expected to fill in the environmental questionnaire with the data available up until the date of disposal. Acquisitions completed after June 30 are not taken into account. Legal entities included within the scope of environmental reporting are those whose activity is relevant in terms of environmental impact (therefore excluding financial, construction and engineering activities). Only entities that have industrial operations and on which SUEZ has a determining technical and operational influence are included within the scope of reporting. Comparisons between reporting periods are made on a like-for-like basis. Scope limitations may be applied to certain published variables. These are indicated in each case.

Waste businesses

Waste management includes collection, sorting and recycling, material, biological or energy recovery, incineration, landfilling (open and closed sites), and the treatment of hazardous waste, including soil remediation.

Water businesses

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

Industrial businesses

The industrial business includes all water production and wastewater treatment business activities for industrial companies, as well as the production of equipment and chemical products.

REPORTING TOOL

Since 2003, SUEZ has been using an online computer-based environmental reporting system. This software facilitates the management and documentation of the environmental reporting scope, the input, control and consolidation of indicators, the publication of reports, and finally, provision of the documentation needed to collect data and monitor the reporting process.

PROCEDURES

For its environmental reporting, SUEZ makes the procedures, tools and supporting documents available online to contributors. Depending on the organization and distribution of current responsibilities, SUEZ's procedures and IT tools are directly deployed through the central management of the Business Units. The process for the reporting and validation of information at lower levels (subsidiaries, regional offices and operational sites) is organized in accordance with internal procedures and checks put in place by each business unit. Internal procedures and IT tools tailored to each local organization are used at these levels.

A Group-wide network of Data Owners formally appointed by each reporting entity is responsible for applying all of the procedures and instructions. The working procedures and instructions at Group level provide a detailed description of the various phases for gathering, checking, consolidating, validating and communicating environmental data to the corporate department responsible for organizing the process. They are supported by technical documents laying down methodological guidelines for calculating certain indicators.

5.9.4.4 Methodological aspects of the Social Report

Methodological aspects of the Social Report are presented in section 15.2.6.

5.9.5 ESG reporting and non-financial ratings

5.9.5.1 Non-financial performance

Strengthened by the increasing importance of Sustainable Development within its strategy, SUEZ has once again consolidated its excellent performance in relation to the expectations of non-financial rating agencies and its presence in the main international ESG rankings.

	2017	2018	2019	2020 [a]
RobecoSAM	82	79	76	78
CDP Climate	A	A	A	A-
CDP Water	-	-	B	A-
CDP Supplier Engagement	-	-	A-	A (Leader)
Sustainalytics – ESG Performance	83/100	83/100	84/100	79/100
Sustainalytics – ESG risks	-	-	20.7	19.2
Ecovadis	Gold	Gold	Gold	Platinum
Vigeo	67	-	71	-
FTSE Russell	4.0	4.1	4.4	4.4
MSCI	-	A	A	A

(a) Results known by the Group as of the date of this report.

5.9.5.2 Non-financial reporting framework

EUROPEAN REGULATIONS

All of chapter 5.9 of the SUEZ Universal Registration Document includes indicators and items required in European Directive 2014/95/EU relating to the publication of non-financial information. Details on risks, challenges and related indicators is available in section 5.9.2 of this report.

In its proactive approach to be engaged with the financial community, on February 23, 2021, the Group communicated the portion of its revenues recognized in the EU green taxonomy for sustainable activities.

Details of this financial reporting is available in the press release published at this occasion as well as in the dedicated methodology report made available on the SUEZ website.

SASB

In 2020, the Group began adopting the SASB (Sustainability Accounting Standards Board) non-financial reporting standard, which takes into account the financial significance of environmental and social challenges specific to each industry. The selection of indicators reported below by SUEZ as well as those available in the SASB note available on the Group's website refer to the 2018-10 version of the "Waste management" and "Water utilities services" standards.

This first exercise is intended to be enriched as SUEZ's information and reporting systems integrate the other required indicators.

SASB Indicator	Code	Category	Unit	2020 Universal Registration Document
Waste Activities				
# of customers per category (Municipal) [a]	IF-WM-000.A	General	Nb:	5.9.1
# of customers per category (Commercial & Industrial) [a]	IF-WM-000.A	General	Nb:	5.9.1
Vehicle fleet [b]	IF-WM-000.B	Environment	Nb:	5.9.2.4
# of sorting, materials recovery or transfer stations	IF-WM-000.C	General	Nb:	5.9.1
# of composting platforms	IF-WM-000.C	General	Nb:	5.9.1
# of incinerators	IF-WM-000.C	General	Nb:	5.9.1
# of landfills	IF-WM-000.C	General	Nb:	5.9.1
Direct GHG emissions from business activities	IF-WM-110a.1	Environment	tCO_2eq	5.9.2.4
SO_x emissions	IF-WM-120a.1	Environment	t	5.9.2.2
NO_x emissions	IF-WM-120a.1	Environment	t	5.9.2.2
% of employees covered under a social dialog system	IF-WM-310a.1	Social	%	5.9.2.6
Frequency rate of workplace accidents [c]	IF-WM-320a.1	Governance	[c]	5.9.2.8
Water activities				
Total water usage	IF-WU-000.B	Environment	Mm^3	5.9.2.2
% of water taken from groundwater	IF-WU-000.B	Environment	%	5.9.2.2
% of water taken from surface water	IF-WU-000.B	Environment	%	5.9.2.2
% of water taken from seawater and saltwater	IF-WU-000.B	Environment	%	5.9.2.2
% of imported water	IF-WU-000.B	Environment	%	5.9.2.2
Energy consumption for business activities [d]	IF-WU-130a.1	Environment	GWh	5.9.2.2
% of energy consumption for business activities from the electrical grid	IF-WU-130a.1	Environment	%	5.9.2.2
Volume of water treated and reused by customers	IF-WU-440a.2	Environment	Mm^3	5.9.2.5

(a) The number of municipal and industrial customers reported here is limited to the number of customers served by the Group's waste collection services.
(b) Vehicles used mainly for waste collection.
(c) SUEZ consolidates its Health and Safety indicators according to applicable definitions in France for French companies. The definition of Frequency Rate is the definition used by the International Labour Organization and equals the number of accidents with sick leave x 1,000,000/number of hours worked. This indicator is equivalent to the TRIR (Total Recordable Incident Rate).
(d) Energy consumption details for other business activities and per source are also available in the same section of the Universal Registration Document. To ensure consistency with all of its non-financial reporting, the Group has kept the data in GWh and not in Gigajoules.

TCFD

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 as well as in the dedicated note made available on the SUEZ's website.

TCFD publication recommendations	2020 Universal Registration Document reference	CDP Climate 2020 reference [a]
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

(a) CDP 2020 questionnaire based on SUEZ 2019 data.

5.9.6 Independent third party's report on consolidated non-financial performance statement presented in the Management Report

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

Year ended December 31, 2020

To the General Assembly,

In our quality as an independent verifier, accredited by the COFRAC under the number n° 3-1681 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the Statutory Auditors of your entity SUEZ, we present our report on the consolidated non-financial statement established for the year ended on the 31 December 2020 (hereafter referred to as the "Statement"), included in the Management Report pursuant to the requirements of Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

The entity's responsibility

The Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement (or which are available on request from the entity's head office).

Independence and quality control

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

Responsibility of the independent third party

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

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

However, it is not our responsibility to comment on the entity's compliance with other applicable legal and regulatory requirements, in particular the French duty of care law and anti-corruption and tax avoidance legislation nor on the compliance of products and services with the applicable regulations.

1 – OPINION ON THE COMPLIANCE AND THE FAIRNESS OF THE STATEMENT

Nature and scope of the work

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

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in Article L. 225 102 1 III of the French Commercial Code as well as information set out in the second paragraph of Article L. 22-10-36 regarding compliance with human rights and anti corruption and tax avoidance legislation;
- we verified that the Statement provides the information required under Article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix 1; concerning certain risks (Promotion of Human Rights and Vigilance plan, Fight against Corruption), our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities,

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

  - for environmental information: SUEZ Water France (EF France Métropole, EF France DOM TOM), SUEZ Water Espagne (WS Rest of Spain, WS Barcelona SGAB), Aguas Andinas, IWS Chemicals (IWS – HWI ROUSSILLON, IWS – HWI PONT DE CLAIX), MOR LF Meknes (GHG only), R&R Australia (GHG only), SUEZ NWS R&R, BEL EfW SLECO (GHG only),
  - for social information: SUEZ Eau France, Agbar (Spain), Aguas Andinas (Chili), SUEZ NWS (Hong Kong), SUEZ El Beida (Morocco), Sita Boughaz (Morocco);
- we verified that the Statement covers the scope of consolidation, i.e. all the consolidated entities in accordance with Article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures the entity has put in place and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix 1, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 8% and 55% of the consolidated data relating to these tests (24% of employees, 29% of energy consumption, 27% of GHG emissions, 55% of supplied water, 12% of the treated waste and 4% of recovered waste);
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities;
- we believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our verification work mobilized the skills of eight people and took place between September 2020 and February 2021 on a total duration of intervention of about twenty weeks.

We conducted about ten interviews with the persons responsible for the preparation of the Statement including in particular the Sustainable Development, Ethics and Compliance, Health and Safety, Social Relations, Performance and Industrial Risks, Learning and Diversity, Purchasing and Legal Departments.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

2 – LIMITED ASSURANCE REPORT ON THE SELECTED INFORMATION

Nature and scope of the work

Concerning the Information Selected by the entity, identified in Appendix 2, we conducted work of the same nature as described in paragraph 1.

The selection of contributing entities covers between 9% and 33% of the social information presented.

We believe that the work carried out is sufficient to provide a basis for our limited assurance on the Selected Information.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the Selected Information, taken together, has not been fairly prepared in compliance with the Criteria.

Paris-La Défense, February 25, 2021

French original signed by:
Independent third party

EY & ASSOCIÉS

Stéphane Pédron
Partner

Alexis Gazzo
Partner, Sustainable Development

Appendix 1: Information considered as the most important

SOCIAL INFORMATION

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
► Share of women in management *(%)* ► Share of employees covered under a social dialog system *(%)* ► Number of fatal accidents involving employees ► Frequency rate of workplace accidents	► Equal treatment (promotion of diversity) ► Social relations (social dialog) ► Health and Safety (prevention actions)

ENVIRONMENTAL INFORMATION

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
► Share of wastewater reused *(%)* ► Emissions avoided by SUEZ customers ► Production of renewable energy ► Direct GHG emissions ► Indirect GHG emissions ► Consumption of primary and secondary energy ► Share of waste recovery *(%)* ► Recycled plastic production ► Share of bottom ash recovered *(%)* ► Technical yield from drinking water distribution networks ► Energy produced/Energy consumption ratio (primary and secondary sources from Water activities)	► Optimized water and waste management (circular economy) ► Making the water supply safer ► Protection of biodiversity and ecosystems ► Fighting climate change

SOCIETAL INFORMATION

Quantitative Information (including key performance indicators)	Qualitative Information (actions or results)
	► Protecting human rights ► Fighting corruption

Appendix 2: Additional selected information verified in moderate insurance

SOCIAL INFORMATION

- Total headcount
- Distribution of the headcount between managers and non- managers
- Proportion of women in total headcount *(%)*
- Turnover rate (resignations and dismissals)
- Voluntary turnover
- Hiring rate (permanent and fixed- term contracts)
- Proportion of employees who benefitted from training *(%)*
- The number of annual training hours per employee
- Severity rate

5.9.7 Reasonable assurance report by the Statutory Auditors on a selection of consolidated information included in the Management Report

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

Year ended December 31, 2020

To the General Assembly,

In our capacity as SUEZ's Statutory Auditors, we hereby report to you our reasonable assurance report on the information selected[1] by the company SUEZ, presented in Annex 1, and identified by the XXX sign in chapters 5.9 and 15 of the Universal Registration Document (hereinafter named "the Information"), for the financial year ended December 31, 2020.

I. COMPANY'S RESPONSIBILITY

The Information was prepared, under the responsibility of the Board of Directors, in accordance with the HR, Health & Safety, and Environment reporting protocols used by the Company (hereinafter the "Criteria"), summarized in chapters 5.9 and 15 of the Universal Registration Document and available on request from the Human Resources Performance Department, the Health and Safety Department, and the Innovation and Industrial Performance Department.

II. INDEPENDENCE AND QUALITY CONTROL

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

III. STATUTORY AUDITORS' RESPONSIBILITY

On the basis of our work, our responsibility is to provide, at the request of the Company, a reasonable assurance as to whether the Information identified by the symbol XXX in Chapters 5.9 and 15 of the Universal Registration Document was prepared, in all material respects, in accordance with the adopted Criteria. Conclusions hereinafter expressed relate to this information only, and not on the whole of the Universal Registration Document's chapters 5.9 and 15.

Nonetheless, it is not our role to give an opinion on the entire Management Report for the year ended on the 31 December 2020 or on the compliance by your company to other applicable legal provisions.

We performed the work described below in accordance with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with the ISAE 3000[2] international norm.

IV. NATURE AND SCOPE OF OUR WORK

- We conducted interviews with the persons responsible for preparing the Information, the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures.
- We assessed the suitability of the Criteria in terms of relevance, completeness, neutrality, clarity and reliability, by taking into consideration, when relevant, the sector's best practices.
- We verified the set-up within the Group of a process to collect, compile, process and check the Information with regard to its completeness and consistency. We familiarized ourselves with the internal control and risk management procedures relating to the compilation of the Information.
- We performed analytical procedures on the information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the Management Report.
- We performed detailed tests, using sampling techniques, on a representative sample of entities[3] that we selected based on their activity, their contribution to consolidated indicators, their localization and a risk analysis, consisting in verifying the calculations made and reconciling the data with supporting documents.

The selected sample thus represents 46% of the total headcount and between 55% and 76% of the quantitative environmental information and 70,2% of the Group direct and indirect greenhouse gas (GHG) emissions.

We believe that the sampling methods and the sample sizes we have used, based on our professional judgement, allow us to express a reasonable assurance on the Information. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

V. CONCLUSION

In our opinion, the Information identified by the XXX symbol was prepared, in all material respects, in accordance with the Criteria.

Courbevoie and Paris-La Défense, February 25, 2021
The Satutory Auditors

MAZARS
Achour Messas

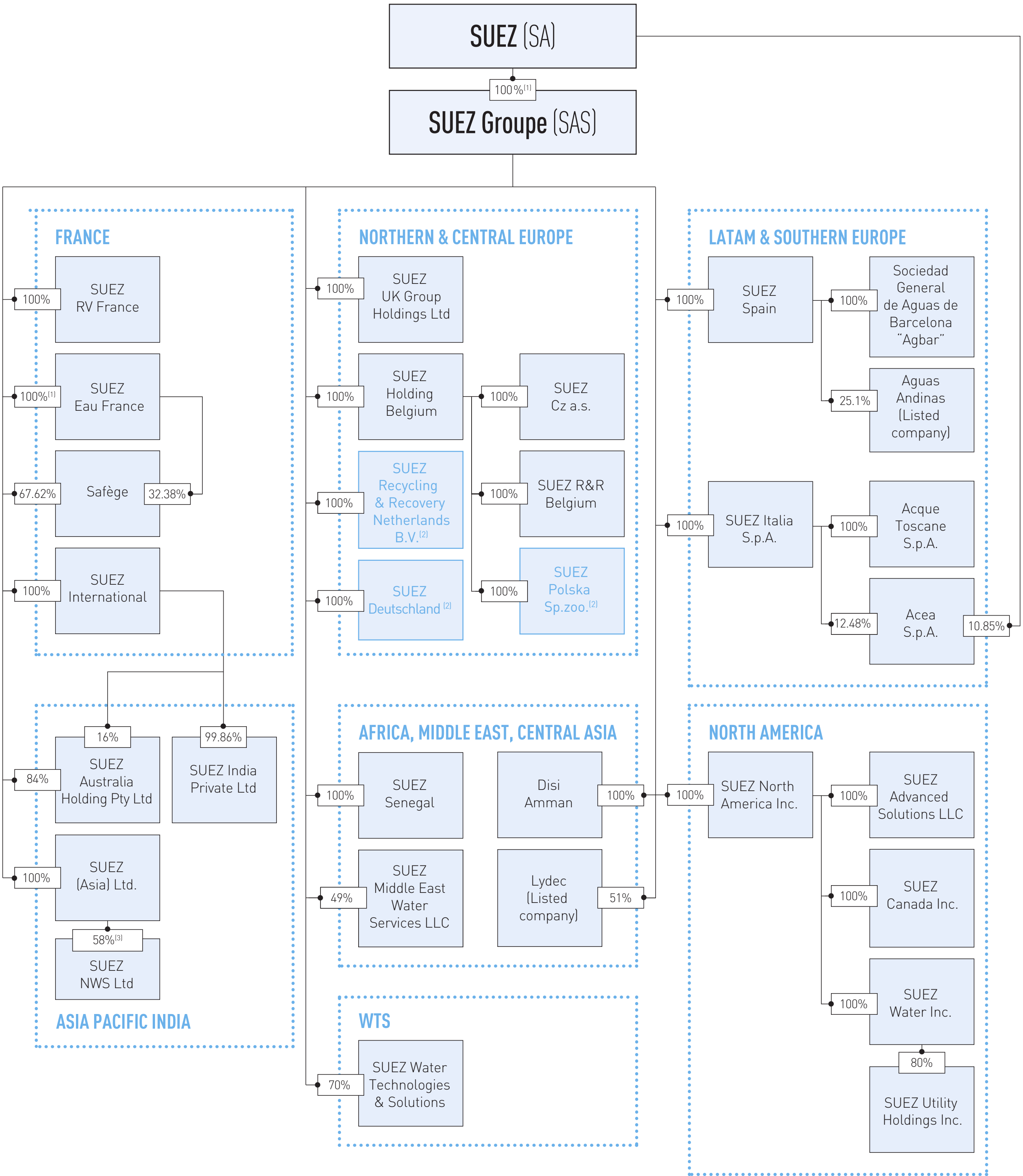
EY & AUTRES
Stéphane Pédron

(1) **HR and societal information:** Total headcount; Distribution of the headcount between managers and non-managers; Proportion of women in total headcount; Proportion of women in management; Voluntary turnover; Frequency rates for accidents with sick leave; Severity rate; Number of fatal accidents (employee scope); Proportion of employees who benefitted from training.
Environmental information: Production of renewable energy and consumption of the Group's Water activities energy ; Production of renewable energy and consumption of the Group's Recycling and Recovery activities energy; Production of renewable energy and consumption of the Group's Industrial activities energy; Direct GHG emissions from processes or equipment belonging to or controlled by SUEZ; Indirect GHG emissions related to the consumption of electricity and heat; Technical yield from the networks of the Group's Water activities.
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.
(3) **HR information:** SUEZ Recycling and Recovery Holdings UK, Sita Waste Services Ltd (Hong Kong), SUEZ RV France (Nord Est et Ile-de-France), SUEZ Eau France, SUEZ Spain, Agbar Chili, SUEZ El Beida, SITA Boughaz, SUEZ North America, SUEZ Water Technologies and Solutions, Lydec SA.
Environmental information: SUEZ Recycling and Recovery Holdings UK, SUEZ NWS Recycling & Recovery (Hong Kong), IWS Chemicals France, R&V Sita Maroc, SUEZ Recycling and Recovery Pty Ltd Australie (uniquement GES), SUEZ RV France, SUEZ Eau France, SUEZ Spain, SUEZ North America, SUEZ LatAm, SUEZ Water Technologies and Solutions, SUEZ Belgium (uniquement GES).

6

Organizational Chart

6.1 Simplified Group organization as of December 31, 2020



(1) One share held by a Dutch Law Foundation.
(2) Sale in process.
(3) Purchase of 42% stake in process.

6.2 Presentation of the Group's main subsidiaries

The presentation of the activities of the Group's main subsidiaries is found in chapter 5 of this document. Note 25 to the Consolidated Financial Statements in chapter 18.1 gives the list of the main Group's companies.

6.3 Relations with subsidiaries

SUEZ is a holding company. As of December 31, 2020, it owns, 100% of the share capital of SUEZ Groupe SAS (one share being held by a foundation under Dutch law) and 10.85% of Acea SpA share capital. It carries the majority of the Group's bond debt (see chapter 8.3 of this Universal Registration Document).

On January 1, 2008, a tax consolidation Group was created in France between the Company and the subsidiaries in which it holds at least 95% of the capital. As a result of this tax Group, SUEZ and each of the tax Group member companies have entered into tax consolidation agreements. Every year, subsidiaries might leave or enter the consolidated SUEZ tax Group. When subsidiaries enter the tax Group, new agreements are concluded between SUEZ and each subsidiary entering the Group.

The Group has established a centralized cash management system for its main French and international subsidiaries, which optimizes net cash positions at the SUEZ Groupe SAS level.

Other cash flows within the Group consist primarily of loans granted by SUEZ Groupe SAS to some of its subsidiaries.

In addition to cash flows related to cash management and financing, SUEZ Groupe SAS receives dividends from its subsidiaries; for fiscal year 2019, these dividends totaled EUR 245.2 million, and were almost fully paid out in 2020.

Moreover, SUEZ Groupe SAS provides different types of services to other subsidiaries of the Group. In 2020, the total amount billed by SUEZ Groupe SAS for these services amounted to EUR 252.2 million.

7 Financial review

7.1 General information

7.1.1 Introduction

In 2020, SUEZ posted an organic **revenue** decrease of -2.6%.

Current operating income decreased by -47.3% and EBITDA decreased organically by -9.9% (see section 7.2.2 for a description of these variations).

Net income Group share totaled -EUR 228 million, down EUR 580 million compared to 2019.

Free cash flow [1] before disposals and development capital expenditure amounted to EUR 910 million, down -16.9% compared to 2019.

Net debt (before application of IFRS 5) amounted to EUR 9,749 million as of December 31, 2020 compared with EUR 10,151 million at December 31, 2019, or a decrease of -4.0% (-EUR 403 million). Net debt accounted for 121.1% of total shareholders' equity at the end of 2020, *versus* 109.3% at the end of 2019. The net debt/EBITDA ratio was 3.5 X at year-end 2020, 0.5 point higher than the level of 3.0 X at the end of 2019.

Net debt related to assets classified as held for sale amounted to EUR 138 million, reducing published net financial debt to EUR 9,611 million.

The table below shows the key figures of the statement of financial position for fiscal years 2020 and 2019:

(in millions of euros)	2020	2019
Non-current assets	21,680.7	24,153.2
Current assets	12,460.5	11,480.9
Assets classified as held for sale	1,443.0	-
Total assets	**35,584.2**	**35,634.1**
Shareholders' equity, Group share	5,406.6	6,408.7
Non-controlling interests	2,642.8	2,824.8
Other liabilities	26,948.4	26,400.6
Liabilities related to assets classified as held for sale	586.4	-
Total liabilities	**35,584.2**	**35,634.1**

(1) The Group uses the free cash flow indicator to measure cash generated from existing operations before development capital expenditure. The reconciliation of cash generated from operations before net financial expenses and income tax to free cash flow is presented in section 7.3.1 of this document.

7.1.2 Significant events in the period

Impacts of the Covid-19 pandemic

The Covid-19 pandemic, which the World Health Organization declared a public health emergency on January 30, 2020, had a significant impact on the economies of the countries where SUEZ operates during the year, and especially during the second quarter. However, it is sometimes impossible to isolate the direct impacts of the pandemic from its indirect consequences on business volumes in certain markets. Consequently, estimates are limited to the costs that can be directly tied to the pandemic.

Essential and vital public service missions have been fulfilled in all regions. The Group has set up the necessary measures to enable all of its teams and subcontractors to work without jeopardizing their safety or their clients' safety.

For the entire Group, lockdown measures reduced tourist activity and related water consumption, caused decreasing of industrial and commercial waste for treatment, temporarily halted infrastructure construction activities and made it impossible for SUEZ teams to access client sites to perform the planned services.

Waste pre-treatment and treatment sites were closed down, certain sites targeted in the Group's 2030 transformation plan before the pandemic will not reopen.

Against a particularly difficult backdrop, SUEZ has strengthened its financial structure by keeping a very large liquidity position with the issuance of EUR 2 billion in long-term debt, equaling all long-term debt maturing by June 2022.

For the main items of consolidated income statement impacted by the economic and public health crisis are presented:

- impacts of the crisis and means put in place to measure these impacts;
- support measures the Group has benefited from.

OPERATIONAL IMPACTS

Revenues

During the year, the Group experienced a significant decline in business, and especially during the second quarter. A major part of this decline, directly related to impacts from the pandemic, is difficult to assess.

Changes by operating segment are as follows:

- Water: -2.9%;
- Recycling & Recovery: -2.7%;
- Environmental Tech & Solutions: -2.8%.

Operating expenses

Beyond the impact on the different business activities (decreased volumes and tonnage, etc.) during the year, the Group recorded several additional costs and expenses related to the pandemic; therefore, the closure of certain treatment sites generated transportation costs to redirect tonnages to other treatment sites.

Purchases of Personal Protective Equipment (PPE) for employees to allow the Group to continue fulfilling public services (masks, hand sanitizer, etc.) accounted for nearly EUR 42 million.

In order to mitigate the impact of the slowdown in business activities and of these additional expenses, the Group set up measures that reduced indirect costs by around EUR 130 million during the year. Some of these efforts will disappear when business picks back up, but a large portion, corresponding to initiatives taken under the SUEZ 2030 Performance plan, which were implemented faster than planned due to the pandemic, will be kept.

Depreciation of trade receivables

The heightened credit risk of certain customers has led the Group to recognize additional provisions for depreciation of trade receivables in accordance with IFRS 9 as of December 31, 2020. This increase raises the ratio of provision for depreciation of trade receivables compared to total trade receivables from 6.9% at the end of December 2019 to 10.4% at the end of December 2020 (including the contribution from activities held for sale).

The provisions recognized correspond to the Group's best estimate of losses on trade receivables. The Group estimated the amounts of receivables that will not be recovered:

- by updating the breakdown of the customer portfolio by homogeneous categories of customers (typology, business sector, geographical area…) as of December 31, 2020; each category with a similar risk of non-recovery;
- by estimating the probability that the customers will default for each of these categories considering how large the overdues are and the amount of losses if these clients default.

Government grants and aid received

The Group received government grants to support the economy and employment in various countries (partial unemployment programs in particular) and recognized them in accordance with IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance. As of December 31, 2020, the Group recognized nearly EUR 23 million to this end.

ASSET IMPAIRMENTS

The Group also analyzed the impacts of the pandemic on the recoverable value of its intangible assets and property, plant and equipment.

Regarding goodwill, the Group performed impairment tests on all the Cash Generating Units (CGUs). The future cash flows that serve as a basis for calculating the recoverable value of these different CGUs have undergone sensitivity tests given the uncertainty of predicting the potential operational impacts of the pandemic in the short term, as well as the prospects for a return to previously known levels of activity and profitability.

Based on these tests, as of December 31, 2020, no impairment has been recorded.

Regarding other intangible assets and property, plant and equipment, the impairments recognized as of December 31, 2020 are not the direct result of impacts from the pandemic on their recoverable value. In fact, they are primarily related to transformation decisions the Group made as part of the SUEZ 2030 Performance plan. The sanitary crisis accelerated the Group's decision-making process when it came to the Group's transformation.

SUEZ 2030

REORGANIZATION OF OPERATING SEGMENTS

On October 2, 2019, SUEZ announced its new strategic plan for 2030 called: "SUEZ 2030". The plan is based on three operating segments:

- Water, which includes all SUEZ municipal water operations around the world;
- Recycling and Recovery, which includes all SUEZ non-hazardous Waste Services and treatment for municipalities, industrial and commercial clients;
- Environmental Tech & Solutions (ETS), which includes WTS, hazardous waste services and treatment and Smart Environmental Solutions for industrial and municipal customers including Consulting services.

AMPLIFICATION OF THE SUEZ 2030 STRATEGIC PLAN

On September 22, 2020, the Group announced the amplification of its SUEZ 2030 transformation plan, enabled by the achievement of significant results one year after the initial announcement.

As a result, the performance program is now targeting a total of EUR 1.2 billion in annual savings by 2023, compared to the EUR 1 billion initially announced. EUR 900 million will be achieved by 2022.

The asset rotation program has also made significant progress, with the first wave completed and the second in advanced discussions, and for valuation levels significantly above the initial objectives of the SUEZ 2030 plan.

In the context of the implementation of this plan and as of December 31, 2020, Income from Operating Activities recorded an amount of nearly -EUR 209 million in asset impairment (excluding goodwill), -EUR 157 million in restructuring costs and -EUR 51 million in other effects including asset disposals.

Sharing 2019 capital increase

In 2019, SUEZ launched its fourth worldwide employee shareholding plan, called Sharing 2019, to increase the Group's shareholder base.

The Sharing 2019 plan was organized in 2019 but was finalized early 2020 through a capital increase that took place on January 16, 2020. It resulted in the creation of 9.97 million shares with a nominal value of EUR 4 each.

At the end of this transaction, SUEZ's share capital totaled EUR 2,525,330,516 divided into 631,332,629 shares.

Financing transactions

REDEMPTION OF "OCEANE" BONDS

On February 24, 2014, SUEZ issued a EUR 350 million bond that could be converted into new shares and/or exchanged for existing shares (OCEANE). It matured on February 27, 2020. It had a zero coupon and was for 19,052,803 securities. They were issued at par on February 27, 2014, the securities' settlement date. The financial instrument was redeemed on the maturity date (February 27, 2020) through a settlement of EUR 349.6 million and a conversion of 18,724 shares for EUR 0.4 million.

NEW BOND ISSUES

On March 26, 2020, SUEZ launched a 7-year EUR 850 million bond issue maturing on April 2, 2027 with an annual fixed coupon of 1.250%.

On May 5, 2020, SUEZ launched a 15-year EUR 750 million bond issue maturing on May 14, 2035 with an annual fixed coupon of 1.250%.

These transactions will help reduce SUEZ's financing costs, spread out the Group's debt maturity dates, while improving its liquidity position.

TAP OFFERINGS ON OUTSTANDING BOND ISSUES

In April 2020, SUEZ issued EUR 340 million in additional tranches from existing bond issues: EUR 300 million has been subscribed for with a maturity date of May 19, 2028 and an annual fixed coupon of 1.250%, and EUR 40 million has been subscribed for with a maturity date of September 21, 2032 and an annual fixed coupon of 1.625%.

REDEMPTION OF UNDATED DEEPLY SUBORDINATED NOTES

On June 23, 2020, SUEZ paid EUR 152.3 million for the redemption of the remaining part of the 2014 undated deeply subordinated notes, including the payment of the last EUR 4.4 million coupon.

After this redemption, the Group's outstanding undated deeply subordinated notes amount to EUR 1,600 million as of December 31, 2020.

Disposals during the year

AQUASURE

On September 2, 2020, SUEZ entered into an agreement with Australian investment companies AMP Capital, UniSuper and Macquarie Prism to sell 4.8% of Aquasure for AUD 76 million, or around EUR 47 million. At the end of the transaction on September 10, 2020, SUEZ held a 6.9% equity interest.

ESSAL

On September 11, 2020, SUEZ entered into an agreement to sell its 53.51% equity interest in Empresa de Servicios Sanitarios de Los Lagos S.A (ESSAL) through its subsidiary Aguas Andinas S.A. with Algonquin Power & Utilities Corp ("APUC") as part of a public tender offer involving a total enterprise value of around USD 295 million. ESSAL produces and distributes drinking water and provides wastewater collection and treatment services. With 33 concession agreements, ESSAL currently serves 224,000 households and 10,000 companies in Chile. In 2019, the Group recorded USD 77 million in revenues, or approximately EUR 69 million, and USD 17 million in EBITDA, or approximately EUR 15 million. The transaction was finalized on October 13, 2020, after approval by the regulatory authorities.

This disposal is in line with the SUEZ 2030 plan, aiming to redirect the Group's capital to business activities more in line with its selective growth strategy.

RECYCLING AND RECOVERY SWEDEN

On November 30, 2020, SUEZ finalized the sale of its Recycling and Recovery business activities in Sweden to PreZero, the environmental division of the Schwarz Group, following the announcement on September 21, 2020.

The disposal was finalized for an estimated enterprise value of SEK 3,700 million, or approximately EUR 357 million. The transaction was finalized after receiving approval from the European Commission authority in charge of merger control.

The business sold to PreZero operates some 50 plants around the country and employs nearly 1,100 people. In 2019, revenues represented around SEK 2,661 million (approximately EUR 250 million) and around SEK 358 million in EBITDA before IFRS 16 restatement (approximately EUR 34 million).

This disposal falls under the Group's plan to rotate assets set out as part of the SUEZ 2030 plan, which aims to focus the Group's business activities on innovative, differentiating and high added value businesses.

Business activities held for sale in 2021

As part of the effort to align the business portfolio to the SUEZ 2030 strategy under the Group's asset rotation plan, the transactions initiated in 2020 that will be finalized in 2021 are as follows:

DISPOSAL OF OSIS

On August 18, 2020, SUEZ announced that it had finalized an exclusivity agreement with Veolia for the sale of its French business OSIS, a business specializing in several areas of wastewater services. The parties signed a memorandum of understanding on November 27, 2020. The transaction should be finalized during the first half of 2021 after the usual conditions precedent have been met.

OSIS has 2,500 employees in more than 130 local service centers in France, all operating in complementary business segments: wastewater services, liquid waste collection, industrial cleaning and building sanitation. In 2019, OSIS achieved EUR 311 million in revenues and around EUR 23 million in EBITDA before IFRS 16 restatement.

DISPOSAL OF RECYCLING AND RECOVERY BUSINESS ACTIVITIES IN NORTHERN EUROPE

On September 16, 2020, SUEZ Group and the Schwarz Group announced that they had signed a memorandum of understanding and entered into exclusive negotiations for SUEZ to sell some of its Recycling and Recovery business activities in 4 countries within Northern Europe: the Netherlands, Germany, Luxembourg and Poland.

On October 12, 2020, the 2 parties signed the sale agreement. This transaction should be finalized during the first half of 2021 after the usual conditions precedent have been met, including consultation of the various employee representation bodies, and after the appropriate competition authorities approve the sale.

This agreement dated October 12, 2020 states that SUEZ and its subsidiaries will sell all of their Recycling and Recovery business activities except for business activities related to hazardous waste in Germany and the Netherlands, recycling and plastic waste recovery in the Netherlands, used packaging recycling in Germany (BellandVision), and water and environmental solutions business activities in Poland.

In 2019, these business activities generated around EUR 1.11 billion in revenues and around EUR 100 million in EBITDA (before IFRS 16 restatement). The planned transaction values the businesses to be sold at EUR 1.1 billion.

These disposals are recognized in the Group's consolidated statements of financial position as of December 31, 2020, in accordance with IFRS 5 – Non-current assets held for sale and discontinued operations.

7.2 Analysis of income statements

7.2.1 Explanations on main income statement items

Revenues

Revenues generated by water supply are based on volumes delivered to customers that are either individually metered and invoiced or estimated based on the output of the supply networks.

The price for wastewater services and wastewater treatment is either included in the water distribution bill, or is billed separately to the local authority or industrial customer.

Revenues arising from waste collection are generally based on the tonnage collected and the service provided by the operator.

Revenues from other forms of waste treatment (primarily sorting and incineration) are based on volumes processed and services rendered by the operator, plus the additional revenues from recovery operations, such as the sale of raw materials for sorting centers (paper, cardboard, glass, metals, plastics, etc.) and the sale of energy (electricity or heat) for incinerators.

Revenues from engineering, construction and service contracts are determined using the percentage of completion method. Depending on the contract concerned, the stage of completion may be determined either based on the proportion that costs incurred to date bear to the estimated total costs of the contract, or on the physical progress of the contract based on factors such as contractually defined stages.

Purchases

Purchases primarily include purchases of unpurified water intended for treatment prior to delivery to customers, as well as purchases of equipment, parts, energy, fuel and recyclable materials.

Other operating income and expenses

Other operating income includes re-invoicing direct charges and overheads.

Other operating expenses mainly include costs relating to subcontracting and other external services, maintenance and repair costs for waste collection and treatment equipment, production costs, waste and water treatment costs, and administrative costs. This item also includes other routine operating expenses such as rental expenses, external personnel costs, commissions and fees to intermediaries, and taxes other than corporate income tax.

Current operating income

Current operating income is an indicator used to present a certain level of operating performance. It is a subtotal that facilitates interpretation of the Group's performance by excluding elements which, in the Group's view, are insufficiently predictable due to their unusual, irregular or non-recurring nature. These elements relate to asset impairments, disposals, scope effects, restructuring costs and Mark-to-Market of trading instruments.

EBITDA

The Group uses EBITDA to measure its operating performance and its ability to generate operating cash flows.

EBITDA is not defined in IFRS and does not appear directly in the Group's consolidated income statement. Current operating income can be reconciled with EBITDA as follows:

Current operating income
– Net depreciation, amortization and provisions
– Share-based payments (IFRS 2) [a]
– Net disbursements under concession contracts [b]
+ Share in net income of equity-accounted companies considered as the Group's core business
EBITDA

(a) This item includes the allocation of stock options, bonus shares and payments made by the Group in relation to Company savings plans (including employer's matching contributions or matching shares).
(b) This item corresponds to the sum of the renewal expenditure relating to concessions and to changes in assets and liabilities for concession renewals.

The reconciliation of current operating income to EBITDA for 2020 and 2019 is set out in Note 3.4.1 to the Consolidated Financial Statements (chapter 18.1 of this Universal Registration Document).

7.2.2 Comparison of fiscal years ended December 31, 2020 and 2019

(in millions of euros)	December 31, 2020	December 31, 2019
Revenues	17,209.0	18,015.3
Purchases	(3,436.7)	(3,720.7)
Personnel costs	(4,697.2)	(4,701.4)
Depreciation, amortization and provisions	(1,762.6)	(1,531.7)
Other operating expenses	(6,912.0)	(7,089.8)
Other operating income	236.4	236.7
Current operating income	**636.9**	**1,208.4**
Mark-to-Market on operating financial instruments	4.6	3.7
Impairment on property, plant and equipment, intangible and financial assets	(209.2)	(64.8)
Restructuring costs	(157.0)	(132.3)
Scope effects	198.8	8.4
Other gains and losses on disposals and non-recurring items	(50.6)	26.6
Other significant non-recurring transactions	(47.6)	214.9
Income from operating activities	**375.9**	**1,264.9**
Share in net income of equity-accounted companies considered as core business	144.8	198.3
of which: share in net income (loss) of joint ventures	*39.7*	*71.4*
of which: share in net income (loss) of associates	*105.1*	*126.9*
Income from operating activities after share in net income of equity-accounted companies considered as core business	**520.7**	**1,463.2**
Financial expenses	(523.2)	(603.8)
Financial income	82.5	89.8
Net financial income (loss)	**(440.7)**	**(514.0)**
Income tax expense	(154.4)	(340.0)
Net income	**(74.4)**	**609.2**
Net income, Group share	**(228.2)**	**351.7**

7

Other income items

(in millions of euros)	2020	2019
EBITDA	2,814.7	3,220.4
EBIT	780.2	1,407.7

Revenues

(in millions of euros)	2020	2019	Change	% Change
Water	6,816.8	7,151.0	(334.2)	- 4.7%
Recycling and Recovery	7,256.5	7,565.5	(309.0)	- 4.1%
ETS	3,485.4	3,693.3	(207.9)	- 5.6%
Other	119.2	155.8	(36.6)	- 23.5%
Intercompany transactions elimination	(468.9)	(550.4)	81.5	-14.8%
Revenues	**17,209.0**	**18,015.3**	**(806.3)**	**- 4.5%**

SUEZ posted revenues of EUR 17,209 million in 2020, a -4.5% decrease. This decline is the result of the following elements:

- organic decrease of -EUR 477 million (-2.6%);
- unfavorable scope effects of -EUR 35 million (-0.2%);
- unfavorable exchange impacts of -EUR 295 million (-1.6%) mainly due to the depreciation of the Chilean peso (-EUR 93 million), the US dollar (-EUR 41 million), the Brazilian real (-EUR 36 million) and the Australian dollar (-EUR 29 million).

WATER

The Water segment contributed EUR 6,817 million to Group revenues in 2020, down -EUR 334 million (-4.7%).

Water posted -2.9% in organic revenue decrease (-EUR 205 million):

- Europe recorded an organic decrease of -2.6% (-EUR 99.8 million);
- the Americas zone posted organic decrease of -1.6% (-EUR 29.2 million);
- the Asia-Pacific zone decreased organically by -2.3% (-EUR 13.4 million);
- the AMECA zone decreased organically by -7.0% (-EUR 62.3 million).

Changes in currencies against the euro have a negative impact on revenues (-EUR 138 million, or -1.9%) mainly due to the weakening of the Chilean peso against the euro.

RECYCLING AND RECOVERY

The Recycling and Recovery segment's contribution to Group revenues was EUR 7,257 million in 2020, down -EUR 309 million (-4.1%) compared to 2019.

Recycling and Recovery posted organic revenue decrease of -2.7% (-EUR 202 million). The volumes of waste treated are down -3.2% compared to 2019:

- in Europe revenue is down organically -3.2% (- EUR 204 million);
- revenues in the Asia-Pacific zone grew organically by +1.5% (+EUR 16.2 million);
- AMECA zone is down -20.5% (-EUR 19.9 million);
- the Americas zone posted an organic growth of +13.4% (+EUR 5.8 million).

The scope effect is -0.6% (-EUR 44 million).

Changes in currencies against the euro have a net negative impact on revenues (-EUR 63 million, or -0.8%).

ETS

The Environmental Tech & Solutions segment recorded a total revenue of EUR 3,485 million in 2020, down EUR 208 million or a -5.6% decrease compared to 2019.

The organic variation was -EUR 105 million, or -2.8%. In 2020, WTS' performance remained resilient, with revenues declining organically by -1.8% to EUR 2,461.2 million. SES was down -4.8% organically to EUR 463.5 million:

- revenues in the Americas zone were down organically – 1,4% (-EUR 21.2 million);
- Europe experienced an organic decline of – 4.9% (-EUR 74.5 million);
- Asia-Pacific zone posted an organic decrease of -2,0% (-EUR 11.1 million);
- the AMECA zone posted an organic growth of +1.2% (+EUR 1.7 million).

Changes in currencies against the euro have a negative impact on revenues (-EUR 94 million, or -2.5%).

Operating expenses

PURCHASES

Purchases totaled EUR 3,437 million in 2020, down -EUR 284 million (-7.6%) compared to 2019.

PERSONNEL COSTS

Personnel costs reached EUR 4,697 million in 2020, down -EUR 4 million (-0.1%) compared to 2019 (for a breakdown of personnel costs, see Note 4.2 to the Consolidated Financial Statements in chapter 18.1 of this Universal Registration Document).

DEPRECIATION, AMORTIZATION AND PROVISIONS

Net depreciation, amortization and provisions amounted to EUR 1,763 million in 2020, up +EUR 231 million compared to 2019.

OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses totaled -EUR 6,676 million in 2020, a -EUR 177 million net decrease in expenses compared to 2019.

Current operating income

(in millions of euros)	2020	2019	Change	% Change
Water	356.3	678.5	(322.2)	-47.5%
Recycling and Recovery	170.6	306.6	(136.0)	-44.4%
ETS	68.6	189.3	(120.7)	-63.8%
Other	41.4	34.0	7.4	21.8%
Current operating income	**636.9**	**1,208.4**	**(571.5)**	**-47.3%**

Group current operating income was EUR 636.9 million in 2020, down -EUR 572 million compared to 2019. This decrease breaks down as follows:

- a -EUR 521.7 million organic decrease (-43.2%);
- a scope effect of -EUR 3.3 million (-0.3%);
- a negative currency effect of -EUR 46.5 million.

WATER

The Water segment's contribution to Group current operating income was EUR 356 million in 2020, down -EUR 322 million (-47.5%) compared to 2019. This includes an unfavorable exchange rate effect (-EUR 40 million).

RECYCLING AND RECOVERY

The Recycling and Recovery segment's contribution to Group current operating income totaled EUR 171 million in 2020, down -EUR 136 million (-44.4%) compared to 2019.

ETS

The Enivronmental Tech & Solutions segment's contribution to Group current operating income was EUR 69 million in 2020, down -EUR 121 million (-63.8%) compared to 2019.

EBITDA

(in millions of euros)	2020	2019	Change	% Change
Water	1,596.3	1,788.2	(191.9)	-10.7%
Recycling and Recovery	937.4	1,067.3	(129.9)	-12.2%
ETS	385.8	434.5	(48.7)	-11.2%
Other	(104.8)	(69.6)	(35.2)	50.6%
EBITDA	**2,814.7**	**3,220.4**	**(405.7)**	**-12.6%**

Group EBITDA totaled EUR 2,815 million in 2020, down -EUR 406 million (-12.6%) compared to 2019, including -9.9% organic decrease.

Income from operating activities

Income from operating activities was EUR 376 million in 2020, down -EUR 889 million compared to 2019.

The main items behind reconciliation between current operating income and income from operating activities are detailed below.

IMPAIRMENT ON PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE AND FINANCIAL ASSETS

The Group posted -EUR 209 million in impairment on property, plant and equipment, intangible and financial assets in 2020, compared to -EUR 65 million in 2019, a change of -EUR 144 million. In 2020, this line item mainly included impairement of sites in the Recycling and Recovery segment- especially in France, Germany, the United Kingdom and Australia. These impairment losses have been analyzed in relation to transformation decisions the Group has made under the SUEZ 2030 strategic plan. Impairment on financial assets correspond to impairment losses on financial receivables relating to concession contracts in the Recycling and Recovery business segment.

SCOPE EFFECTS

Scope effects amounted to +EUR 199 million in 2020, *versus* + EUR 8 million in 2019. This item most notably recorded a EUR 207.3 million gain generated by selling the entire Recycling and Recovery business in Sweden.

OTHER REVENUES AND DISPOSALS

Capital losses from asset disposals totaled -EUR 51 million in 2020. Disposals and write-offs of fixed assets mostly fell under the SUEZ 2030 strategic plan. The biggest impacts concerned the Recycling and Recovery business in France for around EUR 37 million.

RESTRUCTURING COSTS

Restructuring costs amounted to -EUR 157 million in 2020, compared to -EUR 132 million in 2019.

OTHER SIGNIFICANT NON-RECURRING TRANSACTIONS

In 2020, the other significant non-recurring transactions include costs related to actions taken by the Group after the disposal of a 29.9% stake in the capital of SUEZ that ENGIE had previously held. As of December 31, 2020, these fees totaled EUR 47.6 million.

In 2019, the other significant non-recurring transactions included Aguas Argentinas dispute settlement for EUR 214.9 million after taking into account various expenses and fees. A description of this operation was provided in Note 2.2 of the chapter 18.1 of the Universal Registration Document 2019.

Net financial income

(in millions of euros)	2020	2019	Change	% Change
Cost of net debt	(361.3)	(419.5)	58.2	-13.9%
Other financial income and expenses	(79.4)	(94.5)	15.1	-16.0%
Financial income/(loss)	**(440.7)**	**(514.0)**	**73.3**	**-14.3%**

The Group's net financial income in 2020 was -EUR 440.7 million, an improvement of +EUR 73.3 million compared to 2019 (see also Note 6 to the Consolidated Financial Statements in chapter 18.1 of this Universal Registration Document).

The cost of net debt totaled -EUR 361 million, compared to -EUR 420 million in 2019, with an average rate of 3.47%, *versus* 3.95% in 2019. In 2020, the average duration of net debt was 6.8 years.

Income tax expense

Group income tax expense totaled -EUR 154 million in 2020, down -EUR 186 million compared to 2019. The effective tax rate is -238.1%.

Net income, Group share

Net income Group share was -EUR 228 million, down -EUR 580 million compared to 2019.

Since January 1, 2020, the Group presents new performance indicators including recurring net income, Group share and recurring EPS. These indicators exclude items that occur over a limited period of time to reflect the sustainable earnings attributable to shareholders:

(in millions of euros)	December 31, 2020	December 31, 2019
Net income, Group share (a)	**(228)**	**352**
Mark-to-Market	(5)	(4)
Impairment	209	65
Restructuring costs	157	132
Cash and non-cash non-recurring items	**360**	**193**
Capital gains/losses on disposals	(148)	(35)
Other significant non-recurring transactions	48	(215)
Hybrid coupon	(42)	(52)
Non recurring financial result	-	33
Total adjustments before tax	**219**	**(76)**
Applicable tax rate	32.02%	34.43%
Total adjustments after tax (b)	**149**	**(50)**
Non recurring income tax (c)	41	48
Recurring net result, Group share = (a) + (b) + (c)	**(38)**	**350**
Average number of shares outstanding *(in millions)*	627.8	618.0
Recurring EPS	**(0.06)**	**0.57**

7.3 Financing and net debt

7.3.1 Cash flows in fiscal years 2020 and 2019

(in millions of euros)	2020	2019
Cash flows from/(used in) operating activities	2,116.7	2,450.4
Cash flows from/(used in) investing activities	(875.5)	(1,454.6)
Cash flows from/(used in) financing activities	424.0	(860.7)
Impact of changes in exchange rates and other	(113.7)	20.6
Total flows for the period	**1,551.5**	**155.7**
Opening cash and cash equivalents	2,865.9	2,710.2
Closing cash and cash equivalents	4,417.4	2,865.9

Cash flows from operating activities

(in millions of euros)	2020	2019	Change	% Change
EBITDA	**2,814.7**	**3,220.4**	**(405.7)**	**-12.6%**
+ Net disbursements under concession contracts	(271.1)	(263.3)	(7.8)	3.0%
+ Impairment of current assets	(203.8)	7.2	(211.0)	N/A
+ Impact of restructuring costs	(147.0)	(133.9)	(13.1)	9.8%
+ Dividends received from joint ventures and associates	121.4	131.8	(10.4)	-7.9%
– Net allocations to provisions for employee benefits and other	(78.6)	(130.3)	51.7	-39.7%
– Share in net income (loss) of equity-accounted companies considered as core business	(144.8)	(198.3)	53.5	-27.0%
+ Aguas Argentinas dispute settlement	-	222.5	(222.5)	N/A
– Other	(1.2)	0.6	(1.8)	N/A
Gross cash flow before net financial income/(expense) and income tax	**2,089.6**	**2,856.8**	**(767.2)**	**-26.9%**
Tax paid	(174.9)	(253.3)	78.4	-31.0%
Change in working capital requirement	202.0	(153.1)	355.1	N/A
Cash flow from/(used in) operating activities	**2,116.7**	**2,450.4**	**(333.7)**	**-13.6%**

Cash flows from operating activities amounted to EUR 2,117 million in 2020, down -EUR 334 million compared to 2019. This change mainly reflects:

- a +EUR 355 million net increase in working capital requirement;
- a -EUR 78 million decrease in tax paid;
- a -EUR 767 million decrease in cash flows from operations before net financial income/(expense) and income tax.

Cash flows from investing activities

(in millions of euros)	2020	2019	Change	% Change
Investments in property, plant and equipment and intangible assets	(1,323.5)	(1,417.3)	93.8	-6.6%
Financial investments	(56.0)	(88.6)	32.6	-36.8%
of which acquisitions of entities net of cash and cash equivalents	*(48.2)*	*(72.7)*	*24.5*	*-33.7%*
of which acquisitions of equity instruments	*(7.8)*	*(15.9)*	*8.1*	*-50.9%*
Disposals of property, plant and equipment and intangible assets	40.6	85.6	(45.0)	-52.6%
Disposals of entities net of cash and cash equivalents	358.5	43.4	315.1	N/A
Disposal of equity instruments	0.4	8.7	(8.3)	-95.4%
Other net interest on financial assets	9.5	(23.4)	32.9	N/A
Dividends received on non-current financial assets	3.0	3.6	(0.6)	-16.7%
Change in loans and financial receivables	92.0	(66.7)	158.7	N/A
Cash flow from/(used in) investing activities	**(875.5)**	**(1,454.6)**	**579.1**	**-39.8%**

Cash flows from investing activities amounted to -EUR 876 million as of December 31, 2020, compared to -EUR 1,455 million as of December 31, 2019.

MAINTENANCE AND DEVELOPMENT CAPITAL EXPENDITURE AND FREE CASH FLOW

Within "Investments in property, plant and equipment and intangible assets", the Group distinguishes:

- maintenance capital expenditure, corresponding to investments incurred to replace equipment and machinery operated by the Group, as well as investments made in order to comply with new regulations; and
- development capital expenditure [1], corresponding to investments incurred to build new facilities for operation.

The maintenance capital expenditure as of December 31, 2020 and 2019 is presented in the following table:

(in millions of euros)	2020	2019
Total maintenance capital expenditure [a]	**(578.7)**	**(662.5)**
of which maintenance capital expenditure	*(665.8)*	*(634.4)*
of which change in maintenance asset supplier debt [b]	*87.1*	*(28.1)*

(a) The total amount of maintenance capital expenditure in 2020 breaks down as follows: EUR 272.7 million for the Water segment, EUR 183.4 million for the Recycling and Recovery segment, EUR 106.8 million for the ETS segment and EUR 15.8 million for the Other segment. The breakdown as of December 31, 2019 was as follows: EUR 305.7 million for the Water segment, EUR 224.3 million for the Recycling and Recovery segment, EUR 111.8 million for the ETS segment, and EUR 20.7 million for the Other segment.
(b) Change in trade payables concerning the acquisition of maintenance-related property, plant and equipment and intangible assets.

The Group uses free cash flow as an indicator to measure cash generation from the Group's existing operations before any development capital expenditure.

The reconciliation of cash generated from operations before net financial income and income tax with free cash flow as of December 31, 2020 and 2019 is presented in the following table:

(in millions of euros)	2020	2019
Gross cash flow from operations before net financial income/(expense) and income tax	2,089.6	2,856.8
Total maintenance capital expenditure	(578.7)	(662.5)
Change in working capital requirement	202.0	(153.1)
Tax paid	(174.9)	(253.3)
Financial interest paid	(317.8)	(363.5)
Financial interest received	22.2	11.2
Other net interest on financial assets	9.5	(23.4)
Dividends received on non-current financial assets	3.0	3.6
Financial interest on lease liabilities	(28.8)	(29.3)
Repayment of lease liabilities	(317.9)	(291.9)
Other	1.6	(0.1)
Free cash flow	**909.8**	**1,094.5**

Free cash flow amounted to EUR 910 million as of December 31, 2020, down 16.9% compared to December 31, 2019.

(1) Total development capital expenditure (EUR 744.8 million in 2020 vs. EUR 754.8 million in 2019) breaks down as follows in 2020: EUR 478.5 million for the Water segment; EUR 176.7 million for the Recycling and Recovery segment and EUR 89.6 million for the ETS segment.

The table below shows the recurring free cash flow at December 31, 2020 and 2019. This indicator excludes items occurring over a limited period of time to reflect the sustainable cash flow attributable to shareholders:

(in millions of euros)	December 31, 2020	December 31, 2019
Cash flows from operating activities	**2,116.7**	**2,450.4**
Investments in PP&E and intangible assets	(1,323.5)	(1,417.3)
Repayment of lease liabilities	(331.5)	(325.1)
Capital expenditure in PP&E and intangible assets and Lease expenses	**(1,655.0)**	**(1,742.4)**
Financial cash flow (Other net interest on financial assets)	9.5	(23.4)
Interests paid	(317.8)	(363.5)
Interests received	22.2	11.2
Financial interest on lease liabilities	(28.8)	(29.3)
Net financial charges	**(314.9)**	**(405.0)**
Dividends received on non-current financial assets	3.0	3.6
Capital increase – decrease/non-controlling interest	10.4	5.2
Dividends paid to non-controlling interests	(195.1)	(266.8)
Flows, including dividends, to/from non-controlling interest	**(181.7)**	**(258.0)**
Hybrid coupon	(42.3)	(51.9)
Restructuring cash expenses	147.0	133.9
Recurring free cash flow	**69.8**	**127.0**

Cash flows from financing activities

(in millions of euros)	2020	2019	Change	% Change
Capital increase/reduction of parent company	112.2	-	112.2	N/A
Purchase/sale of treasury shares	0.9	2.9	(2.0)	-69.0%
Capital increase/reduction of non-controlling interests	10.4	5.2	5.2	N/A
Change in share of interests in controlled entities	-	501.7	(501.7)	N/A
Dividends paid to parent company's shareholders	(325.0)	(448.8)	123.8	-27.6%
Dividends paid to non-controlling interests	(195.1)	(266.8)	71.7	-26.9%
Issue of undated deeply subordinated notes net of costs	-	497.8	(497.8)	N/A
Repayment of the 2014 undated deeply subordinated notes net of costs	(147.9)	(363.7)	215.8	-59.3%
Increase in loans and financial debt	2,437.1	1,401.2	1,035.9	73.9%
Repayment of lease liabilities	(331.5)	(325.1)	(6.4)	2.0%
Repayment of borrowings and financial debts	(867.9)	(1,448.0)	580.1	-40.1%
Change in financial assets at fair value through income	(23.8)	(0.6)	(23.2)	N/A
Financial interest on lease liabilities	(28.8)	(29.3)	0.5	-1.7%
Other financial interest paid	(317.8)	(363.5)	45.7	-12.6%
Financial interest received	22.2	11.2	11.0	98.2%
Flows on financial derivatives qualifying net investment hedges and compensation payments on financial derivatives	79.0	(34.9)	113.9	N/A
Cash flow from/(used in) financing activities	**424.0**	**(860.7)**	**1,284.7**	**N/A**

Cash flows from financing activities amounted to +EUR 424 million as of December 31, 2020, a +EUR 1,285 million difference compared to December 31, 2019.

Cash flows from financing activities in 2020 of +EUR 424 million are mainly due to:

- the implementation of the Sharing 2019 plan in January 2020 for an amount of EUR 112.2 million net of fees;
- EUR 283 million in dividends paid in cash by SUEZ;
- EUR 195 million corresponding to dividends paid to non-controlling interests by other Group entities;
- the full redemption of the 2014 tranche of subordinated notes amounting to EUR 147.9 million on June 23, 2020;
- the bond issue of EUR 850 million with a 1.250% coupon maturing on April 2, 2027;
- the bond issue of EUR 40 million (in addition to the existing EUR 500 million issue) with a 1.625% coupon, maturing on September 21, 2032;
- the bond issue of EUR 300 million (in addition to the existing EUR 300 million issue) with a 1.250% coupon, maturing on May 19, 2028;
- the issue of EUR 750 million with a 1.250% coupon maturing on May 14, 2035;

- the repayment in 2020 of lease liabilities for EUR 332 million;
- the repayment of the EUR 350 million OCEANE bond maturing on February 27, 2020;
- the repayment of a EUR 150 million bond issue maturing on April 6, 2020;
- EUR 318 million in financial interest payments.

The reconciliation between the change in borrowings and debts (excluding derivatives) presented in Note 13.2.1 of chapter 18.1 of this document for an amount of EUR 1,423.5 million and the net increase in borrowings and debts of EUR 1,569.2 million presented in the consolidated statement of cash flows is as follows:

- change in bank overdrafts payable on demand, positioned as a reduction of cash and cash equivalents in the consolidated statement of cash flows (IAS 7.8) for +EUR 65.0 million;
- exchange rate effects for -EUR 161.7 million;
- changes in the scope of consolidation for -EUR 123.8 million;
- items classified as held for sale for -EUR 7.9 million;
- changes in fair value and amortized cost for +EUR 56.2 million;
- other items for +EUR 26.5 million.

7.3.2 Net debt

Net debt as of December 31, 2020 and 2019

(in millions of euros)	2020	2019	Change	% Change
Bonds	10,816.7	9,474.5	1,342.2	14.2%
Commercial paper	747.0	678.4	68.6	10.1%
Draw-downs on credit facilities	417.0	345.9	71.1	20.6%
Other bank borrowings	609.2	557.2	52.0	9.3%
Other borrowings	140.2	221.8	(81.6)	-36.8%
Total borrowings	**12,730.1**	**11,277.8**	**1,452.3**	**12.9%**
Bank overdrafts and current accounts	1,084.7	1,133.6	(48.9)	-4.3%
Total outstanding borrowings	**13,814.8**	**12,411.4**	**1,403.4**	**11.3%**
Financial assets measured at fair value through income excluding financial derivative instruments	(54.9)	(29.8)	(25.1)	84.2%
Cash and cash equivalents	(5,319.6)	(3,703.0)	(1,616.6)	43.7%
Total net financiel debt, exluding derivative financial derivative instruments and amortized costs	**8,440.3**	**8,678.6**	**(238.3)**	**-2.7%**
Impact of derivative financial instruments and amortized cost	(60.5)	(1.7)	(58.8)	N/A
Net debt (excluding IFRS 16)	**8,379.8**	**8,676.9**	**(297.1)**	**-3.4%**
Lease liabilities	1,231.1	1,474.3	(243.2)	-16.5%
Net debt	**9,610.9**	**10,151.2**	**(540.3)**	**-5.3%**

Net debt amounted to EUR 9,611 million as of December 31, 2020, compared to EUR 10,151 million as of December 31, 2019, a -EUR 540 million decrease.

Key transactions that led to an increase of net debt are the following:

- the payment of dividends paid in cash to SUEZ shareholders in the amount of EUR 282.7 million;
- the payment of dividends paid in cash to minority shareholders of subsidiaries in the amount of EUR 195.1 million (including withholding tax);
- the full repayment on June 23, 2020 of the 2014 issue of subordinated notes for an amount of EUR 147.9 million;
- the payment of coupons on the various subordinated notes for an amount of EUR 42.3 million.

The transactions that generated a decrease in net financial debt were essentially as follows:

- the implementation in January 2020 of the Sharing 2019 plan for a net amount of EUR 112.2 million;
- exchange rate fluctuations that led to a EUR 219.3 million decrease in net financial debt, mainly due to the appreciation of the US dollar against the euro;
- the excess cash generated by the Group's activities in the amount of EUR 205.8 million;
- the disposal of the Recycling and Recovery activities in Sweden for 316.2 million (see Note 2.5.3 of chapter 18.1 of the present document);
- the disposal of Essal, a subsidiary of Aguas Andinas for EUR 198.0 million (see Note 2.5.2 of chapter 18.1 of the present document);
- the disposal of 4.77% of Aquasure for approximately EUR 47 million (see Note 2.5.1 of chapter 18.1 of the present document);
- the reclassification of debt from assets held for sale (IFRS 5) for EUR 137.7 million.

Net debt represents 121.1% of total shareholders' equity at the end of 2020 compared to 109.3% at the end of 2019. The net debt to EBITDA ratio was 3.5 X at year-end 2020, compared to 3.0 X at the end of 2019.

As of December 31, 2020, the Group had undrawn confirmed credit facilities for a total of EUR 3,365.0 million.

7.3.3 Return on capital employed (ROCE)

ROCE is obtained as follows:

$$\frac{(\text{EBIT} - \text{share in net income of equity} - \text{accounted companies}) \times (1 - \text{normative tax rate}) + \text{Share in net income of equity} - \text{accounted companies}}{\text{average capital employed}}$$

In 2020, the normative tax rate for the Group is 32.02%. In 2019, it was 34.43%.

The tables below present the calculation of capital employed and return on capital employed for the years 2020 and 2019:

(in millions of euros)	2020	2019
Capital employed as of January 1	20,365.9	20,017.5
Capital employed as of December 31	18,657.9	20,365.9
Average capital employed	**19,511.9**	**20,191.7**

NB: For details of items, see Note 3.4.2 in chapter 18.1 of this Registration Document.

(in millions of euros)	Numerator	Capital employed	ROCE [a]
2020	562.7	19,511.9	2.9%
2019	991.3	20,191.7	4.9%

(a) To be compared to the weighted average cost of capital (WACC) estimated at 5.8% in 2020 (6.3% in 2019).

7.4 Provisions

The table below presents changes in provisions between December 31, 2020 and December 31, 2019:

(in millions of euros)	2020	2019	Change	% Change
Post-employment benefit obligations and other long-term benefits	708.1	823.9	(115.8)	-14.1%
Sector-related risks	53.0	20.6	32.4	N/A
Warranties	28.3	25.9	2.4	9.3%
Tax risks, other disputes and claims	61.6	51.7	9.9	19.1%
Site restoration	540.6	544.1	(3.5)	-0.6%
Restructuring costs	101.5	52.7	48.8	92.6%
Other contingencies	462.6	456.3	6.3	1.4%
Total provisions	**1,955.7**	**1,975.2**	**(19.5)**	**-1.0%**

Total provisions decreased by EUR 19.5 million over the period. The main variations are:

- reclassification of -EUR 85.5 million of provisions as liabilities directly related to assets held for sale in accordance with IFRS 5 (see Note 1.2.4 and Note 2.6 of chapter 18.1 of the present Document);
- scope effect of -EUR 66.7 million generated by the disposal of R&R Sweden (see Note 2.5.3 of chapter 18.1 of the present Document);
- negative change effects totaling -EUR 43.9 million, mainly in the USA for -EUR 26.3 million, in the United Kingdom for -EUR 4.8 million and in Chile for -EUR 3.4 million.

Most of the other variations correspond to:

- the decrease in pensions and other employee benefit obligations for -EUR 27.8 million pertaining to the revision of the revaluation indices of various plans in France;
- changes in provisions for post-employment benefit obligations and other long-term benefits for +EUR 59.4 million, mostly related to the change in actuarial gains and losses.

The details regarding these provisions are presented in Note 18 to the Consolidated Financial Statements (chapter 18.1 of this Universal Registration Document).

7.5 Contractual commitments

7.5.1 Commitments relating to Group financing

Financial debt

The Group's total outstanding borrowings and its repayment schedule as of December 31, 2020 are set out in the following table:

(in millions of euros)	Total	2021	2022	2023	2024	Beyond 2024
Total borrowings	12,730.1	1,796.2	779.2	673.2	1,011.7	8,469.8
Bank overdrafts and current accounts	1,084.7	1,084.7	-	-	-	-
Outstanding borrowings	**13,814.8**	**2,880.9**	**779.2**	**673.2**	**1,011.7**	**8,469.8**

Secured, pledged and mortgaged assets

Assets pledged and mortgaged as collateral borrowings amounted to EUR 9.6 million as of December 31, 2020, against EUR 9.7 million as of December 31, 2019.

The maturities of these commitments are as follows:

(in millions of euros)	2020	2019
2020	-	0.7
2021	4.6	0.1
2022	-	-
2023	-	-
2024	-	-
Beyond	5.0	8.9
Total	**9.6**	**9.7**

Financing commitments

The following table presents financing commitments provided or received by the Group for the fiscal years ended December 31, 2020 and 2019:

(in millions of euros)	2020	2019
Personal securities provided for borrowings	859.6	930.1
Total commitments given	**859.6**	**930.1**
Financing commitments received	3,365.0	3,336.4
Total commitments received	**3,365.0**	**3,336.4**

Commitments received related to financing mainly concern undrawn confirmed credit facilities.

Personal securities cover the repayment of the principal amount and interest on the debt: the latter is not recognized as a liability on the Group's statement of financial position. Guarantees are also provided in the context of the receivables securitization program for EUR 327 million (of which EUR 56 million relates to items classified as held for sale).

7.5.2 Contractual investment commitments

Contractual commitments to invest in property, plant, and equipment

In the ordinary course of their business activities, certain Group companies have also entered into commitments to purchase, and related third parties to deliver property, plant and equipment. These commitments break down by maturity as follows:

(in millions of euros)	2020	2019
2020	-	338.2
2021	276.7	118.7
2022	103.8	90.1
Beyond	97.7	86.0
Total	**478.2**	**633.0**

The decrease observed from 2019 to 2020 primarily stemmed from a decrease in property, plant and equipment investment commitments at R&R France and Chile.

Other contractual investment commitments

The Group has made various investment commitments in intangible assets, and, to a lesser extent in equity interest purchases, for a total of EUR 315 million as of December 31, 2020. These investment commitments amounted to EUR 320 million as of December 31, 2019.

7.5.3 Operation-related commitments given

Operation-related commitments given amounted to EUR 4.5 billion as of December 31, 2020, compared to EUR 4.0 billion as of December 31, 2019. They concern guarantees given by the Group with respect to contracts and markets, including bid bonds accompanying tender offers, advance payment bonds and completion or performance bonds given in the context of signing contracts or concession arrangements. The EUR 0.5 billion increase is due to new guarantees given, particularly at SUEZ International and WTS.

7.6 Parent Company financial statements

See chapter 18.3 of this Universal Registration Document, which also includes the position of accounts payable by maturity.

7.7 Outlook

See section 5.4.4 of this Universal Registration Document.

8 Cash and shareholders' equity

8.1 Company shareholders' equity

Total shareholders' equity as of December 31, 2020 amounted to EUR 8,049.4 million, down EUR 1,184.1 million compared to December 31, 2019. This change notably includes the impact of dividend payments in cash for fiscal year 2019 in the amount of -EUR 433.0 million and -EUR 42.3 million paid as coupon relating to undated deeply subordinated notes. It also includes foreign exchange adjustments (-EUR 501.7 million), changes in actuarial gains and losses (-EUR 33.2 million), and net income for fiscal year 2020 (-EUR 74.4 million).

Group net debt (including amortized cost and impact of derivative instruments) was EUR 9,749 million as of December 31, 2020 (before taking into account reclassifications related to the application of IFRS 5), *versus* EUR 10,151 million as of December 31, 2019. Consequently, the net debt/EBITDA ratio was 3.5 X as of December 31, 2020.

8.2 Source and amount of the issuer's cash flows and description of cash flows

8.2.1 Cash flows from operating activities

CASH FLOWS FROM OPERATIONS BEFORE FINANCIAL INCOME/(EXPENSE) AND INCOME TAX

(in millions of euros)	2020	2019	Gross change as a %
Water	1,081.9	1,439.1	-24.8%
Recycling and Recovery	673.6	864.8	-22.1%
ETS	320.8	352.9	-9.1%
Other	13.3	200.0	-93.4%
Total	**2,089.6**	**2,856.8**	**-26.9%**

Cash flows from operations before financial income/(expense) and income tax came to EUR 2,089.6 million as of December 31, 2020, down -26.9% compared to 2019.

In total, cash flows from operating activities generated a cash surplus of more than EUR 2.1 billion in 2020.

8.2.2 Cash flows from investing activities

Cash flows from investing activities in 2020 totaled EUR 875.5 million and included:

- financial investments of EUR 56.0 million (EUR 88.6 million in 2019), including EUR 11.8 million for acquisitions in the Water segment, EUR 41.1 million in the Recycling and Recovery segment, EUR 0.9 million in the ETS segment and EUR 2.2 million in the Other segment;
- maintenance capital expenditure of EUR 578.7 million (EUR 662.5 million in 2019), including EUR 272.7 million for the Water segment, EUR 183.4 million for the Recycling & Recovery segment, EUR 106.8 million for the ETS segment and EUR 15.8 million for the Other segment;
- development capital expenditure of EUR 744.8 million (EUR 754.8 million in 2019), broken down by segment as follows: EUR 478.5 million for the Water segment, EUR 176.7 million for the Recycling & Recovery segment and EUR 89.6 million for the ETS segment.

Disposals in 2020 represent EUR 399.5 million, *versus* EUR 137.7 million in 2019. The primary transactions impacting the disposals for fiscal year 2020 are described in Note 2 to the Consolidated Financial Statements, in chapter 18.1 of this Universal Registration Document.

In total, cash flows from investing activities result in a cash outflow of EUR 875.5 million in 2020, *versus* an outflow of EUR 1,454.6 million in 2019.

8.2.3 Cash flows from financing activities

This figure includes the dividends paid in cash for 2020 of EUR 520.1 million [1] (compared to EUR 715.6 million in 2019). These include dividends paid by SUEZ to its shareholders in the amount of EUR 282.7 million, as well as the EUR 42.3 million coupon for the subordinated notes. It also includes the dividends paid by certain subsidiaries to non-controlling interests in the amount of EUR 188.0 million and withholding taxes in the amount of EUR 7.1 million. Net financial interest paid totaled EUR 295.6 million in 2020, *versus* EUR 352.3 million in 2019.

In total, cash flows from financing activities resulted in a cash surplus of EUR 424.0 million in 2020, *versus* an outflow of EUR 860.7 million in 2019.

8.3 Borrowing terms and issuer's financing structure

8.3.1 Debt structure

Outstanding borrowings (excluding amortized cost and the effect of derivatives) as of December 31, 2020 was EUR 13,815 million, *versus* EUR 12,411 million as of December 31, 2019, and breaks down as follows:

- bonds (mainly subscribed by the parent company SUEZ) in the amount of EUR 10,817 million (EUR 9,475 million in 2019);
- commercial paper in the amount of EUR 747 million (EUR 678 million in 2019);
- bank borrowings in the amount of EUR 1,026 million (EUR 903 million in 2019); and
- other borrowings and current accounts totaling EUR 1,225 million (EUR 1,355 million in 2019).

Including amortized cost and the impact of derivatives, 61% of net debt was denominated in euros, 23% in US dollars, 5% in pound sterling, 9% in Chilean pesos and 2% in Hong Kong dollars at the end of 2020. In 2019, it was 52% denominated in euros, 27% in US dollars, 6% in pound sterling, 12% in Chilean pesos and 2% in Hong Kong dollars.

61% of outstanding borrowings and 102% of net debt is fixed rate. The Group's 2020 objective was to implement a dynamic distribution between the various reference rates, taking into account changes in the market. The average cost of net debt was 3.47%, *versus* 3.95% in 2019. In 2020, the average term of net debt was 6.8 years.

8.3.2 Major transactions in 2020

On February 24, 2014, SUEZ issued a EUR 350 million bond that could be converted into new shares and/or exchanged for existing shares (OCEANE). It matured on February 27, 2020. It had a zero coupon and was for 19,052,803 securities. They were issued at par on February 27, 2014, the securities' settlement date. The financial instrument was redeemed on the maturity date (February 27, 2020) through a settlement of EUR 349.6 million and a conversion of 18,724 shares for EUR 0.4 million.

On March 26, 2020, SUEZ launched a 7-year EUR 850 million bond issue maturing on April 2, 2027 with an annual fixed coupon of 1.250%.

On May 5, 2020, SUEZ launched a 15-year EUR 750 million bond issue maturing on May 14, 2035 with an annual fixed coupon of 1.250%.

These transactions will help reduce SUEZ's financing costs, spread out the Group's debt maturity dates, while improving its liquidity position.

In April 2020, SUEZ issued EUR 340 million in additional tranches from existing bond issues: EUR 300 million has been subscribed for with a maturity date of May 19, 2028 and an annual fixed coupon of 1.250%, and EUR 40 million has been subscribed for with a maturity date of September 21, 2032 and an annual fixed coupon of 1.625%.

On June 23, 2020, SUEZ paid EUR 152.3 million for the redemption of the remaining part of the 2014 undated deeply subordinated notes, including the payment of the last EUR 4.4 million coupon.

After this redemption, the Group's outstanding undated deeply subordinated notes amount to EUR 1,600 million as of December 31, 2020, *versus* EUR 1,747.9 million as of December 31,2019.

(1) The EUR 520.1 million above correspond to the dividends and coupons of undated deeply subordinated notes paid in cash in 2020, while the EUR 475.3 million presented in the consolidated statement of changes in shareholders' equity correspond to the dividends approved by shareholders in 2020 (see chapter 18.1 of this Universal Registration Document).

8.3.3 Group rating

SUEZ has its senior debt rated by Moody's rating agency. The rating confirmed on October 12, 2020 is Baa1 for long-term debt and Prime 2 for short-term debt, along with a stable outlook.

Moody's applied the following main adjustment to the Group's net debt: addition of funding shortfall on pension liabilities (see Note 19 of chapter 18.1 of this Universal Registration Document);

8.4 Restrictions on the use of capital

As of December 31, 2020, the Group had undrawn confirmed credit lines (which may be used for such purposes as back-up credit facilities for the commercial paper program) totaling EUR 3,365.0 million.

Some loans contracted by Group subsidiaries or by SUEZ on behalf of its subsidiaries include clauses requiring specific ratios to be maintained. Such ratios, as well as their levels, are known as financial covenants and are agreed to with the lenders, and may be revised during the term of the loan. The liquidity risk arising from the Group's possible breach of financial covenants is described in section 8.6.3.

For most loans relating to subsidiaries and involving negotiation of financial covenants, the lending banks usually require the relevant company to comply with a maximum level of indebtedness measured by a ratio called "Leverage", or a minimum level of debt coverage (with respect to the principal amount and interest), which is measured by the DSCR (debt service cover ratio), or, with respect to interest, by the ISCR (interest service cover ratio).

With regard to project financing, lending banks may also require that the relevant company maintains an actuarial ratio for debt coverage for the remaining term of the loan, called the LLCR (loan life cover ratio). Within the context of other financing, lending banks may also require the relevant company to observe a balance sheet ratio, which generally takes the form of a debt to equity ratio.

The Group has implemented a semi-annual procedure for monitoring its financial covenants that involves the CFOs of the major subsidiaries sending representation letters, indicating (i) whether the subsidiary or other legal entities supervised by this subsidiary have, as of the last reporting date, been in default or potential default situations (situations likely to become default situations contingent upon a decision of the lenders or the expiry of time limits), or (ii) whether default or potential default situations may occur at the next half-year closing. The letters of representation must include an appendix listing the loan agreements, including covenants, types of covenants, and the consequences to the borrower in the event of a breach of such covenants.

8.5 Expected sources of financing to meet commitments relating to investment decisions

8.5.1 Contractual commitments

The following table shows outstanding borrowings maturities as of December 31, 2020:

	Amount per period				
(in millions of euros)	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Outstanding borrowings	1,539.2	1,341.7	3,621.9	7,312.0	13,814.8

8.5.2 Expected sources of financing

As of December 31, 2020, the Group had EUR 4,289.8 million in available cash (consisting of EUR 5,319.6 million in cash and cash equivalents, EUR 54.9 million in financial assets valued at fair value through income, net of bank overdrafts and liabilities current account for EUR 1,084.7 million) and EUR 3,365.0 million in unused confirmed credit facilities, including EUR 234.4 million due to expire in 2021.

The Group anticipates that its future financing needs for major capital investments will be covered by its net cash, future cash flows from operating activities and possibly the use of available credit facilities.

Liquidity as of December 31, 2020 is sufficient to cover medium-term cash requirements and the split between net cash and unused confirmed credit facilities is optimized to minimize carrying costs.

8.6 Market risks

8.6.1 Interest rate risk

The Group's exposure to interest rate risk derives mainly from its floating rate net financial debt. As of December 31, 2020, the Group had net debt [1] (excluding lease liabilities and excluding derivatives and amortized cost) of EUR 8,440.3 million, with -36% at floating rate, 124% at fixed rate and 12% at inflation-indexed fixed rate before hedging, and -11% at floating rate, 99% at fixed rate and 12% at inflation-indexed fixed rate after hedging.

The table below presents the breakdown of the Group's net debt by rate type after hedging as of December 31, 2020:

(in millions of euros)	Total	Net debt at fixed rate	Net debt at floating rate	Net debt at inflation-indexed floating rate	Less than 1 year	1 to 5 years	Over 5 years
Amount	8,440.3	8,388.8	(940.6)	992.1	(2,493.6)	3,621.9	7,312.0

The following table shows the Group's net debt position exposed to floating interest rates as of December 31, 2020:

(in millions of euros)	Total
Gross debt	2,557.8
Financial assets measured at fair value through income	(54.9)
Cash and cash equivalents	(5,319.6)
Net position before management	**(2,816.7)**
Impact of interest rate derivatives	1,876.1
Net position after management	**(940.6)**
Impact of a 1% increase in short-term interest rates on income after management	8.7

An interest rate risk sensitivity analysis is presented in Note 14.1.3.2 to the Consolidated Financial Statements, chapter 18.1 of this Universal Registration Document.

An increase in interest rates could also force the Group to finance or refinance acquisitions or investments at a higher cost.

The interest rate risk management policy is described in section 8.7.1.

(1) Refer to section 18.1.6 "Notes to Consolidated Financial Statements", Note 13.3.1 for a reconciliation between net debt and net debt excluding amortized cost and impact of derivative financial instruments.

8.6.2 Currency risk

Given the nature of its activities, the Group has limited exposure to currency risk on transactions (except for the WTS division), meaning flows relating to the activities of SUEZ and its subsidiaries are primarily denominated in their local currency.

The geographic diversification of its activities exposes the Group to translation risk, i.e., its financial and income statements are sensitive to foreign exchange rate fluctuations when consolidating the accounts of foreign subsidiaries outside the Eurozone. As a result, fluctuation in the value of the euro against these various currencies may affect the value of these items in its financial statements, even if their intrinsic value has not changed in their original currency. In addition, the Group implements currency hedges to create synthetic debt in foreign currency based on the euro, mainly to fund some of its foreign subsidiaries.

The following table shows the distribution of the Group's net debt by currency as of December 31, 2020 (excluding lease liabilities and including impact of derivatives and amortized cost):

(in millions of euros)	Euro [a]	US dollar	Pound Sterling	Chilean Peso	Hong Kong dollar	Other	Total
Net debt before the effects of forex derivatives	6,600.1	940.0	241.5	931.7	(66.2)	(267.3)	8,379.8
Net debt after the effects of forex derivatives	5,088.3	1,901.1	454.1	787.7	145.3	3.3	8,379.8
Impact on income of a 10% net appreciation of the euro on net position after management	0.8	(2.3)	(0.7)	(0.6)	(0.4)	(4.5)	(7.7)

(a) The euro impact comes from the net euro position of Group entities whose operating currency is not the euro. The share of net financial debt in euros declines after the effects of forex derivatives due to the Group's use of a portion of its debt in euros to create synthetic debt in foreign currency and to finance foreign subsidiaries, mainly in US dollars and Hong Kong dollars.

The following table shows the distribution of the Group's capital employed (after reclassification of items related to assets held for sale under IFRS 5) by currency as of December 31, 2020:

(in millions of euros)	Euro [a]	US dollar	Pound Sterling	Other [b]	Total
Capital employed	6,068.7	5,747.1	1,038.2	4,831.2	17,685.2

(a) Euro: including SUEZ Spain and its subsidiaries.
(b) Mainly the Australian dollar, Hong-Kong dollar, yuan and Chilean peso.

With respect to the US dollar, the table below presents the impact of changes in US dollar exchange rates between 2020 and 2019 on revenues, EBITDA, net debt and on the amount of shareholders' equity as of December 31, 2020:

(in millions of euros)	Change
Revenues	(41.4)
EBITDA	(8.1)
Net debt	(121.3)
Total shareholders' equity	(310.1)

Revenue and EBITDA calculations were based on an average USD/EUR rate variation from 2019 to 2020 (-1.9%); for net debt and shareholders' equity, the calculation was based on the fluctuation of the USD/EUR closing rate on December 31, 2020 and 2019 (-8.5%).

With respect to the pound sterling, the table below presents the impact of changes in pound sterling exchange rates between 2020 and 2019 on revenues, EBITDA, net debt and on the amount of shareholders' equity as of December 31, 2020:

(in millions of euros)	Change
Revenues	(13.9)
EBITDA	(1.7)
Net debt	(5.5)
Total shareholders' equity	(8.0)

Revenue and EBITDA calculations were based on an average GBP/EUR rate variation from 2019 to 2020 (-1.3%); for net debt and shareholders' equity, the calculation was based on the fluctuation of the GBP/EUR closing rate on December 31, 2020 and 2019 (-5.4%).

With respect to the Chilean peso, the table below presents the impact of changes in Chilean peso exchange rates between 2020 and 2019 on revenues, EBITDA, net debt and on the amount of shareholders' equity as of December 31, 2020:

(in millions of euros)	Change
Revenues	(93.2)
EBITDA	(51.7)
Net debt	(27.6)
Total shareholders' equity	5.4

Revenue and EBITDA calculations were based on an average CLP/EUR rate variation from 2019 to 2020 (-12.9%); for net debt and shareholders' equity, the calculation was based on the fluctuation of the CLP/EUR closing rate on December 31, 2020 and 2019 (-3.5%).

With respect to the Hong Kong dollar, the following table presents the impact of changes in Hong Kong dollar exchange rates between 2020 and 2019 on revenues, EBITDA, net debt and on the amount of shareholders' equity as of December 31, 2020:

(in millions of euros)	Change
Revenues	(2.2)
EBITDA	(0.4)
Net debt	25.6
Total shareholders' equity	(137.4)

Revenue and EBITDA calculations were based on an average HKD/EUR rate variation from 2019 to 2020 (-0.9%); for net debt and shareholders' equity, the calculation was based on the fluctuation of the HKD/EUR closing rate on December 31, 2020 and 2019 (-8.1%).

An exchange rate sensitivity risk analysis appears in Note 14.1.2.2 to the Consolidated Financial Statements, in chapter 18.1 of this Universal Registration Document. The foreign exchange rate risk management policy is described in section 8.7.2.

8.6.3 Liquidity risk

8

The table below presents the maturity schedule for the Group's borrowings and the amount of its cash as of December 31, 2020:

(in millions of euros)	Total	2021	2022	2023	2024	Beyond 2024
Total borrowings	12,730.1	1,796.2	779.2	673.2	1,011.7	8,469.8
Overdrafts and current cash accounts	1,084.7	1,084.7	-	-	-	-
Total outstanding borrowings	**13,814.8**	**2,880.9**	**779.2**	**673.2**	**1,011.7**	**8,469.8**
Financial assets measured at fair value through income	(54.9)	(54.9)	-	-	-	-
Liquid financial investments	(213.7)	(213.7)	-	-	-	-
Cash and cash equivalents	(5,105.9)	(5,105.9)	-	-	-	-
Net debt (excluding lease liabilities and excluding impact of derivative financial instruments and amortized cost)	**8,440.3**	**(2,493.6)**	**779.2**	**673.2**	**1,011.7**	**8,469.8**

Some borrowings contracted by Group subsidiaries, or by SUEZ Groupe on behalf of its subsidiaries, include clauses requiring certain ratios to be maintained. The definition and level of these ratios, that is, the financial covenants, are determined in agreement with the lenders and may potentially be revised during the term of the loan. Information about these covenants is presented in chapter 8.4 of this Universal Registration Document. As of December 31, 2020, 12% of borrowings exceeding EUR 50 million were subject to financial covenants. Failure to comply with these covenants could lead lenders to declare a covenant event of default and demand early repayment. As of December 31, 2020, and as of the date of this Universal Registration Document, none of these clauses has been activated. The Company also believes that the existence of these covenants does not have a material impact on the Group's financial position. Finally, none of these financial covenants is based on SUEZ Groupe's or SUEZ's share price, or on the Group's rating. Details on short- and long-term ratings and their evolution over the course of fiscal year 2020 appear in section 8.3.3 of this document. As of the date of this Universal Registration Document, there is no payment default on the Group's consolidated debt. There was also no payment default on the Group's consolidated debt as of December 31, 2020.

The following table shows borrowings contracted by the Group as of December 31, 2020, in excess of EUR 50 million:

Type	Fixed/floating rate	Total amount of lines as of December 31, 2020 *(in millions of euros)*	Amount used as of December 31, 2020 *(in millions of euros)*	Maturity
Bond issues	Fixed rate	850.0	850.0	2027
Bond issues	Fixed rate	750.0	750.0	2035
Bond issues	Fixed rate	700.0	700.0	2029
Bond issues	Fixed rate	700.0	700.0	2031
Bond issues	Fixed rate	612.9	612.9	2022
Bond issues	Fixed rate	596.6	596.6	2021
Bond issues	Fixed rate	540.0	540.0	2032
Bond issues	Fixed rate	500.0	500.0	2025
Bond issues	Fixed rate	500.0	500.0	2028
Bond issues	Fixed rate	500.0	500.0	2025
Bond issues	Fixed rate	500.0	500.0	2030
Bond issues	Fixed rate	461.0	461.0	2024
Bond issues	Fixed rate	376.0	376.0	2023
Bond issues	Fixed rate	300.0	300.0	2028
Bond issues	Fixed rate	278.1	278.1	2030
Bond issues	Fixed rate	250.0	250.0	2027
Bond issues	Fixed rate	200.0	200.0	2021
Commercial paper	Floating rate	200.0	200.0	2021
Commercial paper	Floating rate	200.0	200.0	2021
Draw-downs on credit facilities	Floating rate	170.0	170.0	2021
Bond issues	Inflation - indexed	167.3	167.3	2035
Bond issues	Fixed rate	122.2	122.2	2034
Bond issues	Fixed rate	101.9	101.9	2035
Bond issues	Fixed rate	100.0	100.0	2033
Draw-downs on credit facilities	Floating rate	79.9	79.9	2021
Bond issues	Inflation - indexed	76.6	76.6	2035
Bond issues	Inflation - indexed	76.6	76.6	2037
Bond issues	Fixed rate	75.0	75.0	2029
Commercial paper	Floating rate	70.0	70.0	2021
Bond issues	Inflation - indexed	66.6	66.6	2036
Bond issues	Inflation - indexed	66.6	66.6	2037
Bond issues	Inflation - indexed	66.6	66.6	2040
Bond issues	Inflation - indexed	66.6	66.6	2043
Bond issues	Inflation - indexed	66.6	66.6	2044
Other borrowings	Floating rate	61.5	61.5	2027
Draw-downs on credit facilities	Floating rate	61.4	61.4	2021
Bond issues	Fixed rate	61.1	61.1	2047
Bond issues	Fixed rate	61.1	61.1	2030
Bond issues	Fixed rate	61.1	61.1	2031
Bond issues	Inflation - indexed	58.3	58.3	2031
Bond issues	Fixed rate	57.0	57.0	2032
Other borrowings	Fixed rate	55.2	55.2	2025
Commercial paper	Floating rate	55.0	55.0	2021
Draw-downs on credit facilities	Floating rate	55.0	55.0	2021
Bond issues	Inflation - indexed	54.9	54.9	2032
Bond issues	Inflation - indexed	53.3	53.3	2038
Bond issues	Fixed rate	53.0	53.0	2033
Bond issues	Fixed rate	53.0	53.0	2048
Bond issues	Fixed rate	50.0	50.0	2030

As of December 31, 2020, the Group had the following unused confirmed credit facilities available:

Year of expiration	Confirmed but unused credit facility programs *(in millions of euros)*
2021	234.4
2022	190.1
2023	48.3
2024	237.3
2025	2,654.9
Beyond	-
Total	**3,365.0**

These credit facility programs include a syndicated loan of EUR 2.5 billion in the name of SUEZ, the maturity of which was extended to April 2025. The liquidity risk management policy is described in section 8.7.3.

8.6.4 Counterparty risk

The Group's exposure to counterparty risk is linked to its cash investments and its use of derivatives to control its exposure in certain markets.

The Group's surplus cash is invested in short-term deposits and interest-bearing current accounts with international banks with a minimum BBB+ rating (Standard & Poor's rating or equivalent), while ensuring that its counterparty diversification policy is stricter and more limiting in terms of counterparty selection.

The derivative financial instruments used by the Group are intended to manage its exposure to currency and interest rate risks, as well as its risks related to commodities. The financial instruments used are essentially forward purchases and sales as well as derivative products and swaps.

The counterparty risk management policy is described in section 8.7.4.

8.6.5 Equity risk

The Group has equity interests in publicly traded companies, the value of which changes depending on trends in global stock markets, the performance of these companies and how the markets perceive them.

As of December 31, 2020, the Group held shares in listed companies for a market and book value of EUR 21.0 million. An overall 10% drop in the value of these shares with regard to their price on December 31, 2020 would have had an impact of approximately EUR 2.1 million on the Group share of the shareholders' equity.

The equity risk management policy is described in section 8.7.5.

8.6.6 Risks linked to price fluctuations of certain commodities and energy

The Group's activities use commodities and energy, especially diesel and electricity, so it is exposed to any fluctuations in their prices.

The Group's contracts generally provide for indexation mechanisms, particularly in long-term contracts. The Group cannot guarantee that such mechanisms will cover all of the additional costs generated by increases in electricity and oil prices. In addition, some contracts entered into by the Group do not include indexing provisions. Accordingly, any major increase in the price of electricity or oil could have a negative impact on the Group's earnings and outlook.

In addition, the Group's waste activities produce plastic, wood, cardboard, metals and electricity. A significant reduction in their price could affect the profitability of certain investments or the economic balance of certain contracts and have a negative impact on the Group's operations, earnings and outlook.

8.7 Management of market risks

In the context of its operating and financial activities, the Group is exposed to market risks such as interest rate risks, currency risks, liquidity risks, or the risk related to certain commodity prices. To ensure greater control of these risks, the Group has implemented the management rules described below.

Market risk management issues are presented at a monthly Treasury Committee meeting chaired by the Chief Financial Officer and decisions regarding the management of these risks are taken by this Committee.

The Group primarily uses financial instruments to manage its exposure to fluctuations in interest rates, exchange rates and commodity prices.

8.7.1 Management of interest rate risk

The Group's exposure to interest rate risk is described in section 8.6.1.

The Group's policy is to diversify net debt interest rate references between fixed and floating rates. The aim is to achieve a balanced distribution among various interest rates and maturities.

The Group also uses hedging instruments (particularly swaps) to protect itself from interest rate fluctuations in the currencies in which its debt is denominated. The financial instruments held by the Group in order to hedge interest rate risk are detailed in Note 14.1.4 to the Group's Consolidated Financial Statements, chapter 18.1 of this Universal Registration Document.

The Group's exposure to interest rate risk is for the most part centrally managed and regularly reviewed during meetings of the Treasury Committee. Hedges decided upon by the Treasury Committee are executed and implemented on behalf of the Group by its Treasury and Capital Markets Department.

8.7.2 Management of currency risk

The currency risk to which the Group is exposed is detailed in section 8.6.2.

The geographic diversification of its activities exposes the Group to currency risk. Its statement of financial position and income statement are impacted by changes in exchange rates. Currency risk includes:

- transaction risk associated with purchases and sales made by the Group;
- transaction risk associated with sale and acquisition transactions;
- fair value risk associated with construction contracts;
- currency risk related to assets and liabilities denominated in a foreign currency, including loans and borrowings taken out by subsidiaries;
- consolidation risk, which arises when consolidating the financial statements of subsidiaries with a reporting currency other than the euro.

The financial instruments held by the Group to hedge currency risk are detailed in Note 14.1.4 to the Consolidated Financial Statements, chapter 18.1 of this Universal Registration Document.

The Group's exposure to currency risk is for the most part centrally managed and regularly reviewed at meetings of the Treasury Committee. Hedges decided upon by the Treasury Committee are executed and implemented on behalf of the Group by its Treasury and Capital Markets Department.

8.7.3 Management of liquidity risk

The liquidity risk to which the Group is exposed is described in section 8.6.3.

The Group's 2020 financing policy had the following objectives:

- diversifying financing sources through the use of banking and capital markets;
- optimizing financing costs;
- balancing the repayment profile of financial debt.

As of December 31, 2020, following different transactions made throughout the year as described in chapter 8 of this Universal Registration Document, bank loans accounted for 8.0% of total outstanding borrowings (excluding bank overdrafts and short-term borrowings, as these items do not constitute sustainable financial resources). Financing through capital markets represented 91.0% of this total (85.0% for bonds and 6.0% for commercial paper).

Net cash amounted to EUR 5,591.2 million as of December 31, 2020, and confirmed credit facilities reached EUR 3,782.0 million, EUR 417.0 million of which had been drawn down.

Available cash and cash equivalents (EUR 5,319.6 million), financial assets carried at fair value through income (EUR 54.9 million), net of bank overdrafts and short-term borrowings (EUR 1,084.7 million), totaled EUR 4,289.8 million as of December 31, 2020.

The Group's total liquidity as of December 31, 2020 is compatible with its size and the maturities it faces.

Liquidity risk is regularly monitored by the Treasury Committee and the Audit Committee; monthly reporting of consolidated Group debt includes a debt schedule for the current year, years y+1 to y+8 and beyond.

Access to long-term capital markets is mostly concentrated in the Parent Company SUEZ for new bond and structured bank debt.

8.7.4 Management of counterparty risk

The counterparty risk to which the Group is exposed is described in section 8.6.4.

The Group's policy for managing counterparty risk is based on the diversification of its counterparties and an assessment of the financial position of these counterparties.

The Group invests the majority of its cash surplus in, and negotiates its financial hedging instruments with, leading counterparties. Within the framework of its counterparty risk management policy, the Group has implemented management and control procedures based, on the one hand, on counterparty accreditation according to external rating and objective market aspects (credit default swaps, stock market capitalization), and on the other hand, on the definition of risk limits. Similarly, the Group selects its insurers in a way that limits its counterparty risk.

8.7.5 Management of equity risk

The equity risk to which the Group is exposed is described in section 8.6.5.

The Group's portfolio of listed equities is part of its long-term investment policy. As of the date of this Universal Registration Document, equity risk is not subject to any particular hedging, but the Finance Department monitors price changes in the Group's equity interests in various companies on a regular basis.

8.7.6 Management of commodity and energy risks

The commodity risk to which the Group is exposed is described in section 8.6.6.

The Group's hedging policy mostly concerns the risk associated with oil price fluctuations, in particular due to the fuel consumption of its main subsidiaries active in the waste management sector (SUEZ R&R France).

Volumes that are not purchased under contracts where revenues are indexed to the change in diesel prices are considered "at risk" volumes and are financially hedged through the use of derivative products, particularly swaps (see section 18.1.6, "Notes to the Consolidated Financial Statements", Notes 1.6.9.3 and 14.1.1).

In order to best implement the planned hedges, the Group's Treasury and Capital Markets Department monitors changes in the market and hedging prices and makes recommendations to the Treasury Committee and to the subsidiaries concerned.

9 Legal and regulatory framework

The Group's regulatory framework derives both from interdisciplinary regulations and regulations specifically related to the business lines.

The Group's activities in Europe are governed by European legislation (European regulations, which apply directly and uniformly to all Member States, or European Directives that must be transposed into domestic law) and by legislative provisions specific to each country.

The Group's activities outside Europe are also subject to regulations on the environment, Health and Safety, among other things.

A general presentation of the most significant applicable regulations is set out below.

9.1 Interdisciplinary regulations

9.1.1 Regulations on the awarding of public contracts

Generally, methods for awarding contracts vary depending on the nature of the public-private partnership (long-term concession of public services, PFI in the United Kingdom, BOT, or short-term provision of service) or the method of regulation. A clear definition of the regulatory framework is of the utmost importance for growth of the Group's activities.

A) EUROPEAN REGULATIONS

In the European Union, contracts signed by the Group with local public authorities are classified as either public works or services contracts, or concession contracts. In contrast to a public contract, a concession is defined as a right to operate a public service, with transfer of all or part of the risks borne by the delegating authority to the delegated agent.

On February 26, 2014, the European Council and Parliament adopted the Directives 2014/24/EU and 2014/25/EU on the coordination of public procurement procedures in connection with the award of contracts for public works, supplies and services, particularly in the water, energy transportation and postal services sectors.

These Directives aim to harmonize the procedures for awarding public works, supply and services contracts beyond certain thresholds, and to make procurement procedures more flexible. They regulate the tendering process governing the technical specifications, award criteria, procurement procedures and advertising rules. They apply to the majority of contracts between SUEZ and public authorities.

In addition to these two Directives on public contracts, the EU has also adopted a Directive on the award of concession contracts (2014/23/EU) to define the rules governing the signing of concession contracts between a private economic operator and a public entity (contracting authority and/or contracting entity). Among other things, the Directive regulates the application threshold, the duration of contracts, the award criteria and the relationship between the public authorities and co-contractors over which they exercise similar controls to those that govern their own departments, called "in-house" relationships. It should be noted that the water sector (drinking water and wastewater treatment) is excluded from the scope of application of this Directive.

Member States had until April 2016 to transpose these three Directives into law. However, some states have only recently transposed these Directives (Spain, Slovenia, Austria). The Commission is now conducting a dialog with some fifteen Member States to check the conformity of their national law with these Directives.

The Commission was expected to review the initial effects of these three Directives, and particularly the exclusion of the water sector from the Concessions Directive in a report to the European Parliament and Council before April 2019. However, given that some Member States did not comply with the deadline to transpose the Directives into law, the European Commission is now estimating a two-year delay, at minimum. The second progress report on the application of the Concessions Directive scheduled for 2021 is also uncertain now.

B) FRENCH REGULATIONS

French regulations in the area of public contracts have been revised as part of the effort to transpose the European directives mentioned above. The new legislation that came into effect on April 1, 2016 includes:

- Order 2015-899 of July 23, 2015 relating to public contracts and Decree 2016-360 of March 25, 2016 relating to public contracts are the transposition of European Directives relating to public contracts;
- Order 2016-65 of January 29, 2016 relating to concession contracts and Decree 2016-86 of February 1, 2016 relating to concession contracts transposed Directive 2014/23/EU relating to the award of concession contracts. The procedure to be used in awarding these contracts is a negotiated procedure. These contracts are particularly used in the water sector; local authorities (municipalities or groupings of municipalities) have the choice between direct control, the public services market, or delegation of public service (DPS). In the case of DPS contracts, the delegated management contract defines the respective obligations of the delegated agent and the delegating party, as well as the pricing policy; there is no transfer of ownership of public works to the delegated agent (which is only the operator); the latter is required to provide an annual technical and Financial Report to the contracting authority;
- Decree 2017-516 of April 10, 2017 relating to various provisions for public procurement amends Decree 2016-360 of March 25, 2016 pertaining to public contracts, called the "Public Contracts" Decree, particularly in the following areas:
  - new obligation for all purchasers subject to the French "MOP Law" to organize bidding contests for awarding their project management public contracts,
  - elimination of the obligation to produce a criminal record check at the time of application. Now a simple sworn statement is sufficient,
  - elimination of the obligation to make essential data about the contract available electronically for contracts under EUR 25,000,

  - elimination of local authority's obligation to conduct a comparative assessment of how a project will be completed for projects over EUR 100 million,
  - clarification as to the possibility to organize a bidding process with competitive negotiation or dialog when only irregular or unacceptable offers are presented after an initial call for tenders;
- the Decree of May 5, 2017 defines the content of project management assignments for comprehensive public contracts. This legislation is enacted in accordance with Law 2016-925 of July 7, 2016 relating to creative freedom, architecture and cultural heritage. The following types of comprehensive public contracts fall under the purview of this decree: design-build public contracts; comprehensive public performance contracts; industry-specific comprehensive public contracts when they include design components and relate to construction work. This decree requires applicants bidding on a comprehensive public contract to identify a project management team. In addition, Law 2014-744 of July 1, 2014 established a new mechanism for institutional partnership between the public sector and private operators, called a Unified Public Private Partnership (in France, a *Société d'économie mixte à opération unique*, or "Semop"). Using a Semop allows local authorities, *via* a single tendering procedure, to select a private shareholder to form a limited company, which will be directly awarded a contract to carry out a specific operation.

C) SPANISH REGULATIONS

In Spain, the award of public contracts is governed by Law 9/2017 of November 8, 2017 on public sector contracts, which transposes EU Directive 2014/24.

This law governs the more traditional methods of delegated management (concessions, semi-public entities, regulated and collective management) and requires them to comply with the same public information and competition standards as procurement for public works, services and supply contracts.

It defines the contractual arrangements of the public-private collaboration contract (similar to the French public-private partnership contract). It is intended to meet complex public sector needs, which are not satisfied by traditional contractual agreements, and consists of awarding a company overall responsibility for construction, management, maintenance and replacement, as well as contributing to financing the project.

In addition to Law 9/2017, the Spanish government approved Royal Decree-Law 3/2020 of February 4, 2020, which transposes, among others, European Directive 2014/25 which governs the procurement procedures of entities operating in the water, energy, transportation and postal services sectors. This law defines the procedures to be applied by the entities operating in these sectors for public works services and supply contracts.

The Royal Decree-Law was supposed to take effect on February 25, 2020 but on February 20, 2020 the Parliament voted to treat this law as a draft bill *via* an urgent procedure; potential new debates may occur.

In addition, the Spanish government recently adopted a regulation (Royal Decree-Law 36/2020) aimed at accelerating the implementation of credit lines and funds granted by the European Union due to the pandemic. Decree-Law 36/2020 introduces minimal reforms, shortening the bidding process and increasing very slightly the rates of return allowed in concession contracts. The Spanish Parliament is currently reviewing this regulation, so it is possible that some changes may be introduced in the final regulation.

D) UNITED STATES REGULATIONS

In the United States, the federal government plays an important role in the water sector, but the various states retain their authority in the areas of resource management, regulation of services and investment planning. There are two broad, coexisting contract methods: a regulated method, comparable to the British system, in which the assets belong to the operator, and a non-regulated method, in which the public authority entrusts, by means of a contract, the operation and management of its assets to an operator following competitive bidding. For the "regulated" activities, each state has a Public Service Commission or another body in charge, which sets the prices (for service of water treatment and wastewater reuse), the standards of service and the return on shareholders' equity allowed per company operating in the regulated sector. For public-private partnership agreements (PPP) in the non-regulated sector, the rules for the allocation of projects and their modes of operation vary by state and municipality. As a general rule, operators are selected by means of calls for tenders and contracts are awarded for a definite number of years.

E) CHINESE REGULATIONS

There are two laws that currently govern public contracting in China: the law on awarding public contracts and the law on submitting public tenders. While the law on awarding public contracts concerns the purchase of goods and services by national and local government agencies, the law on submitting public tenders controls construction projects financed by the state. These may be large-scale infrastructure projects as well as state-owned company tenders. Putting out calls for tenders is effectively mandatory for certain contracts in the construction sector. The breadth and thresholds of this type of project are determined by the National Development and Reform Commission and by government ministries.

In 2014, the concept of a public-private partnership was expressly recognized in Chinese legislation. The National Development and Reform Commission has since encouraged the formation of public-private partnerships in the areas of energy, transportation, water, conservation, environmental protection, forestry management and urban planning.

The discussion with the World Trade Organization (WTO) to join the multilateral Government Procurement Agreement (GPA), which started in 2007, is in progress. If China accedes to the WTO agreement, certain provisions of the law awarding public contracts would be modified accordingly.

9.1.2 General environmental regulations

A) EUROPEAN REGULATIONS

Environmental liability

Directive 2004/35/EC on environmental liability with regard to preventing and remedying environmental damage (transposed in France into Law 2008-757 of August 1, 2008) establishes a legal framework for environmental liability founded on the "polluter pays" principle, with a view to preventing and remedying damage to protected species, natural habitats, water resources and land. Damage may be recognized (by administrative bodies) without any evidenced fault, even if the facility that is the source of the damage is compliant with applicable licenses and authorizations. According to the Environmental Liability Directive, the operator is the first party to incur liability. The text of the law does however stipulate non-retroactivity, and will therefore only apply to damage for which the triggering event occurred after April 30, 2007 (the deadline for transposition by Member States).

Particular vigilance is now required with regard to areas in which exceptional habitats and environments are protected: the "ecoregions" identified at world level, the "Natura 2000" sites in Europe and, specific to France, sensitive rivers and corridors or reservoirs of biodiversity defined in the "Grenelle" laws.

In terms of criminal liability, in accordance with Directive 2008/99/EC on the protection of the environment through criminal law, Member States must establish criminal sanctions that are effective, proportionate and dissuasive for serious violations of the provisions of EU law relating to the protection of the environment. This EU law relates in particular to the release of substances or ionizing radiation into air, soil or water, the treatment and transfer of waste, the destruction or capture of specimens of protected species of wild fauna and flora, and the marketing of substances that will weaken the ozone layer.

European pollutant release and transfer register

Regulation 166/2006/EC established a European Pollutant Release and Transfer Register (known as the E-PRTR Register) to monitor the release of pollutants into water, air and soil at EU level (replacing the European Pollutant Emission Register (EPER)). This register, which is an electronic database that has been accessible to the public since November 9, 2009, is aimed at facilitating access to information concerning pollutant emissions. The vast majority of waste and some wastewater treatment activities are affected by this Regulation (although certain thresholds do exist) and, consequently, the operators concerned must provide precise data on their emissions every year (the initial year of reference was 2007). The European Commission planned to assess Regulation 166/2006/EC in 2020-2021 based on effectiveness, consistency, efficiency and how much value European action adds. This Regulation also impacts the Group's hazardous waste business.

Seveso III

The Seveso Directive on the control of major accident hazards involving dangerous substances requires Member States to ensure that all operators concerned by the Directive have implemented a policy for the prevention of major accidents. Operators who handle hazardous substances above certain thresholds are required to regularly inform the public likely to be affected by the consequences of an accident, by establishing safety reports, a safety management system and an internal emergency plan. Directive 2012/18/EU of July 4, 2012, known as "Seveso III" amends and, as from June 1, 2015, replaces the previous Regulation (Directive 96/82/EC of December 9, 1996, known as "Seveso II"). Among other things, it harmonizes the list of chemicals with that of the new classification system for hazardous substances of the CLP Regulation (1272/2008/EC).

REACH

The Reference, Evaluation, Authorization and Restriction of Chemical substances (REACH) Regulation has been in force since June 1, 2007. In order to offer better protection of human and environmental health against risks that may derive from chemical substances, the REACH regulation makes industry responsible for evaluating and managing the risks of the said substances and for providing adequate safety information to users.

REACH involves specific communication throughout the life cycle of substances so as to guarantee regulatory compliance and to ensure that the planned uses (including at end-of-life) are taken into account. Accordingly, the Group-like all those in the industry-must check with its suppliers that the substances it uses in the context of its activities are indeed REACH-compliant.

Since December 1, 2010, companies must also have registered all substances produced above the threshold of 1,000 metric tons per year and per legal entity with the European Chemicals Agency (ECHA), unless the product in question is exempt. The Group's activities are affected by this registration obligation when selling recycled substances (secondary raw materials) that have a product status, as well as for certain substances produced *in situ*. However, the number of substances registered is very low, as the majority of recycled substances sold on the market are exempt due to their similarity with existing substances.

In 2018, the European Commission conducted a second assessment of the implementation of the REACH Regulation. It also launched a public consultation on the links between the legislation on chemical products and waste to prepare for potential new regulations. The results of the public consultation on the articulation between chemicals and waste legislation should be reflected in the future chemicals strategy for sustainability, announced in the framework of the Green Deal, which is expected to be published before the summer of 2020.

The Climate and Energy Package

On December 17, 2008, the European Parliament adopted several proposals aimed at both fighting climate change and guaranteeing the European Union a safer and more sustainable energy supply.

The "Climate and Energy Package," as it is commonly known, brings together:

- a Directive that modifies and extends the greenhouse gas emissions trading scheme, from which Group facilities in the water and waste sectors are currently excluded;
- a decision relating to the distribution of effort among Member States in domains that are not covered by this scheme, such as transport, construction or environmental services;
- a Directive intended to promote renewable energies, such as biogas and energy produced from waste biomass and wastewater treatment byproducts;
- a Directive on the geological storage of CO_2;
- new guidelines concerning state aid for the conservation of the environment, published April 1, 2008 and aimed at supporting the investment effort necessary to achieve these objectives as set forth in the aforementioned laws.

This initiative is part of the ambitious "climate" action plan, adopted by the European Council in March 2007, whose main recommendations are a European Union commitment to reduce its greenhouse gas emissions by at least 20% between now and 2020, a compulsory objective of 20% of renewable energy in energy consumption within the same time frame, and lastly an increase of 20% in energy effectiveness (program known as "3x20").

On October 23 and 24, 2014, the European Council agreed to reform the Package; consequently, it is now known as the "2030 Climate and Energy Package." This agreement is intended to enhance the three targets adopted in 2008 by reducing greenhouse gas emissions by at least 40% (compared to 1990 levels), increasing the percentage of renewable energies to at least 27% and improving energy efficiency by at least 27%.

As part of this Package, in July 2015, the Commission published a proposal for revising the European Emissions Trading Scheme for the 2021 to 2030 period. The main goal is to prompt carbon prices per metric ton to rise by expanding the sectors covered as well as reducing the overall number of quotas, and especially free quotas. This amendment was adopted in February 2018 and came into effect in April 2018. The European Commission has decided to extend until June 15, 2020 the deadlines for Directives that should have been transposed since July 2019.

In November 2016, a proposal to adopt a "clean energy" package was added to the "2030 Climate and Energy Package." The "Energy Performance of Buildings" Directive was adopted in May 2018. In early December 2018, Directives were adopted on Energy efficiency (with a goal of improving energy efficiency by 32.5% by 2030), renewable energy (with a goal of obtaining 32% renewable energy in the European energy mix by 2030), and governance. Member States have until June 30, 2021 to transpose the provisions of these Directives into national law.

All of these goals are part of the more long-term strategy for a competitive, low-carbon economy by 2050, published by the Commission on November 28, 2018.

In December 2020, the 27 heads of state and of government agreed on a new 55% of GHG reduction target by 2030. Consequently, the Energy/Climate legislative package must be amended significantly.

To that effect, on June 30, 2021 the European Commission will publish a major legislative package (55 legislative proposals) to make the European energy and climate regulation compliant with reaching of this new target. The revision proposals will concern in particular the Renewable Energies Directive, the Directive on Energy Efficiency, the Energy Tax Directive or the Emissions Trading System (ETS).

The European Green Deal – a global compact for climate action and sustainability

In response to climate and environmental challenges, on December 11, 2019, the European Commission introduced the Green Deal, which includes around fifty measures with ambitious targets: more rigorous climate goals for 2030 and 2050 (climate neutrality); a modern and sustainable European economy that generates jobs; an industrial policy based on the circular economy; and a "pollution-free environment with zero toxic substances."

A very ambitious legislative calendar came with the Green Deal major announcements, including legislative measures and proposals that could potentially impact the Group. The schedule for 2021 includes the following measures:

1st quarter
- a new European strategy on adaptation to climate change;
- a new sustainable finance strategy (could be postponed).

2nd quarter
- European Green Bonds standards;
- action plan of Zero Pollution to water, air and soil;
- legislative package of 55 proposals (Energy/Climate) – Part One.

3rd quarter
- legislative proposals for intelligent and sustainable mobility.

4th quarter
- legislative package of 55 proposals (Energy/Climate) – Part Two;
- Circular Economy Action Plan – new measures announced;
- revision of the state aid framework for the energy and environment protection in connection with the European Green Deal.

B) FRENCH REGULATIONS

Climate and resilience bill

This bill, presently in the stage in parliamentary examination until the end of summer 2021, reflects a certain number of proposals based on the Citizens' Convention on Climate. The latter address a certain number of topics that may directly or indirectly concern the business activities of SUEZ:

- better consumer information about the carbon footprint of products (Article 1);
- real education about the environment (Articles 2 and 3);
- greening of public orders with an obligation for public buyers to consider the environmental aspects of work, services or supplies purchased under public contracts;
- putting an emphasis on the protection of aquatic ecosystems and of biodiversity;
- development of R&REn (Renewable and Recovered Energy) in the regions with a regionally-adapted implementation of the MEP (Multiannual Energy Plan);
- development of Low Emission Zones (LEZ) in metropolitan agglomerations of more than 150,000 inhabitants by December 31, 2024;
- putting the target to halve the rate of soil artificialization over the next ten years compared to the previous decade into law;
- giving authority to the government to impose by order measures to allow local authorities to take over the issue of the necessary adaptation of coastal areas to shoreline retreat;
- setting up of a trajectory of reduction of emissions of nitrogen and ammonia protoxide in the agricultural sector, completed by the introduction, where applicable, of a mineral nitrogen fertilizer fee;
- a new general offense (*délit général*) of pollution of water, soil and air.

Energy and Climate Law

The Energy and Climate Law of November 8, 2019 aims to respond to the ecological and climate crisis. The law records this crisis in the Energy Code along with the goal to be carbon neutral by 2050, cutting GHG emissions down by a factor of at least six by that date.

The major objectives of France's energy policy are as follows:

- achieve carbon neutrality by 2050;
- reduce fossil fuel consumption by 40% by 2030;
- shut down the remaining four French coal power plants in 2022;
- postpone reducing nuclear energy to 50% (*versus* more than 70% currently) by ten years to 2035;
- develop low-carbon and renewable hydrogen, which must account for around 20 to 40% of total hydrogen and industrial hydrogen consumption by 2030.

The multi-annual energy program (MEP) and national low-carbon strategy (SNBC) were published in February 2020.

The SNBC and the carbon budgets for the three periods until 2033 were adopted by decree on April 21, 2020. They are set respectively at:

- 2019-2023: 422 million metric tons (MMT) of CO_2 per year;
- 2024-2028: 359 MMT of CO_2;
- 2029-2033: 300 MMT of CO_2.

On the other hand, the MEP lists, for the period 2019-2028, the targets permitting to reach those set by the SNBC for the energy part. It sets a target of reduction of the final consumption of energy by 7.5% between 2012 and 2023 and by 17% in 2028. The document also sets targets of reduction of consumption of fossil energies:

- 10% in 2023 and 22% in 2028 for gas;
- 19% in 2023 and 34% in 2028 for oil;
- 66% in 2023 and 80% in 2028 for coal.

Law to re-establish biodiversity, nature and landscapes

Law 2016-1087 of August 8, 2016, the so-called biodiversity law, introduces several new items:

- the recognition of ecological damage;
- the principle of ecological solidarity;
- the non-regression of environmental law;
- the mitigation of environmental damages.

The biodiversity law highlights the transition from a fixed vision to a full and dynamic vision of biodiversity. Biodiversity is effectively considered as a source of innovation and knowledge of it is inscribed in law as a fundamental objective. According to the law, ecological continuity contributes to sustainable development of regions and consequently must be protected. The sequence "avoid, reduce, mitigate" is reaffirmed regarding regional development projects. In addition, the law addresses agricultural mitigation.

Lastly, the law clarifies roles by designating the region as the level responsible for managing biodiversity.

Law ratifying the order relating to amending the applicable rules to environmental assessment of projects, plans and programs and the order reforming procedures intended to ensure public information and participation in making decisions likely to have an impact on the environment

Order 2016-1058 of August 3, 2016 ratified in March 2018 and Decree 2016-1110 of August 11, 2016 reform environmental assessment. These measures are intended to bolster effectiveness of the participation of the public in decisions that could have an impact on the environment and to modernize consultation procedures. Their purpose is to "ensure that the project preparation process is more transparent and that there is better participation by the public in this process." This is to address inadequacies in the transposition of Directive 2014/52/EU relating to the environmental evaluation of projects, raised by a reasoned opinion of the European Commission in March 2015.

Accordingly, a distinction is now drawn between projects systematically subject to environmental evaluations and projects subject to these evaluations on a case-by-case basis. It should be noted that innovative projects will be systematically subject to a case-by-case review procedure.

Clarifications are provided with regard to impact studies, which should include a description of the vulnerability of a project to climate change and present a "benchmark scenario," and especially a view of probable changes in the environment should the project not be implemented. Details of mitigation measures are also set out.

These actions also confirm the "by project" approach, as opposed to a "by procedure" method. The project concept is defined without resorting to the concept of "work program." Furthermore, shared or coordinated environmental evaluations procedures are set up between projects, or between projects and planning documents.

Decree 2017-626 of April 25, 2017 amends procedures intended to ensure information and public participation in making certain decisions likely to have an impact on the environment, in accordance with Order 2016-1060 dated August 3, 2016 relating to reforming procedures intended to ensure information and public participation in making certain decisions likely to have an impact on the environment.

In particular, the decree provides for setting up public debates on national plans and programs that are subject to environmental assessment.

The decree details arbitration procedures in the event of a dispute between the project owner and one or more approved associations. Implementation of the right to a citizen's initiative to request prior consultation from the prefect is also detailed. The decree calls for the widespread rollout of a digital public consultation process.

Energy Transition for Green Growth Law

Law 2015-992 of August 17, 2015 and the action plans accompanying it are intended to help France make an effective contribution in the fight against climate change and to bolster its energy independence by better balancing its various sources of supply. Among the drivers of this growth, the circular economy is at the center of the Law.

"Grenelle" laws

In order to implement the commitments made in 2007 within the context of France's Grenelle Environment Forum (*Grenelle de l'environnement*), legislative proposals were adopted in 2009 and 2010, including:

- framework Law 2009-967, relating to the implementation of the Grenelle Environment Forum, known as the "Grenelle I" Law, defined the main guidelines: it translated the "Grenelle" commitments into legal terms;
- Law 2010-788 for a national environmental commitment, known as the "Grenelle II" Law, set out the conditions for implementing the commitments made in 2007.

The "Grenelle" laws and the regulatory provisions supplementing them represented both new obligations and new opportunities for the environmental sector.

In the water sector, the "Grenelle II" Law introduced a large-scale program for regaining water quality by making the various economic players accountable: local authorities must meet wastewater standards, farmers must reduce their use of pesticides, and manufacturers whose activities pollute must fulfill new obligations.

C) SPANISH REGULATIONS

In order to implement the European Directives, several laws regulating environmental protection have been adopted, such as Law 26/2007 of October 23, 2007 on environmental liability, transposing Directive 2004/35; Organic Law 5/2010 of June 22, 2010, which amended the Criminal Code to transpose Directive 2008/99; and Royal Decree-Law 1254-1999 of July 16, 1999, which transposes Directive 96/82. It is noteworthy that following the last environmental review of Spain carried out by the OECD in 2015, Spanish laws on biodiversity are among the most ambitious of the entire OECD area and that the ecological footprint of the country's industrial sector remains relatively indistinct. However, efforts must be made with regard to coordinating the various autonomous communities of the country in relation to the numerous requirements contained in environmental regulations.

D) CHINESE REGULATIONS

The Commission for Reform and National Development published a "plan for the Promotion of the Circular Economy" in April 2015, in which it enumerated actions to be implemented in industry, agriculture and cities. The Law for the Promotion of the Circular Economy took effect in 2009.

The 13th Five-Year plan covering the period of 2016-2020 calls for ambitious environmental initiatives. The Ministry for the protection of the environment (MPE) is in charge of:

- establishing and improving the base rules for the protection of the environment;
- coordinating, cooperating, supervising and administering the main environmental problems;
- preventing and controlling environmental pollution;
- performing studies of impact on the environment by delegation of the Council of State.

The effective implementation of environmental policies on the local level is entrusted to Environmental Protection Departments (EPD), which are in charge of monitoring industrial pollution emissions, inspecting the sites, issuing fines for emissions and initiating proceedings.

On December 25, 2016, the Permanent Committee of the National People's Congress (NPC) of China adopted the environmental protection law, which established bases of responsibilities and obligations in the area of environmental protection, such as:

- Environmental Impact Assessment (EIA). Before starting a construction project, an EIA must be performed regarding the probability of pollution produced by the project, its impact on the environment and the preventive and corrective measures proposed. The EIA must be approved by the competent EPD;
- systems of "three synchronizations," to guarantee that the design, building and operation of main parts of the project must be synchronized with the design, building and operation of appropriate facilities for the prevention and control of pollution;
- system of emission permits for all plants and facilities that emit directly or indirectly hazardous or controlled substances;
- "polluter pays" principle.

On June 27, 2017, the Permanent Committee of the NPC decided to amend the Chinese Code of Civil Procedure and the Administrative Procedure Law, formally authorizing Chinese public prosecutors (typically criminal public prosecutors) to file lawsuits in the public interest against acts that compromise the public's rights and interests in matters related to environmental protection and natural resources.

The Civil Code of the PRC (People's Republic of China) promulgated in May 2020 entered in force in January 2021. It contains an entire section dedicated to "liability for environmental pollution and ecological damages," with clearer rules for restoration and compensation of ecological damages, but punitive damages are not applicable yet to environmental liability.

E) AUSTRALIAN REGULATIONS

Environmental matters in Australia traditionally fall within the jurisdiction of state governments rather than the federal government, which has no special jurisdiction to legislate in that domain. However, during the 1970s, there was an observable trend toward granting the federal government greater power in environmental matters, namely by using the provisions of the Constitution of the Commonwealth, which are not specific to the environment.

At the different states level, environmental assessment is integrated into the decision-making process in the form of planning systems and licenses. Environmental protection requires that activities that could have a negative impact on the environment be licensed before they are carried out. Moreover, the work undertaken by holders of these licenses must necessarily abide by their conditions. Industrial activities such as chemical production, waste treatment, mining operation or intensive agriculture are concerned. States may also implement legislative measures autonomously with regard to the protection of endangered species, preservation of indigenous flora, creation of national parks and water treatment and use.

Under the national Environment Protection and Biodiversity Conservation Act 1999, activities that may have a considerable environmental impact at national level generally must be approved by the federal minister in charge (currently the Minister of Environment), as well as by the minister of the state concerned. However, the conservative federal governments of Tony Abbott (2013-2015) and Malcolm Turnbull (2015-2018) have signed bilateral agreements between the federal government and the state governments in order to accredit certain approval processes by the states and to ensure that these actions do not require specific federal approval.

Australia has taken various measures to address the energy question with a view to reducing greenhouse gas emissions at both the federal and state levels.

However, the Liberal Party, which together with the National Party has governed since September 2013, is often criticized for its immobilism on the climate change and reduction of emissions. The Liberal Party in particular continues to be a great supporter of the coal industry, one of the main exports of the country. Australia remains the leading global exporter of metallurgic coal, representing 55% of the world's supply in 2019. The candidacy of Mathias Cormann, Australia's longest-serving Finance Minister, who recently resigned from Parliament, as Secretary General of the OECD, raises some criticism because of his party's reluctance to take engaged measures in the area of climate change and emission reduction. The British opposition, for example, has put pressure on Prime Minister Boris Johnson not to support the Cormann's candidacy.

The 2007 National Greenhouse and Energy Reporting Act (NGER Act) established a national framework for businesses to disclose their greenhouse gas emissions, energy consumption and energy production.

The Abbott and Turnbull governments maintained the Kyoto objectives set by the preceding Labor government, which required a 5% reduction in carbon emissions (compared to 2000 levels) for Australia by 2020. Australia ratified the Paris Agreement shortly after it took effect in November 2016. Australia's contribution, which was submitted upstream of COP21, requires an emission reduction level of 26% to 28% by 2030, in relation to 2005 levels.

The Emissions Reduction Fund is a voluntary program that allows some sectors in the economy to generate carbon credits for reducing emissions or capturing carbon. They receive one credit for each metric ton of emissions saved or captured. Credits may be purchased through reverse auctions by the Clean Energy Regulator, by means of an AUD 2.55 billion fund for the 2015 to 2020 period. To date, nearly 189 million credits have been purchased, at an average price of AUD 11.83.

The Safeguard Mechanism, which took effect on July 1, 2016, establishes a ceiling of authorized emissions for high CO_2 emissions infrastructures, with the goal that the emissions reductions purchased through the Emissions Reduction Fund not be transferred elsewhere in the country's economy. This mechanism uses the framework established by the National Greenhouse and Energy Reporting (NGER) Act.

In 2017, the Australian government reviewed its policy on climate change to ensure that it meets the emission reduction targets set for 2030 and complies with the commitments made by Australia under the Paris Agreement. Australia's goal now is to reduce GHG emissions 26-28% by 2030 (based on 2005 emissions).

On February 25, 2019, the Australian government published a Climate Package including AUD 3.5 billion in investments so they can meet the commitments they made under the Paris Climate Agreement. The government's existing policies made it possible for the country to meet its commitments under the Kyoto Protocol:

- a AUD 2 billion climate solutions fund to reduce greenhouse gases in all sectors of the economy *via* the Emissions Reduction Fund which let farmers, SMEs and indigenous communities have a real impact on the environment while receiving new revenue-generating opportunities;
- guaranteeing an energy future for generations to come by investing in a major technological expansion of the Snowy Mountains complex as well as a second interconnector, Marinus Link, installed between Victoria and Tasmania. The power plants Snowy 2.0 (New South Wales) and Battery of the Nation (Tasmania) will supply the national electricity market with more affordable and reliable energy in terms of supply while reducing costs for Australians and companies;
- helping Australian homes and companies improve their energy efficiency to cut down on their bills;
- developing an e-mobility national strategy to make sure a transition to new mobility infrastructures and technologies is planned, coordinated and benefits all Australians;
- sustainable and clean local environments and ecosystems thanks to support provided to local communities.

In 2020, Australia firmly concentrated on the fight against the coronavirus with a legislative measure largely oriented on strengthening of the economy and support to affected Australians. In terms of the environment, the most important change made to the national legal framework was the December adoption of a series of legislative measures on recycling. The Recycling and Waste Reduction Act (2020) prohibits export of waste abroad. Although presented partially as a measure intended to stimulate the economy by creation of jobs in the waste and recycling sector, the legislation is in a large part a response to China's "National Sword," promulgated in January 2018. Australia sent 1.25 million metric tons of recycled materials to China in 2016-2017. The government could reject an amendment proposed by the Australian Greens (a minority party), supported by the Labor Party (the opposition party), which would require that companies with revenues of more than AUD 5 million report their progress towards targets set in the legislation. The government has committed to a recycling rate of plastic packaging of 70% by 2025, while currently this rate is only 16%. Another amendment proposed by the Australian Greens, which would ban single-use plastics was rejected easily as the government stated that it planned to publish a plastics ban bill next year.

Australia is experiencing a growing push towards banning single-use plastics. In November, legislation was introduced into the Queensland Parliament (the second largest state in Australia by size) aimed at banning plastic straws, stirrers, cutlery, plates and bowls. Single-use plastic bags have already been banned in Australia for some time. Although there are various exemptions, almost none have been applied, which means that the ban has undoubtedly been ineffective in the fight against plastic waste.

9.1.3 Regulation related to the protection of computer data

The new European Regulation on the protection of personal data, the GDPR (General Data Protection Regulation), was ratified on April 27, 2016 and published on May 4, 2016 in the Official Journal of the European Union (OJEU). The GDPR is based on the right to privacy and the protection of personal data, which are fundamental to each citizen. This new legal framework will be common to all Member States and harmonized between them.

It pertains to any company which collects, manages or stores data. In response, SUEZ implemented a comprehensive action plan for cybersecurity to prepare for the application of the regulation on May 25, 2018.

The GDPR includes, in particular, the obligation to provide a clear, written explanation of the data security policy for persons whose data is stored. The companies must be capable of providing them with all of the stored data pertaining to them, in a simple format that can be provided to them *via* the internet. The GDPR also mentions the "right to be forgotten," which provides for the rapid deletion of any personal data requested.

Finally, the GDPR requires the nomination of a Data Protection Officer (DPO), who shall be responsible for questions relating to the protection of personal data and the regulatory oversight of these matters. SUEZ appointed a person to this position in order to comply with GDPR obligations.

9.2 Regulations related to business activities

9.2.1 Water

A) EUROPEAN REGULATIONS

Framework for EU policy on the water sector

Directive 2000/60/EC establishing a framework for the European Union's water sector policy, as revised in 2008, was aimed at restoring the quality of groundwater and surface water by 2015.

In addition to this outcome objective, it sets forth requirements with regard to the methods to be implemented: reducing the release of "priority" substances, which are considered to be most harmful for the environment and human health, drafting and implementing master plans and action plans, monitoring the results of the actions aimed at restoring the quality of environments and reporting on this to the European Commission.

The Directive recommends that water usage and its impact be analyzed on an economic basis, and provides for increased public participation and consultation. It sets the objective of full recovery of service costs and establishes the "polluter pays" principle.

The Directive also sets forth a strengthened legal and institutional framework for the water resource management policy, which is very similar to the French system of management through large river basins.

Three European Commission progress reports on implementing the Directive, published on March 22, 2007, April 1, 2009 and November 14, 2012 set out this approach by recommending the establishment of river basin management plans combined with the setting up of programs of measures that are now operational in almost all EU Member States. The third progress report indicated that the Directive's environmental objectives would not be achieved across Europe by 2015. Meanwhile, an action plan to safeguard Europe's water resources was published on November 14, 2012 to provide Member States with tools to help achieve these goals. The plan urged better implementation of the Water Framework Directive of 2000 but did not impose additional obligations on Member States. It also proposed the issuance, by 2015, of a new EU regulation to make the best use of water reuse techniques.

A roadmap for the "maximization of water reuse within the EU" initiative was published in September 2015, emphasizing the need to establish European standards with regard to the reuse of water for irrigation or industrial use. Reuse of water that is better supervised on a legislative level would result in important savings in water consumption, a lowering of the water stress experienced in certain European regions, an increase in the recycling capacity of nutrients contained in wastewater, and could ultimately contribute to growth and job creation in Europe. In May 2018, a draft Regulation on minimum quality standards for the reuse of wastewater for agricultural irrigation was published by the European Commission with two main objectives: leading this practice at European level to encourage its development, and raising public awareness of its economic and environmental interest. An inter-institutional agreement was reached in December 2019, paving the way for ratification by the Parliament and the Council, with a view to publication in the Official Journal of the EU before the summer of 2020.

Directive 2000/60/EC is separated into two implementation Directives (known as individual directives) which specify the "good condition" to be reached for groundwater and surface water in 2015.

Directive 2013/39/EU, published on August 12, 2013 and amending Directive 2008/105/EC relating to environmental quality standards applicable to surface water, sets concentration thresholds for 45 chemical substances or groups of chemical substances identified as a priority because of the significant risk they present to the environment and/or to human health *via* the aquatic environment. A total of 21 of these substances have been classified as hazardous; emissions of these substances into surface water must cease by 2021. The other substances are subject to national reduction targets, to be defined by the Member States. Three pharmaceutical substances were placed on a watch list.

The goals of Directive 2006/118/EC on the protection of groundwater against pollution and deterioration are primarily the proper chemical condition of water and the prevention or limitation of the introduction of pollutants into groundwater. In France, the Directive was transposed as part of the Water and Aquatic Environments Law (LEMA 2006-1772 of December 30, 2006) and the corresponding regulatory acts amending the Environmental Code.

Following its evaluation by the services of the Environment Department, the revision of the Framework Directive 2000/60/EC is currently under discussion in the Council and also includes the revision of the two daughter Directives 2013/39/EU and 2006/118/EC. A decision on a possible revision of the Framework Directive is expected to come into force in the first half of 2020.

In June 2020, the European Commission decided that the Water Framework Directive will not be open for revision. At this stage, the European Commission wishes to give Member States more time to reach their main objective of good ecological state of rivers, lakes and groundwater by 2027 at the latest.

Directive on drinking water

Directive 98/83/EC on the quality of water intended for human consumption has raised requirements involving several parameters (turbidity, chlorites, arsenic, volatile organohalogenates, nickel), and in particular concerning lead (25 µg/l at end 2003 and 10 µg/l at end 2013), meaning that eventually no contact will be authorized between drinking water and lead pipes, which is the reason for replacing all existing lead pipes and for the work required on private and public properties to achieve this goal. It also raised requirements regarding public information on the quality of water distributed. After consulting the stakeholders concerned in 2003 and 2008, the Commission decided in 2011 not to revise this Directive, and to restrict itself to amending the details in various appendices.

After having led a public consultation in 2014 and following a "Right2Water" citizens' initiative that collected 1.8 million signatures, the European Commission published a proposal to revise Directive 98/83/EC on February 1, 2018. This revision is part of a risk-based approach and also focuses on materials in contact with water. Moreover, technical appendices II and III of the Directive have been changed by Directive 2015/1787 of the Commission to adapt them to technical and scientific progress. The monitoring of various water surfaces could now be based on a risk-based approach if the Member States so decide, in an effort to reduce superficial analyses as much as possible, using the World Health Organization model as a guideline. While these new appendices provide Member States with the option of adapting their monitoring programs to requirements and what they consider most relevant, this decision is left to their discretion. The Commission's draft project also aims to provide more transparency to the public by delivering key information on the functioning and administration of water services as well as on performance.

The European Commission, the Parliament and the Member States struck a compromise on December 18, 2019. The new Directive on drinking water includes new provisions and obligations regarding access to water; more rigorous limit values, especially on lead; a limit on endocrine disruptors; a consistent method for measuring microplastics; a slight improvement in transparency for consumers; and a leak prevention plan.

The new Directive on drinking water has entered into force on January 12, 2021. Member States have now two years to transpose it into domestic law.

Directive relating to wastewater treatment activities

Directive 91/271/EEC concerning urban wastewater treatment introduced several major categories of obligations, including:

- efficiently collecting wastewater and making provisions for its secondary treatment in urban areas with over 2,000 "inhabitant equivalents;"
- defining "sensitive areas" at a national level, where treatment of nitrogen and/or phosphorus is required;
- requiring a high degree of reliability of wastewater treatment systems and the obligation to monitor these systems; and
- pursuing the option of using non-collective wastewater treatment "when the organization of a collection system is not justified, whether because it is not in the best interests of the environment or because the cost would be excessive," provided that the system provides "an identical level of environmental protection."

Directive 91/676/EEC concerning the protection of water against pollution caused by nitrates from agricultural sources is intended to protect water resources, and requires the definition of "vulnerable areas" where codes of best agricultural practice must be established.

Directive 2006/07/EC concerns surface waters that could serve as bathing waters. Member States must provide for the supervision and assessment of their bathing waters. Information regarding the classification, description of bathing waters and potential water pollution must be easily accessible to the public and provided close to the area concerned.

Both Directive 2006/44/EC on the quality of fish farming waters, and Directive 2006/113/EC on the quality required for shellfish farming waters, apply to waters that require protection or quality improvement to be fit for raising fish and shellfish respectively.

The European Commission is currently evaluating the Wastewater Treatment Directive in view of a revision to take into account the consequences of climate change and the impact from the increasing presence of micropollutants in wastewater on aquatic environments and the overall environment in general. The Commission also wishes to introduce more circularity (reuse of treated wastewater, energy recovery, nutrient recovery). A legislative proposal is expected in the first half of 2022.

Directive on using treated wastewater for agricultural irrigation

In May 2018, the European Commission introduced a draft Regulation to make it easier to reuse treated wastewater for agricultural purposes under its Circular Economy Action Plan. On December 18, 2019, a compromise agreement was reached between the three European institutions. The European Regulation will take effect in 2023.

This Regulation is a first legislative step towards rolling out the practice throughout Europe. It is highly likely that the European Commission will adopt legislation on other uses (urban, industrial) in the medium-term.

B) FRENCH REGULATIONS

In France, a number of laws regulate the protection of water quality and numerous public authorities are in charge of implementing them. Withdrawals and discharges that potentially have a negative impact on the quality of surface water or groundwater are subject to authorization or declaration. Public authorities must therefore authorize any installation of a pumping system for groundwater that exceeds predetermined volumes and the law forbids, or limits, the release of various substances into water. Violation of these laws is subject to civil and criminal sanctions, and the company may itself be held criminally liable.

Law 2006-1772 on water and aquatic environments, dated December 30, 2006, is intended to modernize the legal framework for water management and improve water quality in order to achieve the objectives of good ecological and chemical status set forth in Directive 2000/60/EC by 2015. It is also intended to improve public water and wastewater treatment services (access to water and transparency).

The delays observed in the application of the Directive on urban wastewater treatment (91/271/EEC) have required the government to step in where local authorities have been slow to comply. A schedule of measures and dedicated financing has been implemented within the context of the "Borloo plan to standardize the treatment of wastewater from French urban areas" to meet the goal of 100% compliance by all wastewater treatment plants before the end of 2011, as defined in the Grenelle I Law. The targets were essentially met by the end of 2011, although work continues at some sites. A July 21, 2015 decree that took effect on January 1, 2016 heightens project owners' obligations with regard to spillage from sewage systems during periods of heavy rain and compliance of collection systems with standards. Furthermore, continuous monitoring requirements on networks have been increased. Finally, a certain number of requirements concerning wastewater treatment plants were defined.

The French Government's organization of the Assises de l'eau (Special Committee) in 2018 and 2019 resulted in the announcement of a series of measures that should lead to regulatory changes, including:

- regulating the use of treated wastewater outside irrigation and watering;
- implementing measures to further protect drinking water catchment areas;
- building knowledge in water use management if water stress occurs.

Transfer of "water" and "wastewater treatment" jurisdiction

The mandatory transfer of "water" and "wastewater treatment" jurisdiction to communities of municipalities and to township committees starting from January 1, 2020 or January 1, 2026, in some cases, resulted from the adoption of the NOTRe Law in 2015 and the Ferrand-Fesneau Law in 2018. This framework was modified by the Engagement and Proximity Law announced in December 2019:

- easing transfer conditions: the transfer of water and wastewater treatment jurisdiction remains obligatory as of January 1, 2020 with the possibility of the transfer being postponed until 2026 for communities of municipalities (as long as they have deliberated over the topic before December 31, 2019);
- giving public bodies for intermunicipal cooperation (EPCI) the option to then redelegate all or part of the jurisdiction to municipalities or syndicates;
- municipalities that are members of an EPCI with separate tax status can transfer to the latter some of their jurisdiction (in whole or in part) where transfer is not provided for by law or by a decision from a government body, as well as assets, equipment or public services necessary to exercise this jurisdiction.

ReUse

With the Decree of June 25, 2014 amending the Decree of August 2, 2010 on the use of treated urban residual water for irrigation of crops or green spaces, the government has established new technical requirements applicable to owners and operators of wastewater treatment plants and irrigation systems.

This decree includes new provisions:

- it authorizes sprinkling irrigation and watering systems: it terminates the experimental application file, sets specific technical requirements, and supplements the information to be provided on the irrigation program;
- it specifies the technical requirements for the design and management of the distribution network, for the storage of treated wastewater, and for maintenance of the irrigation or watering equipment;
- as part of the quality monitoring program for treated wastewater, it modifies the frequency of the periodic monitoring of the sanitary quality levels of treated wastewater;
- it includes a specific rule on sanitary quality levels of treated wastewater aimed at wastewater treatment plants with a low raw water load level;
- it specifies the procedure to follow in case of changes to key elements of the authorization file: "Any change that might cause a noticeable change in key elements of the permit and described in Appendix IV must be disclosed to the prefectural authority by the permit holder before its implementation."

The anti- waste and circular economy law of February 2020 also promotes the reuse of treated wastewater as a concrete solution for the country's regions. Implementation legislation on this matter specifying the conditions under which treated wastewater and rainwater can be used is expected in 2021.

Biomethane tariffs

Several decrees of June 24, 2014 authorized and set the feed-in tariffs for biomethane derived from sludge and wastewater:

- the first decree amends the type of inputs in the production of biomethane to include "materials, such as sludge, grease, or fluids, resulting from the treatment of wastewater in a digester;"
- a second decree amends the minimum purchase tariff, established by the Decree of November 23, 2011, benefiting wastewater treatment plants producing biomethane with the introduction of a new "input" premium and specific tariff adjustments. The decree therefore provides for a third category of inputs: waste from wastewater treatment plants and similar, which are eligible for a "PI3" premium of between 0.1 and 3.9 euro cents per kWh gross calorific value.

C) SPANISH REGULATIONS

In Spain, private contract law governing water, dating from 1879, was entirely superseded in 1985 by public regulation provisions under which all surface water and groundwater was considered as belonging to the public domain. The private use of such water requires a concession or administrative license. The Water Law of 1985 transposed all EU requirements contained in previously adopted European Directives.

Current water law (Royal Decree 1/2001, of July 20, 2001 transposing Directive 2000/60) also imposes processes for water desalination and reuse, presented as solutions for increasing the availability of water resources. As for water savings, the provisions introduce the general obligation to measure water consumption *via* standardized metering systems, or, for irrigation purposes, to administratively define a usage benchmark.

To guarantee the proper ecological status of water, operating permits impose strict limits on authorized ecological flows and discharges.

In addition, the recent adoption of Directive (EU) 2020/2184 on the quality of water intended for human consumption has led the Spanish government to accelerate the implementation work. The notable presence of groups opposed to private sector participation in the water sector (both within the government and in well-positioned NGOs) suggests that these groups could use the transposition activity to advocate for a more restrictive scenario for public-private partnerships.

Other significant water laws supplementing Royal Decree 1/2001 are: Royal Decree 849/1986 of April 11, 1986 approving the public water law, which was amended by Royal Decree 9/2008 of January 11, 2008, to conform to Directive 2000/60 and to incorporate some of the requirements of Directive 2007/60. In addition, Royal Decree 140/2003 of February 7, 2003 on health criteria for the quality of water intended for human consumption transposed Directive 98/83. Finally, Directive 91/271/EEC was transposed through Royal Decree 11/1995 of December 28, 1995, on the rules of wastewater treatment in urban areas and by Royal Decree 509/1996 of March 15, 1996.

Meanwhile, EU Directives 91/676 and 2006/07 were transposed, respectively, by Royal Decree 261/1996 of February 16, 1996 and Royal Decree 1341/2007 of October 11, 2007.

D) UNITED STATES REGULATIONS

In the United States, the primary federal laws regarding water distribution and wastewater treatment services are the Clean Water Act of 1972, the Safe Drinking Water Act of 1974 and the rules and regulations promulgated by the Environmental Protection Agency (EPA) to implement these acts. Each state is free to adopt stricter requirements than those established by the EPA, and many states have already done so. In fact, the majority of new major regulations in the United States in recent years were adopted by states rather than by the EPA, in particular the regulations on Per- and Polyfluoroalkyl Substances (PFAS), lead and copper, and a minimal residue of disinfectant. The EPA is presently evaluating the revised federal regulations on this subject, and currently (i) is about to make a regulatory decision about the PFAS, (ii) to finalize detailed revisions of the rule on lead and copper, and (iii) to examine the rule on microbes, disinfection and disinfection by-products. This dichotomy raises conformity issues, since state environmental laws do not always align with each other and probably will not align with future EPA regulations.

In recent years, contamination of drinking water by the PFAS (the "forever chemical") has become a major threat for public health. The EPA plans a multifaceted approach to combat exposure to PFAS and will regulate PFAS in consumer products, wastewater and drinking water. This more global approach should reduce the likelihood of PFAS getting into drinking water, but it also creates the risk that treatment residues may end up being classified and regulated as hazardous substances. In the meantime, many states have adopted a different approach and regulate PFAS only in the drinking water. These states have adopted a stricter maximum content of contaminants for PFAS, based mainly on the risk of adverse effects on health, even though there are treatment feasibility and profitability considerations.

E) CHINESE REGULATIONS

The decree signed in 2014 by the Chinese Premier on wastewater treatment networks and facilities now mandates cities to plan their wastewater treatment systems according to the climate and local geography, and taking into consideration their economic and social development. For example, under these regulations, rainwater drainage systems and sewers will be separated in new construction areas.

On April 16, 2015, the State Council issued a "plan of Actions for the Prevention and Control of Water Pollution" known as the "Ten-Point Water plan" (which is actually 26 detailed requirements and 238 measures). The plan aims to control pollution discharges, to promote economic and industrial transformation, to save and recycle resources, to promote the progress of science and technology, to use market mechanisms and to enforce the law and regulations, to strengthen management and ensure the safety of the aquatic environment, to clarify responsibilities, and to encourage participation of the public. It sets targets for 2020, putting in place stricter controls on polluting companies with emission limits and providing for stricter supervision by the authorities and the public. In addition, the plan also covers the control of pollution, sustainable water use in agriculture, the use of municipal water, coastal water management and overall protection of the ecological environment. The plan aims to gradually improve the groundwater and surface water situation (Yangtze River, Yellow River, Pearl River and the Song Hua, Huai Hai and Liao Rivers) by 2020. One of the main actions is to clean highly polluted water (called "dark and smelly" water in big cities).

Since November 2016, the reform of the pollutant emission authorization system has been implemented to unify the procedures and standards relative to requesting, delivery, execution and management of pollutant emission authorizations. The management catalog of the classification of pollutant emission permits issued by the Minister of Protection of the Environment specifies the timeframes for obtaining pollutant emission permits for each industry that emits pollutants. 2019 was the deadline set for all existing treatment plants and any new treatment plants must obtain pollutant emission permits before the start of building or operation. On January 10, 2018, the Minister of Protection of the Environment published administrative measures for granting pollutant emission permits (for experimental use) making the request, delivery and use of pollutant emission permits uniform. The request and delivery of pollutant emission permits throughout country are performed on a unified on-line information platform for the management of pollutant emission permits, and the environment protection services on the municipal level are responsible for specific verification work.

The recently revised "Water Pollution Prevention and Control Law" entered into force on January 1, 2018, introducing major changes, such as:

- strengthening the protection of security of drinking water and further clarifying the responsibility of suppliers of drinking water, for example in case of an accident of water pollution at a source of drinking water, or other emergencies that may affect the security of drinking water, suppliers of drinking water must take urgent intervention measures, report to the local government and make the information available to the public; if the quality of water provided by a supplier of drinking water does not meet the national standards, with the exception of a maximum fine of RMB 200,000 and other sanctions imposed on the supplier, the supplier's manager and other persons directly responsible will also be punished in accordance with the law;

- strengthening the prevention and control of industrial wastewater pollution, for example industrial agglomeration areas must be equipped with centralized wastewater treatment facilities; the industrial wastewater must be pretreated before being discharged into centralized wastewater treatment facilities;
- encouraging the construction of centralized wastewater treatment facilities in rural areas and strengthening the regulations on the use of fertilizers and pesticides;
- further clarifying the requirements relative to sludge treatment, for example, operators of urban treatment plants must not only pay attention to wastewater discharge, but also eliminate safely the sludge produced by the treatment of wastewater, and the sludge after treatment must meet the national standards and the destination of eliminated and treated sludge must be clearly registered;
- applying the most rigorous sanctions in case of violation of the law, for example in case of illegal discharge of pollutants, the competent authorities may impose a maximum fine of RMB 1 million and order the companies at fault to make corrections, reduce the production or suspend the production to make corrections (if the companies in question do not make corrections within the required time, the authorities may impose further sanctions on a daily basis); in serious circumstances, the authorities may order the companies in violation to close.

Since July 23, 2020, the latest version of the special administrative measures for access to foreign investments (Negative List 2020 edition) has come into force. Before the entry into force of the 2020 edition, companies with foreign capital that built and operated water and sewage networks in cities of more than 500,000 inhabitants had to be held in majority by Chinese shareholders. The 2020 edition has officially eliminated this requirement.

F) AUSTRALIAN REGULATIONS

In Australia, the laws of the States and Territories grant the right to control the allocation and use of water to the Crown, thus abolishing the prior Common Law rules. The extraction and use of water and the construction of infrastructure (dams, irrigation systems) usually require approval.

In 2004, the Council of Australian Governments adopted the National Water Initiative, which set the guidelines for a comprehensive reform of the national water management system in all areas: accounting for water resources, water storage capacities and awareness, water access rights and planning framework, water markets and marketing, water pricing, integrated management, reform of urban water management, community partnerships and adjustments. This reform has had the effect of splitting the rights to water from the land and allowing water to be exchanged as a valuable asset, either temporarily or permanently.

The current reforms have also led to more bids for construction and operation from private operators in terms of water infrastructure, such as wastewater treatment plants. For example, in New South Wales, the Water Industry Competition Act 2006 requires the construction and operation of such infrastructures and their links with the relevant water networks to be subject to licenses whose terms must be strictly adhered to by operators.

9.2.2 Waste

In many countries, recovery and waste treatment sites are subject to laws that require industrial companies to obtain authorizations from public authorities to be able to operate their sites. Obtaining these authorizations requires, in particular, specific environmental and health impact studies to be submitted together with a risk assessment for the facility concerned. For instance, operators of landfills must provide specific financial guarantees (often in the form of bank guarantees) that cover the restoration of the site and monitoring after the closing of the site (for a 30-year period in most countries). Operators must also observe specific standards with respect to discharges and emissions arising from processes; incineration plants, for example, are subject to regulations intended to limit emissions of pollutants and to encourage energy recovery. Waste flows are also subject to specific regulations, depending on their type.

A) EUROPEAN REGULATIONS

Circular Economy Package

Following the work of the Commission in 2014 and the withdrawal of the Circular Economy Package proposed on July 2, 2014, the new Commission announced the publication of a new and more ambitious package incorporating a more efficient management of natural resources, in addition to better waste management. The Circular Economy Package published on December 2, 2015 aims to achieve better management of resources at European level through binding recycling targets for different material flows and establishes the general framework of operation for the waste sector through 2030. It requires the revision of six Directives on waste (called the Waste Package): the Waste Framework Directive (2008/98/EC), the Packaging and Packaging Waste Directive (94/62/EC), the Landfill of Waste Directive (1999/31/EC), the End-of-Life Vehicles Directive (2000/53/EC), the Waste Batteries and Accumulators Directive (2006/66/EC) and the Waste electrical and electronic equipment Directive (2012/19/EU). The Waste Package was adopted in May and published in June 2018 in the OJEU. The time frame to transpose it into national law was set for July 2020.

► Waste Framework Directive

The first Waste Framework Directive (2008/98/EC) was published in the OJEU on November 22, 2008. This directive simplifies existing legislation by repealing the former directive on waste, the directive on hazardous waste and part of the directive on the disposal of used oils.

By establishing a new framework for waste management services in Europe, European authorities wish to encourage national waste prevention programs and to promote recycling and recovery.

The Directive thus reinforces the principle of hierarchy in waste treatment methods, encouraging Member States to employ, in order of priority, prevention, reuse, recycling, energy recovery and finally, as a last resort, landfill. An analysis based on the "life-cycle" approach will, however, allow certain adjustments to be made within this hierarchy. At the same time, Member States have been setting recycling targets: 50% of municipal waste and 70% of non-hazardous construction and demolition waste by 2020.

The Directive clarifies the definitions of recycling and recovery and recognizes incineration with energy recovery, if certain efficiency criteria are met, as a recovery operation. It also introduces two new concepts: that of the byproduct and that of "end of waste status." Once the directives have been adopted, criteria for end of waste status will be clarified through the comitology process. This same process was also used in 2011 to define a method for measuring waste recovery efficiency against targets.

Under the Circular Economy Package, a revision of the Directive was formally adopted in May 2018 (the Directive was published in the OJEU on May 30, 2018).

The new Directive revises recycling ambitions upwards. After having defined municipal waste, it aims for 55% recycling or reuse of this waste by 2025, 60% by 2030 and 65% by 2035. Regarding food waste, the Directive provides for putting in place a methodology by the end of 2019 as well as indicative targets to reduce this waste by 30% by 2025 and by 50% by 2030.

It defines a calculation method with two measurement points as well as the adoption of a delegated act on the average loss rates of sorting centers.

► Landfill of Waste Directive

Directive 1999/31/EC on landfilling waste sets the technical and operational requirements applicable to both landfills and the waste deposited. It aims to prevent or reduce the environmental impact of the landfilling of waste, in particular on surface water, groundwater, soil, air and human health. It defines the various categories of waste (municipal, hazardous, non-hazardous and inert) and distinguishes between three types of facilities: landfills for hazardous waste (known in France as *Installation de Stockage de Déchets Dangereux* – ISDD), landfills for non-hazardous waste (known in France as *Installation de Stockage de Déchets Non Dangereux* – ISDND), and landfills for inert waste (known in France as *Installation de Stockage de Déchets Inertes* – ISDI).

A revised version of the Directive (Directive 2018/850) was adopted on May 30, 2018 as part of the Circular Economy Package. It sets new goals, and in particular a goal to reduce municipal landfilled waste by 10% by 2035 (and by 2040 for countries that landfilled more than 60% of their waste in 2013) was also adopted.

► Directives relating to specific waste

Directive 94/62/EC aims to reduce the environmental impact of packaging and packaging waste. This Directive established quantified targets for the recycling and recovery of packaging used in the European market.

The Directive was revised in 2004 to clarify the definition of the term "packaging," then again in 2005 to allow new Member States extra time for implementation.

The Directive was also revised under the Circular Economy Package in 2018. As a result, the key objectives were revised:

- 65% of packaging waste recycled in 2025 and 70% in 2030;
- the following objectives must be met for materials contained in packaging waste: by 2030, 55% for plastic, 30% for wood, 80% for ferrous metals, 60% for aluminum, 75% for glass and 85% for paper and cardboard.

Directive 2002/96/EC on Waste electrical and electronic equipment (WEEE) imposes measures concerning product design, the establishment of collection, treatment and especially recovery systems, and manufacturers' participation in these measures in such a way as to encourage them to integrate recycling measures into the design stage. The Directive introduces the principle of Extended Producer Responsibility, making it mandatory for them to fund collection from the drop-off sites and treatment, recovery and disposal of WEEE (for both households and businesses). These obligations are accompanied by quantified targets for selective collection, recovery and reuse. This Directive was revised in 2018 under the Circular Economy Package.

Directive 2012/19/EU entered into force on August 13, 2012, amending the previous Directive. Accordingly, the objectives regarding collection rates were increased: in 2016, the rate was to amount to 45% of average electrical and electronic equipment from household and professional sources marketed during the three preceding years, and attain 65% by 2019. In addition, recycling and recovery targets, currently set by equipment category at between 50% and 75% for reuse and recycling and between 70% and 80% for recovery, should be raised by 5% by 2018. Finally, the scope has been expanded to include, in principle, all electrical and electronic equipment (with the exception of a few equipment categories that are specifically excluded).

Similarly, Directive 2011/65/EU on the Restriction of Hazardous Substances (RoHS) in electrical and electronic equipment was published in the OJEU on July 1, 2011. The Directive was amended in 2015 to add four substances.

Directive 2006/66/EC lays down the rules for the collection, recycling, treatment and disposal of batteries and accumulators. It prohibits the sale of certain batteries containing mercury or cadmium in a proportion greater than a preset threshold, and sets two collection targets (25% minimum by September 26, 2012 and 45% minimum by September 26, 2016). This Directive was amended by Directive 2008/12/EC, which came into force on March 30, 2008, and which specifically introduced changes in the implementing powers of the European Commission. This Directive was revised in May 2018, still under the Circular Economy Package.

Directive 2000/53/EC on End-of-Life Vehicles (ELVs) requires owners of ELVs to return them to an authorized operator for destruction, on penalty of being unable to de-register their vehicle. Destruction involves extracting all materials and optimizing their reuse, recycling, or recovering what can be recovered. The recycling rate must reach 80% and the recovery rate 85% as from 2006, and 85% and 95% respectively by 2015. This Directive was revised in May 2018.

Directive 86/278/EEC on the protection of the environment, and in particular of the soil, regulates the use of wastewater sludge in agriculture, so as to avoid harmful effects on soil, plants, animals and humans. Thus, in order for sludge from wastewater treatment plants to be recovered for agricultural purposes, it must comply with traceability requirements regarding organic components and the various metallic trace elements that it may contain (heavy metals such as cadmium, mercury and lead). French standard NFU 44-095, drafted in 2002, goes further, defining a strict framework for recovery of substances after treatment of wastewater or from the organic portion of household waste after composting.

In March 2016, the Commission proposed revising the regulations on fertilizers. The primary objective is to ensure cycling of nutrients. European institutions reached a tentative agreement in December 2018.

Regulations relating to Cross-Border Shipment of Waste

Regulation 1013-2006/EC governs Cross-Border Shipments of Waste (CBSW), the objective being to provide ecologically sound management. The regulation establishes a system based on two procedures:

- information procedure: a simple procedure consisting of including an informational document with shipments of waste. All non-hazardous waste intended for recovery within the European Union must be transferred by means of this procedure;
- notification and prior consent procedure: a cumbersome procedure that requires prior consent from the relevant authorities and the establishment of financial guarantees. All hazardous waste intended for recovery within the European Union must be transferred by means of this procedure.

Regarding waste to be eliminated:

- within the EU, these cross-border shipments are subject to a prior notification and consent procedure;
- such shipments to countries not members of the EU are in principle prohibited.

This Regulation also incorporates Basel Convention provisions on the control of cross-border hazardous waste movements and disposal.

The Regulation provides for more rigorous performance measures. It requires Member States to carry out inspections and spot checks. It also authorizes physical controls of transferred waste, in particular the opening of containers, and requires Member States to notify the European Commission of their domestic legislation on illegal transfers and corresponding sanctions. A revision of the regulation was published in the form of Regulation 660/2014 in the OJEU on June 27, 2014 to mitigate the divergences and gaps identified in applying the regulation and inspections in Member States. This involves establishing inspection plans that are regularly and consistently planned to eliminate illicit waste shipments.

The European Commission issued in 2016 a report on the effective functioning of the waste market in the Union. The report outlines areas for operational improvement in cross-border transfers of waste in the perspective of modifying its legal framework in 2020. The Commission therefore recommends the development of a "Schengen waste area" and the strengthening of the prior consent system for recovery facilities, which allow a faster procedure for the transport of waste.

In 2017, the European Commission published a roadmap on the regulations related to waste shipments. An assessment will be conducted which aims to evaluate if Regulation (EC) 1013-2006 relating to waste shipments (WSR) meets its objectives and is in line with EU domestic market environmental policy. The assessment was completed in 2019. The European Commission has proposed a revision of the Regulation as part of its new Action plan on the Circular Economy published on March 11, 2020. A legislative proposal is expected by the end of 2021.

Directive on industrial emissions

Directive 2010/75/EU on industrial emissions, published in the OJEU on December 17, 2010 (the deadline for its transposition was January 7, 2013), combines Directive 96/61/EC on Integrated Pollution Prevention and Control (IPPC) and six sector-based Directives, including the Directive on incineration (2000/76/EC) and the Directive on limiting emissions of certain pollutants into the air from large combustion plants (2001/80/EC). Following a two-year deadline for transposition, the Directive was supposed to come into effect in early 2014, or early 2016 for existing facilities.

Up to now, as a complement to the environmental thresholds put in place by the directive on the incineration and co-incineration of waste, Directive 96/61/EC called the "IPPC" Directive, which provides that certain industrial and agricultural activities, one of which is Waste Services management, must be subject to a prior authorization, requiring certain environmental conditions to be met. Companies are responsible for preventing and reducing pollution that they might cause, through the adoption of specific measures (for example: recycling, accident prevention and treatment of sites at end-of-life), and through meeting operating requirements (for example, limits to the emission of polluting substances and monitoring of discharges). The new directive introduces more stringent BREFs (best available techniques reference documents), modifies emissions limit values and broadens the scope of application to new types of facilities, including recycling facilities.

A proposal to revise the BREF on waste incineration was released on May 24, 2017. The document and the Best Available Techniques (BAT) were adopted during the second half of 2019.

The BREF on waste treatment has been under revision since 2013. It applies to all treatment facilities for non- hazardous waste excluding incineration. Its scope of application covers the functioning of incineration plants (including emissions to air and water from such plants). The Commission's implementing decision 2018/1147 of August 10, 2018 setting forth the conclusions regarding the best available techniques for treating waste under Directive 2010/75/EU from the European Parliament and Council was published in the OJEU on August 17, 2018. The facilities covered by these BAT have four years from the publication date to implement the BAT.

The Directive on industrial emissions is being assessed (effectiveness, consistency, efficiency and how much value European action adds) and it should be finished during the first half of 2021. The European Commission will then decide if it is necessary to revise this Directive or not. Climate ambitions and zero pollution (air, ground, water) in the Green Deal suggest that this Directive will be revised to help contribute to the objectives set.

Plastics strategy

Following the Union's Strategy on plastic materials, in May 2018, the Commission proposed a Directive on reducing the environmental impact of certain plastic products. This Directive targets the products that are the most prevalent in the seas and on the beaches of Europe. An interinstitutional agreement was reached in December 2018 and contains positive items that strongly impact the Group's R&R activity in Europe. In fact, the legislation of this future Directive provides for:

- a binding collection target of 90% of plastic bottles in 2029, with an intermediary step of 77% in 2025;
- 25% of mandatory recycled content for bottles made with PET in 2025;
- 30% of mandatory recycled content for all plastic bottles in 2030.

This Directive took effect in June 2019. The general framework must be transposed by Member States by June 2021. Some provisions will not take effect until 2023 or even later.

The European Commission is currently working on a position statement on biodegradable and biosourced plastics as well as chemical recycling. These positions should be published in 2020.

B) FRENCH REGULATIONS

In France, ministry and prefecture decrees and orders define the rules governing the treatment of waste, in accordance with Articles L. 511-1 et seq. of the ICPE (Environmental Code regarding facilities classified for the protection of the environment). They specifically regulate the design, building, operation and monitoring after closure of these facilities. A distinction is drawn between inert, non-hazardous and hazardous waste. Hazardous waste is subject to strict tracking obligations throughout the entire treatment chain. Traceability of hazardous waste is provided by a waste tracking form (BSD).

Furthermore, operators of companies producing or shipping waste, collection operators, transporters, traders and operators of centers for the transport, transfer or treatment of waste must keep an updated chronological register of the production, shipment, reception or treatment of said waste (R. 541-43 of the Environmental Code).

Anti-waste and Circular Economy Law

Presented to the Council of Ministers in July 2019, the Anti-waste and Circular Economy Law was adopted on first reading in the French Senate on September 27, 2019, then in the French National Assembly on December 20, 2019. The law was published in the Official Journal on February 11, 2020 (Anti-Waste and Circular Economy Law 2020-105 of February 10, 2020).

This legislation follows on from the Circular Economy Roadmap published in April 2018 and the revision of European directives relating to waste this same year.

It provides for a certain number of measures to move consumption trends and production more toward circularity. This means reducing the amount of waste produced by supporting eco-design, prohibiting single-use plastics by 2040, or promoting bulk sales and repairing products that break. Recycling is also a core concept of this dynamic, with measures supporting incorporating recycled materials in products. Funding for these sectors will largely come from new Extended Producer Responsibility (EPR) streams, particularly for construction, industrial and commercial packaging, or even toys and sporting goods. Below are the legislation's key measures:

- better inform consumers (especially about product recyclability and recycling rates);
- reduce waste (-15% household waste by 2030 compared to 2010 and -5% waste from economic activities);
- goal of leaning towards 100% recycled plastics by January 1, 2025 and ending single-use plastics by 2040;
- improve source separation and selective collection, especially for biowaste by 2023;
- possibly put instructions on beverage packaging in 2023 if collection goals are not met;
- require that recycled materials be incorporated into products;
- ensure that at least 70% of energy is recovered from waste that cannot be used as a material by 2025;
- reduce the landfilling of non-hazardous waste (increase the objective from the 2015 energy transition for Green Growth law and in line with European regulations);
- create new Extended Producer Responsibility (EPR) streams, especially for construction waste;
- create harmonized sorting labels for household packaging;
- sustainably manage water resources by reusing treated wastewater.

2020 was a year rich in consultation for all the implementing regulations under this Law with numerous consultations, where SUEZ is one of the stakeholders.

In 2021, this regulatory work will continue on various topics, including the implementation of certain EPR streams. In parallel, certain subjects may evolve with the bill called "Climate and resilience" presented in February 2021 at the Council of Ministers, which proposes, for example, the possible introduction of a deposit for glass packaging after 2025 subject to a positive environmental review.

The Circular Economy Roadmap

On April 23, 2018, the Prime Minister, Edouard Philippe, presented the Circular Economy Roadmap which highlights the necessity to stop planned obsolescence, better sort our waste to recycle more and make every consumer an active participant in the circular economy. A dialog began on October 24, 2018 which resulted in the creation of 50 measures to achieve a fully circular economy. Out of the 50 measures announced, 37 directly target companies.

The five objectives of the Circular Economy Roadmap are as follows, compared with 2010:

- reduce by 50% non-hazardous waste to be landfilled by 2025;
- 100% of plastics recycled in 2025;
- -30% of resource consumption relative to GDP by 2030;
- save 8 million additional metric tons of CO_2 every year through plastic recycling;
- create 300,000 additional jobs.

Beyond several measures relating to the EPR sector, one of the Circular Economy Roadmap's main measures is providing incentives to incorporate recycled plastic into products. Measures also concern the introduction of guidelines or the recovery of construction waste (overhauling waste diagnosis, in particular).

Energy Transition for Green Growth Law

Law 2015-992 of August 17, 2015 sets new objectives for rolling out the circular economy. Title IV of the Law to "control waste and promote the circular economy" contains measures that are aimed at:

- determining a national transition strategy toward the circular economy that includes a "plan for scheduling the necessary resources for the primary sectors of economic activity that identify potential for preventing the use of primary and secondary raw materials;"
- improving waste recovery by prohibiting discrimination against materials originating from recovered waste and by promoting the production of energy stemming from waste recovery where it is not recyclable;
- setting specific targets for waste prevention and waste management for 2020 and 2025:
  - reducing waste at source by a 30% reduction in the quantities of non-hazardous, non-inert waste admitted to landfills in 2020 compared with 2010, and by 50% in 2025,
  - banning single-use plastic bags beginning on July 1, 2016, in accordance with the decree of March 30, 2016,
  - banning the use of disposable plastic cups and plates beginning on January 1, 2020, except for those that can be composted domestically and that are made up entirely or partially of bio-based materials,
  - more precisely defining the "proximity principle" in the prevention and the management of waste, provided by the Framework Directive on Waste (Framework Directive 2008/98/EC),
  - increasing the amount of waste to be recovered in material form, notably organic waste, by steering 55% by 2020, then 65% by 2025, of non-hazardous, non-inert waste, measured by mass toward these recovery methods. The public service managing these waste flows breaks down these objectives locally to reduce quantities of residual household waste after recovery. To this end, it progresses toward sorting of organic waste at source, arriving at a point where by 2025 all waste producers are using this method,
  - reaching 153 zero waste and zero wastage areas to support exemplary local communities in their waste reduction and recycling processes,
  - reducing the production of household and similar waste by 10% by 2020,
  - achieving a rate of 65% of waste recycled in 2025,
  - putting half as much waste in landfills in 2025 compared to 2010,
  - creating 10,000 lasting jobs in operating new waste processing facilities and avoiding releasing 3.4 million metric tons of CO_2 equivalent annually by 2025,
  - progressively implementing incentive-based pricing, where each person pays to eliminate their waste based on quantities produced, as introduced in the amending finance law dated December 29, 2015,
  - experimenting with sorting recommendations for all plastic waste and extending these sorting instructions nationwide by 2022,
  - streamlining the flow of resources used and produced on a relevant regional scale under cooperation, pooling and substitution actions for these flows, thus limiting environmental impacts and improving economic competitiveness and the attractiveness of regions.

NOTRe Law

Law 2015- 991 of August 7, 2015 concerning the new territorial organization of the French Republic modifies the level of jurisdiction with relation to the drafting of waste management plans. Waste management plans will from now on be drawn up at the regional level, and no longer at the departmental level. Regional prevention and waste management plans must be approved within a period of eighteen months following the enactment of the law. The NOTRe Law also strengthens the inter- community aspects and changes rules relating to regional planning by introducing a regional planning and sustainable development scheme for territories, the STRADETT, a merger of several existing schemes. Since March 1, 2017, public decisions made regarding waste, environmental authorizations or facilities classified for the protection of the environment must be compatible with waste prevention and management plans.

Cross-Border Shipments of Waste (CBSW)

For CBSW leaving France, the French Environmental Code requires that the organizers or entity providing notice of shipments be headquartered in France (L. 541-40 of the French Environmental Code).

As from publication of Decree 2015-1396 of November 3, 2015, the authority with CBSW jurisdiction is no longer a French administrative department center (DREAL), but rather a national one (PNTTD). Consequently, all CBSW notification documents must be forwarded to that center.

Decree 2016-288 of March 10, 2016, relating to various provisions for adaptation and simplification in the area of waste prevention and management, modifies regulatory provisions of the circular economy and those relating to the prevention and management of waste. It modifies the rules applicable to the collection of household waste by the public waste management service. It inserts new measures for sorting and separate collection by producers or entities holding paper, metal, plastic, glass or wood waste. It adapts the provisions of the Environmental Code relating to the management of Waste electrical and electronic equipment (WEEE).

It determines the manner of applying Article L. 541-10-9 of the Environmental Code concerning distributors of construction materials, products and equipment for professionals to organize systems for taking back waste from materials, products and equipment of the same types that they sell.

It also provides several simplifications to waste prevention and management measures so as to accelerate the transition to the circular economy.

The notice to operators of waste processing facilities and operators of production facilities that use waste in place of raw materials dated January 13, 2016 states the legal status of what is produced by an installation for which the inputs have partial or full status as waste. Waste is defined in Article L. 541-1-1 of the Environmental Code as "any substance or object which a holder discards or intends or is required to discard."

C) CHINESE REGULATIONS

The 13th five-year plan for 2016-2020 continues to promote the adoption and stricter application of waste removal and treatment policies in the interest of environmental protection.

In early 2015, the Chinese Ministry of the Environment published temporary guidelines for screening risks concerning soil contamination in country planning. This document supplements the standard techniques for managing contaminated sites, including technical recommendations for soil remediation that were published by the Ministry of the Environment in 2014. These recommendations are consistent with the decontamination requirements of similar programs in countries with more developed environmental regulations.

In 2013, China introduced a policy called "Green Fence" intended to improve the quality of imported plastic waste. In 2017, China launched the "National Sword Campaign," which effectively banned the import of most types of plastic waste as of 2018. The total imports of polyethylene (PE) and polypropylene (PP) plastic waste by China almost completely stopped in 2018. National recycling facilities have been put under administrative control in order to guarantee that regulations are applied strictly.

The "Waste Pollution Prevention and Control Law" entered into force on September 1, 2020, introducing important changes, such as:

- a ban on importing solid waste as of January 2021;
- a national-scale system of waste authorization for all facilities producing industrial solid waste;
- improvement of prevention measures to combat pollution by hazardous, medical, municipal and rural waste and;
- an additional step in its quest to address plastic waste, by gradually eliminating single-use plastics and banning non-degradable plastic bags less than 0.025 mm thick in all cities by 2022 with the exception of fresh produce markets.

D) AUSTRALIAN REGULATIONS

Each Australian state and territory has a different approach to waste legislation. Some, like New South Wales and Victoria, have comprehensive schemes for classifying waste. Others, such as Tasmania, pay particular attention to the most dangerous types of waste. Some states legislate at all levels, from waste generation to elimination, while others only regulate the elimination of waste.

In general, licenses are required for waste treatment, recovery and elimination. The terms of a given license generally stipulate the type of waste that a center may receive. Violations often occur when waste is eliminated in a plant other than the one for which the permit was obtained and that is authorized for a given operation. Transporters of certain types of waste must also hold permits that may be obtained in accordance with the various environmental regulations of the different states and territories.

Some waste must be tracked as it crosses Australia. Each state has different legislation with regard to the type of waste that must be monitored. Authorizations to transport waste from one state or territory to another must be obtained prior to shipment from the jurisdiction where the shipment is being sent.

The Hazardous Waste Regulation of Exports and Imports Act of 1989 requires obtaining a permit for hazardous waste to be imported to or exported out of Australia. Some of this waste must then be tracked during movement in Australia.

The fragmentation of the Australian market results in different frameworks for markets between the states and the territories and incurs added costs, more complex exchanges of information and in some case even adverse effects.

The National Waste Policy approved in 2009 sets regulations in the area of waste management and resource recovery by 2020 in six key areas and identifies 16 strategic priority actions that will feature a national and cohesive approach. These strategies will take the form of actions on the national level that will be carried out in close collaboration and under the authority of one or more jurisdictions.

10 Information on trends

The major trends that have affected the Group's activities since the close of the latest fiscal year are described in chapters 5 and 7 of this Universal Registration Document.

Profit forecasts or estimates

The year 2020 was the first full year of implementation of the SUEZ 2030 strategic plan. The plan, which combines the refocusing on growing and value-added activities with a plan to ambitious performance, has demonstrated tangible results in terms of the year 2020.

In particular, the Group has made significant progress on its asset rotation plan, which is expected to be completed in the course of the year. In addition, the Group recorded EUR 326 million savings in 2020 as part of its performance plan, beyond the initial target of EUR 275 million and expects from EUR 275 to EUR 325 million euros in new savings in 2021.

Sales momentum also accelerated during the year 2020, with many commercial successes in France and internationally. The first contributions of these contracts will support the Group's financial trajectory as of 2021.

On the strength of these results, SUEZ announced, at the publication of its results for fiscal 2020, an improvement in the 2021 financial trajectory compared to the trajectory initially communicated.

The Group therefore expects the following objectives and outlook for 2021 [(1)]:

- revenues in excess of EUR 16 billion with a return to organic growth;
- EBIT from EUR 1.4 to 1.6 billion;
- recurring earnings per share (EPS) from EUR 0.80 to 0.85;
- recurring free cash flow (FCF) in excess of EUR 500 million.

In addition, the Group intends to propose to the Shareholders' meeting of June 22, 2021 an ordinary dividend of EUR 0.65 per share in respect of fiscal year 2020.

(1) Under the assumption of constant exchange rates and prices of raw material and the absence of a return to regionally generalized lockdown situations.

12

Governance, management and supervisory bodies, and General Management

12.1 Composition of governance and management bodies

12.1.1 Composition of the Board of Directors

The composition of the Board of Directors was thoroughly restructured in 2020. Details of the changes that took place are mentioned in chapter 14.4 of this Universal Registration Document.

The Board of Directors has 14 members as of the date of this Universal Registration Document. In addition, a representative of the Works Council of SUEZ's Economic and Social Unit attends the meetings of the Board of Directors.

The information below shows the composition of the Board of Directors as of February 1, 2021, with individual information about each of the Directors, including the offices and positions held by the Directors during the last five years.

Philippe Varin

68 years old
French

Business address:
SUEZ
Tour CB21
16, place de l'Iris
92040 Paris-La Défense, France

Main position:
Chairman of the Board of Directors of SUEZ

Offices and positions held at the Company:
Chairman of the Board of Directors, independent Director and member of the Appointments, Compensation and Governance Committee and Strategy Committee

Number of SUEZ shares held:
2,000 shares

BIOGRAPHY

Philippe Varin, born on August 8, 1952 in Reims, graduated from École Polytechnique and École des Mines de Paris. Philippe Varin joined Groupe Pechiney in 1978 as a researcher. He then held several management positions within the Group (management control, strategy, project management) before being appointed head of the Rhenalu Division in 1995 then Senior Vice-President of the Aluminum Sector and member of the Group's Executive Committee in 1999. In 2003, he joined the Anglo-Dutch steel and metals manufacturer Corus as Chief Executive Officer. From 2006 to 2013, he was a Director of BG Group Plc. Philippe Varin became Chairman of the Executive Board at Peugeot SA in June 2009 and held this position until June 2014. During the same period, he was also a Director at Faurecia and Banque PSA. From January 2015 to December 2019, he chaired the Boards of Directors of Areva, then that of Orano until May 2020. He has been Chairman of the Board of Directors of SUEZ since May 12, 2020.

LIST OF OTHER MAJOR OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

Current [1]

Director of **Saint-Gobain** (France), of SASU PRM3C (France), of the Fondation Georges Besse (France), of the Saint-Joseph hospital group and the French arm of the International Chamber of Commerce (France)

Expired during the last five years

Chairman of the Board of Directors of Orano (France) (until 2020)
Chairman of the Board of Directors and Director of Areva (France) (until October 2019)
Director of EDF (France) (until May 2016).

(1) **In bold:** listed company.

Bertrand Camus

54 years old
French

Business address:
SUEZ
Tour CB21
16, place de l'Iris
92040 Paris-La Défense, France

Main position:
Chief Executive Officer of SUEZ

Offices and positions held at the Company:
Chief Executive Officer and Director

Number of SUEZ shares held:
12,287 shares
10,131.41 units of the Company mutual fund, SUEZ Actionnariat France, acquired under the SUEZ Group Employee Shareholding Plans

BIOGRAPHY

Bertrand Camus, born on February 9, 1967, has served as Chief Executive Officer of SUEZ Group since May 14, 2019. After graduating from the École nationale des Ponts et Chaussées he joined the Group in 1994. He was Chief Operating Officer of the subsidiary Aguas Argentinas from 2000 to 2006, then Director of Internal Audit at SUEZ. From 2008 to 2015, he was Chief Executive Officer of Water in North America, then in 2015 he was appointed Deputy CEO of the Water Europe division and CEO of Water France at SUEZ. In March 2018, he became Deputy CEO of SUEZ in charge of the Africa, Middle East, India, Asia and Australia regions.

LIST OF OTHER MAJOR OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

Current [1]

Terms of office within the SUEZ Group: Director of SUEZ NWS Ltd (Hong Kong) and of **Lydec SA** (Morocco)

Expired during the last five years

Terms of office within various SUEZ Group companies.

(1) **In bold:** listed company.

Anthony R. Coscia

61 years old
American

Business address:
156 West 56th Street
New York, NY 10019
USA

Main position:
Partner and Executive Committee member of Windels Marx, LLP

Offices and positions held at the Company:
Director

Number of SUEZ shares held:
–

BIOGRAPHY

Anthony R. Coscia, born on September 9, 1959, is a Partner and Executive Committee member of Windels Marx, LLP, one of the New York region's oldest law firms. Mr. Coscia is a Phi Beta Kappa graduate of Georgetown University School of Foreign Service, where he received his bachelor's degree, and of Rutgers University School of Law, where he received his J.D. degree. Anthony R. Coscia was Chairman of the Board of Commissioners of the Port Authority of New York and New Jersey from 2003 through June 2011, where he played a leading role in rebuilding Lower Manhattan after September 11. Mr. Coscia also serves as Chairman of the Board of the US National Railroad Passenger Corporation (Amtrak), a Director of OceanFirst Financial Corp and the Neighborhood Property Group, Vice Chairman of the Gateway Development Corporation and Senior Advisor to Oaktree Transportation Infrastructure Fund, L.P. Additionally, Mr. Coscia serves as a Trustee of Georgetown University, the New Jersey Community Development Corporation and the Regional Plan Association. Since 2013, Anthony R. Coscia is also Chairman of the Board of Directors of SUEZ North America.

LIST OF OTHER MAJOR OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

Current [1]

Partner and Executive Committee member of Windels Marx, LLP (since 1984)
Chairman of the Board of Directors of SUEZ North America (since 2013), a SUEZ Group company
Chairman of the Board of Directors of the US National Railroad Passenger Corporation (Amtrak) (since 2013)
Director of **OceanFirst Financial Corp** (since 2018)
Director of Neighborhood Property Group (since 2020)
Vice Chairman of Gateway Development Corporation (since 2016)
Senior Advisor to Oaktree Transportation Infrastructure Fund, L.P (since 2017)
Trustee of Georgetown University (since 2016)
Trustee of the New Jersey Community Development Corporation (since 2007)
Trustee of the Regional Plan Association (since 2011)

Expired during the last five years

Director of Sun Bancorp (SNBC) and Sun National Bank.

(1) **In bold:** listed company.

Miriem Bensalah-Chaqroun

58 years old
Moroccan

Business address:
SUEZ
Tour CB21
16, place de l'Iris
92040 Paris-La Défense, France

Main position:
Vice-Chairwoman
and Chief Executive Officer
of Eaux Minérales d'Oulmès

Offices and positions held at the Company:
Independent Director and Chairwoman
of the Strategy Committee

Number of SUEZ shares held:
2,000 shares

BIOGRAPHY

Miriem Bensalah-Chaqroun was born on November 14, 1962 and received an MBA in International Management and Finance from the University of Dallas. She held various positions at Société Marocaine de Dépôt et de Crédit from 1986 to 1989 before joining the Holmarcom Group (the family holding company) in 1990. She is currently Vice-Chairwoman and Chief Executive Officer of Eaux Minérales d'Oulmès. From 2012 to 2018, she was also Chairwoman of the Conféderation Générale des Entreprises du Maroc, Morocco's employers' association.

LIST OF OTHER MAJOR OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

Current [1]

Chairwoman of the Board of Directors of Orangina Maroc (Morocco)
Director of **Renault** (France)
Terms of office within the Holmarcom Group: Director of Holmarcom (Morocco), Vice-Chairwoman and Chief Executive Officer of **Eaux Minérales d'Oulmès** (Morocco), and Chairwoman and Chief Executive Officer of Oulmès Drinks Development (Morocco)

Expired during the last five years

Director of Eutelsat Communications (until 2017).

(1) **In bold:** listed companies.

Martha Crawford

53 years old
American and French

Business address:
Jack Welch College of Business & Technology Sacred Heart University 5151 Park Avenue Fairfield, CT 06825-1000, USA

Main position:
Dean of Jack Welch College of Business (Sacred Heart University)

Offices and positions held at the Company:
Independent Director and member of the CSR, Innovation, Ethics, Water and Sustainable Planet Committee

Number of SUEZ shares held:
2,000 shares

BIOGRAPHY

Martha Crawford, born on September 30, 1967, holds a PhD in Environmental Engineering and Chemistry from Harvard University (United States) and an MBA from Collège des Ingénieurs (France). From 1991 to 1999, she held numerous positions at the World Bank and the Asian Development Bank in the area of environmental infrastructures and technologies, before taking on the position of principal administrator in the OECD's Environmental Performance Division until 2007. She then became Vice President of Research and Development for Air Liquide Group before joining Areva Group as Executive Vice President of Research and Innovation and member of the Executive Committee from 2011 to 2014. From 2014 to 2015, she was CEO of Advanced Research at the L'Oréal Group. She has also provided Research and Development consulting services to corporations and governments since April 2014. From 2013 to 2016, Martha Crawford was a Director at IPSEN Pharmaceuticals; she has been an Independent Director at Altran Technologies since 2015, where she chairs the Nominations and Compensation Committee and is a member of the Audit Committee. In July 2016, she joined the University of Harvard Business School (United States) as a Professor and expert in new technologies, innovation and development. She sits on the International Risk Governance Council (IRGC) and is also a member of the Health Effects Institute's Board of Directors in Boston, which advises the US Environmental Protection Agency on the effects of air quality regulations on human health. She is also a member of the advisory council of the Mayshad Foundation, an NGO that works to improve women's lives in French-speaking African countries. She has been the Dean of the Jack Welch College of Business (Sacred Heart University) since August 2019.

A US national, Martha Crawford acquired French citizenship in 1999 and has raised three children with dual citizenship.

LIST OF OTHER MAJOR OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

Current [1]

Director of **Altran Technologies** (France) (since 2015)
Vice-Chairwoman of the Initiative for Excellence Committee (IDEX) (since 2010)

Expired during the last five years

Director of Ipsen (until 2016).

(1) **In bold:** listed company.

Delphine Ernotte Cunci

54 years old
French

Business address:
France Télévisions
7, esplanade Henri de France
75015 Paris, France

Main position:
Chairwoman of France Télévisions

Offices and positions held at the Company:
Independent Director and Chairwoman of the Audit and Financial Statements Committee and member of the Appointments, Compensation and Governance Committee

Number of SUEZ shares held:
2,000 shares

BIOGRAPHY

Delphine Ernotte Cunci, born on July 28, 1966, is a graduate of the École Centrale de Paris. She joined the France Telecom Group in 1989 and held various operational roles throughout the Group, particularly in research and development. Delphine Ernotte Cunci then pursued her career with commercial management responsibilities, as Director of the distribution agency and Centre Val-de-Loire Regional Director, before becoming Director of Communications and Sponsoring for France. From 2010 to August 2014, she was Deputy Chief Executive Officer of the France Telecom/Orange Group and Executive Director of Orange France in charge of operations for the France Telecom Group in France. She has been Chairwoman of France Télévisions since August 22, 2015.

LIST OF OTHER MAJOR OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

Current

Chairwoman of France Télévisions (France)
Chairwoman of the Board of Directors of CentraleSupélec (France)
Director of the cultural institution Le Cent-Quatre (France)
Chairwoman of the EBU, European Broadcasting Union (Switzerland)
Chairwoman of the Board of Directors of TV5 Monde (France)
Permanent representative of France Télévisions on the Supervisory Board of Arte (France)
Permanent representative of France Télévisions on the Board of Directors of Médiamétrie (France)

Expired during the last five years

Chairwoman of the Board of Directors of École Nationale Supérieure de la Photographie in Arles (until 2020).

Anne Lauvergeon

61 years old
French

Business address:
ALP
27 avenue Pierre 1er de Serbie
75016 Paris, France

Main position:
Chairwoman and
Chief Executive Officer of ALP

Offices and positions held at the Company:
Independent Director,
Chairwoman of the CSR, Innovation, Ethics, Water and Sustainable Planet Committee, and member of the Audit and Financial Statements Committee

Number of SUEZ shares held:
2,570 shares

BIOGRAPHY

Anne Lauvergeon, born on August 2, 1959, is a Chief Engineer from the École des Mines, a former student of the École Normale Supérieure, and also has a degree in Physics. She started her career in 1983 in the steel industry at Usinor. In 1984, she studied chemical safety-related issues in Europe for the Commissariat à l'Énergie Atomique (CEA), the French nuclear energy authority. From 1985 to 1988, she was in charge of subsoil administration in Île-de-France. In 1988, she was appointed Deputy Department Head at the Conseil Général des Mines. In 1990, Anne Lauvergeon was appointed Special Assistant for International Economy and Trade to the President of France, and in 1991 she was named Deputy Chief of Staff and Representative to the President of France for the organization of international summits (G7/G8). In 1995, she joined Lazard Frères as Managing Partner. In March 1997, Anne Lauvergeon joined the Alcatel Group as Deputy CEO of Alcatel Télécom. She joined the Executive Committee of the Alcatel Group in 1998. She supervised the Group's international activities and was in charge of the Group's shareholdings in the defense, energy, transportation and nuclear power sectors (Thomson, CSF, Alstom, Framatome). From June 1999 to July 2011, Anne Lauvergeon was appointed Chairwoman and Chief Executive Officer of COGEMA (now Areva NC). She founded Areva in June 2001. She was Chairwoman of the Board of the Areva Group from July 2001 to June 2011. Since 2011, Anne Lauvergeon has been the Chair of ALP, a consultancy and investment firm. Since 2013, Anne Lauvergeon has been Chairwoman of the Innovation Commission 2030. In 2014, she was appointed Chairwoman of the Board of Directors of Sigfox. In 2018, Anne Lauvergeon was appointed Co-Chairwoman of the Innovation Commission of the French employers' federation (MEDEF).

LIST OF OTHER MAJOR OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

Current [1]

Chairwoman and Chief Executive Officer of ALP (France)
Chairwoman of the Board of Directors of Sigfox (France) and of IB2 (France)
Director of **American Express** (United States), **Koç Holding** (Turkey),
Avril Gestion (France), AMR (France), Bloom (France), Verelec (France)

Expired during the last five years

Chairwoman of the Board of Directors of BoostHeat (until September 29, 2017)
Director of Rio Tinto (until May 4, 2017), Airbus (until May 2016) and Workwell (until July 2020).

(1) **In bold**: listed companies.

Bertrand Meunier

65 years
French and British

Business address:
Atos
River Ouest
80 quai Voltaire
95870 Bezons,
France

Main position:
Chairman of the Board
of Directors of Atos

Offices and positions held at the Company:
Independent Director and member
of the Strategy Committee

Number of SUEZ shares held:
2,000 shares

BIOGRAPHY

Bertrand Meunier, born on March 10, 1956, has been Chairman of the Board of Directors of Atos, the worldwide leader in secure and carbon- free digital technologies for businesses, since November 2019. He has served on the company's Board of Directors since 2008. A dual Franco-British citizen, Bertrand Meunier has had a long career in private equity. Bertrand Meunier is an alumnus of the École Polytechnique and began his career at Paribas Affaires Industrielles where he spent nearly 30 years holding several positions, including ten years as head of investments in the information technology sector. He then created the M&M Capital fund before joining CVC Capital Partners in London.

LIST OF OTHER MAJOR OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

Current [1]

Chairman of the Board of Directors of **Atos** (France)

Expired during the last five years

Director of Elsan Holding (France) (until December 2020),
of PDC Brands (United States) (until June 2020),
of Parex (France) (until September 2019),
of Linxens (France) (until June 2019),
of Continental Foods (Belgium) (until August 2019),
of CVC Capital Partners (Luxembourg) (until March 2020),
and of CVC Group Ltd (Luxembourg) (until March 2020);
Managing Partner of CVC Capital Partners Ltd (United-Kingdom) (until January 2020).

(1) **In bold**: listed company.

Philippe Petitcolin

68 years old
French

Business address:
SUEZ
Tour CB21
16, place de l'Iris
92040 Paris-La Défense
France

Main position:
Director

Offices and positions held at the Company:
Independent Director

Number of SUEZ shares held:
–

BIOGRAPHY

With a bachelor's degree in mathematics and a degree from the Centre de perfectionnement aux Affaires, Philippe Petitcolin began his career as Head of Exports at Europrim, then became Manager of the Export Department at Alcatel-Alstom's subsidiary, Filotex. In 1982, he was appointed Head of Commercial Aeronautics at Chester Cable in the United States. He then returned to Filotex as Head of Exports in 1984. In 1988, he joined Labinal as Senior Vice-President of Sales before being appointed Head of Sales and Marketing in the Aeronautical Systems Division, then Managing Director in 1995. From 1999 to 2001, he took over as Chief Executive Officer of Labinal, which became Safran Electrical & Power, wherein he became Chairman and CEO in November 2004. In 2006, he was appointed Managing Director of Safran defense and security operations as well as Chairman and Chief Executive Officer of Safran Identity & Security. He was appointed Director and Chief Executive Officer of Safran by the shareholders' meeting of April 23, 2015, a position he held until December 31, 2020. On the same day, he became a Board member of the Aerospace and Defence Industries Association of Europe (ASD). He has been Vice-Chairman of GIFAS (Groupement des industries françaises aéronautiques et spatiales) since 2015, Director of Belcan Corporation since 2015 and Director at EDF and Pernod Ricard since 2019.

LIST OF OTHER MAJOR OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

Current [1]

Director of Belcan Corporation (United States) (since 2015)
Director of **EDF** (France) (since May 2019)
Director of **Pernod Ricard** (France) (since November 2019)

Expired during the last five years

Chief Executive Officer and Director of Safran (France) (until December 2020).

(1) **In bold:** listed companies.

Jacques Richier

66 years old
French

Business address:
Allianz France
1 cours Michelet
CS 30051
92076 Paris-La Défense Cedex, France

Main position:
Chairman of the Board of Directors of Allianz France

Offices and positions held at the Company:
Independent Director and member of the Audit and Financial Statements Committee

Number of SUEZ shares held:
2,000 shares

BIOGRAPHY

Jacques Richier, born on February 12, 1955, has been Chairman of the Board of Directors of Allianz France since January 1, 2021. Since 2010, he has been Chairman and Chief Executive Officer of Allianz France, the French subsidiary of the European insurance leader, after having managed the integration of AGF. Previously, Jacques Richier was Chief Executive Officer of Swiss Life France following a long career with the mutual insurance company AZUR, where he held various responsibilities, particularly in the field of IT and management systems, before becoming Managing Director and then Chairman and Chief Executive Officer. He holds an engineering degree from the National Institute of Applied Sciences (INSA) in Lyon, an MBA from HEC and a postgraduate degree in materials physics. Jacques Richier began his career as a researcher at Berkeley, then moved into the oil industry.

LIST OF OTHER MAJOR OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

Current

Terms of office within the Allianz Group: Chairman of the Board of Directors of Allianz France (France), Chairman and Chief Executive Officer of Allianz IARD (France), Chairman and Chief Executive Officer of Allianz Vie (France), Chairman of the Board of Directors of Allianz Maroc (since 2016), Chairman of the Board of Directors of Allianz Retraite (France) (since 2020), Member of the Supervisory Board of Allianz Partners SAS (France) (since 2015)
Permanent Representative of Allianz IARD as Member of the Supervisory Board of IDI SCA (France) (since 2016)
Member of the Strategy Board of Euler Hermes Group (France) (since 2018)
Member of the Supervisory Board of Rothschild Martin Maurel (France)
Director of Georgia Healthcare Group Plc (United Kingdom) (since 2015)

Expired during the last five years

Chairman and Chief Executive Officer of Allianz France (France) (until December 31, 2020)
Director of Allianz Africa (France) (until October 21, 2019)
Chairman of the Supervisory Board of Allianz Partners SAS (France) (until October 19, 2018)
Member of the Supervisory Board of Euler Hermes Group (France) (until June 20, 2018).

Brigitte Taittinger-Jouyet

61 years old
French

Business address:
SUEZ
Tour CB21
16, place de l'Iris
92040 Paris-La Défense, France

Main position:
Director

Offices and positions held at the Company:
Independent Director and Chairwoman of the Appointments, Compensation and Governance Committee and member of the CSR, Innovation, Ethics, Water and Sustainable Planet Committee

Number of SUEZ shares held:
2,000 shares

BIOGRAPHY

Born on August 7, 1959, Brigitte Taittinger-Jouyet is a graduate of the Institut d'études politiques de Paris and holds a Master in History from the Faculty of Human Sciences at Reims University. In 1984, she was appointed Advertising Manager at Publicis, before joining the Marketing Department within the Taittinger Group in 1988, where she was in charge of industrial and hotel companies. From 1991 to 2012, she was Chairwoman and CEO of the perfume company Annick Goutal. From 1995 to 2015, she was also Vice-Chairwoman of Baccarat. Between 2013 and 2017, she was Director of Strategy and Development at Sciences Po Paris. She has been also a Director of HSBC France since 2008 and of Fnac Darty since 2014. She was a Director of Centre Pompidou from 2013 to 2019.

LIST OF OTHER MAJOR OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

Current [1]

Director of HSBC France (France) and **Fnac Darty** (France)

Expired during the last five years

Director of Miller Harris (subsidiary of Neo Capital), Addoha Group and the Centre Pompidou (until 2019).

(1) **In bold:** listed company.

Directors representing employees

Enric Xavier Amiguet i Rovira

52 years old
Spanish

Business address:
SUEZ
Tour CB21
16, place de l'Iris
92040 Paris-La Défense, France

Main position:
Project Development at the Communication and Marketing Department of SUEZ Spain

Offices and positions held at the Company:
Director elected by employees (nominated by the European Works Council) and member of the Strategy Committee and the CSR, Innovation, Ethics, Water and Sustainable Planet Committee

Number of SUEZ shares held:
185 shares
66.92 units of the SUEZ Shareholding international mutual fund

BIOGRAPHY

Enric Xavier Amiguet i Rovira, born on November 21, 1968, is a graduate of the Catalan School of Public Relations and holds a marketing degree from the ESIC Business and Marketing School. He also holds an Executive MBA from EADA Business School and participated in several training programs at the IFA. He joined Aguas de Barcelona in 1996, where he has held various positions. He started out in the Office of the Chairman in charge of Protocol, Public Relations and Press. In 2002, he joined the safety department, where he was responsible for customer relations. He then worked in the corporate marketing department, with a particular focus on digital and environmental matters. Since 2010, he has held project development roles within the customer management department. He is currently developing projects at the Corporate Communication and Marketing Department of SUEZ Spain.

LIST OF OTHER MAJOR OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

Current

-

Expired during the last five years

-

Agatta Constantini

56 years old
French

Business address:
SUEZ
Tour CB21
16, place de l'Iris
92040 Paris-La Défense, France

Main position:
Technical advisor at SUEZ

Offices and positions held at the Company:
Director elected by employees
(nominated by the France Group Work Council),
member of the Appointments, Compensation
and Governance Committee
and Strategy Committee

Number of SUEZ shares held:
68 shares
410.76 units
of the SUEZ Actionnariat
France mutual fund

BIOGRAPHY

Agatta Constantini, born on February 23, 1965, holds a professional diploma in secretarial studies and communications. She joined Lyonnaise des Eaux in 1993 as a receptionist. She then became a switchboard operator. She participated in the creation of network scheduling in 1999 and held various positions there until 2007. She was appointed store manager in 2007, then senior purchasing technician in 2008. Agatta Constantini is currently a technical advisor at SUEZ.

LIST OF OTHER MAJOR OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

Current

-

Expired during the last five years

-

Director representing employee shareholders

Guillaume Thivolle

61 years old
French

Business address:
SUEZ
Tour CB21
16, place de l'Iris
92040 Paris-La Défense, France

Main position:
Project Director within the Group Human Resources Department (Training Department)

Offices and positions held at the Company:
Director representing employee shareholders, member of the Audit and Financial Statements Committee and the CSR, Innovation, Ethics, Water and Sustainable Planet Committee

Number of SUEZ shares held:
38 shares
262.05 units of the SUEZ Actionnariat France mutual fund

BIOGRAPHY

Guillaume Thivolle was born on July 16, 1959. He holds a diploma from the École Supérieure d'Administration des Entreprises (Paris), and has worked in several industrial groups: Pernod Ricard, Grosfillex and Alcatel, before joining the Environment sector, first with GLS and later with the IRH Ingénieur Conseil Group. He joined the teams at Degrémont in January 2011 and was then appointed, within the SUEZ Group, to head up the Water Treatment Services Development Division. He is now a Project Director in the SUEZ Group's Human Resources Department.

LIST OF OTHER MAJOR OFFICES AND POSITIONS HELD DURING THE LAST FIVE YEARS

Current

-

Expired during the last five years

-

Under the declaration of interests that must be made yearly by the Directors of the Company in accordance with the Code of Conduct relating to the prevention of market abuse, none of the members of the Board of Directors has declared to the Company that he/she:

- has family ties with other members of the Company's Board of Directors (including the Chairman or the Chief Executive Officer);
- has been convicted of fraud in the last five years;
- has participated as a manager in any bankruptcy, receivership or liquidation in the last five years;
- has been incriminated or received an official public sanction by statutory or regulatory authorities;
- has been barred by a court of law from acting as a member of an administrative, management or supervisory body of any issuer or participating in the management or business of any issuer in the last five years.

12.1.2 Management bodies

In order to successfully perform his mission, the Chief Executive Officer is assisted by an Executive Committee, which is an analysis and decision-making body that examines the Group's major decisions and strategic objectives, and meets every two weeks.

As of December 31, 2020, the Executive Committee includes 10 members alongside the Chief Executive Officer, Bertrand Camus:

Jacques Audibert has been General Secretary of the Group since June 2018. He is a former student of the ENA and graduate of the École Supérieure de Journalisme de Strasbourg. Jacques Audibert was a journalist for Radio France and served as an advisor to Roger Fauroux, Minister for Industry and Regional Development in 1988. He then held several positions within the Ministry of Foreign Affairs in Paris, Bonn, Hanoi, London and Quebec. He was Head of Political Affairs and Security within the Ministry of Foreign Affairs from 2009 to 2014, then Diplomatic Advisor and G7 and G20 Representative to the French President from May 2014 to May 2017. He joined the Group on July 1, 2017 as Deputy General Secretary.

Jean-Marc Boursier has been Senior Executive Vice President Group for the France Region and Group Chief Operating Officer since January 1, 2020. He is in charge of the following operation departments: Treatment Infrastructure Department, the Research, Innovation and Digital Transformation Department, the Information Systems Department, and the Performance Department. Jean-Marc Boursier is a telecom engineer who holds a master's degree in international finance from HEC Paris. He joined the Group in 1999 where he held various positions in finance (control, mergers and acquisitions, planning) before becoming Chief Financial Officer of SUEZ in 2004, then Deputy CEO in charge of Finance, Procurement, and the Consulting subsidiary in 2013. From 2015 to 2018, he was Group Deputy CEO for the Recycling and Recovery Europe segment. From May 2019, he was Senior Executive Vice President in charge of Operations and Recycling and Recovery activities for Northern Europe and hazardous waste recovery activities in Europe. Jean-Marc Boursier is also President of the European Federation of Waste Management and Environmental Services (FEAD) as well as an Officer of the Alliance to End Plastic Waste.

Isabelle Calvez has been the Chief Human Resources Officer since April 18, 2017, the date she joined the SUEZ Group. A graduate of the Institut d'études politiques de Paris, she began her career at Thalès Group, where she held positions in both Human Resources and Operations, then at Canal+ Group before being appointed Head of Human Resources France and Benelux at Accenture in 2003 and Head of Group Human Resources at Groupama in 2007. In 2012, Isabelle Calvez was appointed Head of Human Resources for Carrefour France.

Christophe Cros is Senior Executive Vice President Group in charge of the North America Region and Chairman of Water Technologies and Solutions (WTS). A former student at the ENA and a graduate of the Institut d'études politiques de Paris, Christophe Cros began his career as a magistrate at the Cour des comptes (1985-1989) and then as Head of Financial Organization for the Centre National des Caisses d'Épargne. He joined the SUEZ Group in 1991 as Chief Operating Officer then Chief Executive Officer of Crédisuez from 1995 to 1998 before being appointed Chief Operating Officer of SITA (now SUEZ) in 1999, then of SUEZ in 2004, and Chief Executive Officer of SITA France in 2007. In 2013, he became Senior Executive Vice President in charge of the Recycling and Recovery Europe, then took over Finance in 2015.

Diane Galbe has been Senior Executive Vice President Group in charge of the global business unit Smart Environmental & Solutions since January 1, 2020. She is also Head of Group Strategy and the "Shaping SUEZ 2030" transformation plan. She is also now a member of the Executive Committee. Diane Galbe holds a *magistère* degree from Université Paris II Panthéon-Assas and is a former lawyer at the Bredin Prat firm. She joined SUEZ Group in 2007, where she had various responsibilities in both the corporate functions in Paris and for the Asian business unit in Hong Kong. She was then appointed Chief of Staff for the Group Chief Executive Officer in 2013. In January 2017, she became Head of Finance and Strategy of the Italy, Central Europe and Eastern Europe business unit as well as Global Market Director for the Construction, Decommissioning and Materials Sector. From May 2019, Diane Galbe was Senior Executive Vice President of Group Strategy and the SUEZ 2030 Project.

Ana Giros is Senior Executive Vice President Group in charge of the APAC (Asia, Australia and India) and AMECA (Africa, the Middle East and Central Asia) Regions and of Industrial Key Accounts. She is a graduate of the Université Polytechnique of Barcelona and of INSEAD. She held various international positions at Alstom Transport starting in 1997, before becoming Chief Executive Officer of the Services Division in November 2009 and CEO of Alstom France in May 2014. She joined SUEZ Group in October 2015 and became Chief Executive Officer of the Latin America business unit and of the Key Industrial Accounts business unit in December 2016. From May 2019, Ana Giros was Senior Executive Vice President Group of International, and directly Africa, the Middle East, India, Asia, Australia, the Consulting Business, and Key Industrial Accounts.

Tiphaine Hecketsweiler has been Chief Engagement and Communications officer since January 1, 2020. Tiphaine Hecketsweiler graduated from the Université de Panthéon-Sorbonne and holds a DESS in Corporate Finance and Financial Engineering from Université Paris IX-Dauphine. In 1990, she began her career at France Telecom Mobiles, then at Experian in London. After being a consultant at Image 7, she became Deputy Head of Communications in charge of the brand, media relations and internal communications at Atos, then Head of Communications at Worldline. In 2017, she was appointed Chief Communications officer at AccorHotels Group. She joined SUEZ Group on July 15, 2019 as the Group's Head of Communications.

David Palmer-Jones has been Senior Executive Vice President Group of the Northern Europe Region since January 1, 2020. He holds a master's degree in marketing from the University of Leeds in England. David joined the Group in 1989 as Head of Business Development for SITA UK, and in 1996 became Chief Executive Officer of Milijöservice Sweden, then Director of Development of SITA Scandinavia before becoming Chief Operating Officer of SITA Sweden, then CEO. In 2006, he was appointed Director of Industrial and Commercial Waste, Recycling & Recovery UK. From 2008, David Palmer-Jones was Chief Executive Officer of the UK and Scandinavia business unit.

Angel Simon is Senior Executive Vice President Group of Southern Europe (Spain, Italy and Greece) and Latin America. Angel Simon holds a degree in civil engineering from the Universidad Politécnica in Barcelona (1980) and an MBA from ESADE. He joined Agbar in 1995 and became Chief Executive Officer of Aguas Andinas, SA in Chile in 1999, then Aguas de Barcelona in 2002 and the Agbar Group in 2004. He became Chairman of the Group in 2010. In May 2019, he became Senior Executive Vice President in charge of Spain, Latin America and the Advanced Solutions & Smart Cities business activities.

Julian Waldron has been Senior Executive Vice President Group in charge of Finance since January 1, 2020. He joined the Group on May 15, 2019. Julian Waldron is a graduate of the University of Cambridge and began his career at S.G. Warburg before joining Thomson as Chief Financial Officer, then becoming interim Chief Executive Officer. Previously, and since 2017, he was Director of Operations and Senior Executive Vice President of TechnipFMC, and from 2008 to 2017, Chief Financial Officer of Technip Group.

The Company has a Performance Management Committee – a body responsible for managing operating performance, business development, business-specific expertise and Group corporate culture. It comprises members of the Executive Committee as well as senior managers in operations and certain global functions. Its exact composition is detailed on the Company's website (www.suez.com).

12.2 Conflicts of interest within administrative bodies and General Management

The Company has put in place various mechanisms to prevent any conflict between the private interests of its Directors and those of the Company.

The Director's Charter (as annexed to the Board of Directors' Internal Regulations) stipulates that every Director must inform the Board of any conflict of interest, even potential, in which he or she could be directly or indirectly involved. In the event that a Director cannot avoid being in conflict of interest, he or she must refrain from participating in discussions and any decisions on the relevant matters.

Moreover, the Board of Directors, under the recommendation of the Appointments and Compensation Committee, adopted a Code of Conduct in 2012 in relation to the prevention of market abuse, updated in 2016 in order to take into account the provisions of EU Regulation 596/2014. This code:

- sets internal procedures for identifying privileged information and, as the case may be, for deciding to defer the publication of such information;
- recalls legal and regulatory provisions concerning crime and insider trading, and the rules applicable to the Company's list of insiders;
- sets "blackout periods" during which members of the Board of Directors, Executive Committee, and certain management positions having access to Company financial information before its publication must withhold from engaging in transactions involving Company shares, as follows:
  - a period of 30 days prior to the publication of the Company's annual and interim results, until two days after their publication, and
  - a period of 15 days prior to the publication of the Company's first- and third-quarter results, until two days after their publication;
- recalls the obligation of Corporate officers and certain "Top Executives" of the Group to report transactions involving Company shares;
- establishes the obligation for Directors to make an annual declaration of interests, indicating in particular any potential conflict of interest that could exist between their duties to the Company and other duties or private interests.

Under the declaration of interests made yearly by all the Directors of the Company at the end of 2020, none of the members of the Board of Directors (including the CEO) has declared to the Company that he/she is in potential conflict of interest between his/her duties toward the Company and other private duties or interests.

Furthermore, to the Company's knowledge, as of the date of this Universal Registration Document, no member of the Board of Directors or the Chief Executive Officer enjoy benefits as a result of service contracts between them and the Company or any of its subsidiaries.

13 Compensation and benefits

13.1 Compensation and benefits in kind

13.1.1 Compensation policies of Corporate officers

Compensation policies of Corporate Officers described below were established in accordance with Article L. 22-10-8 of the French Commercial Code. These policies will be voted on by shareholders at the shareholders' meeting of June 22, 2021 - Resolution 13 regarding the Chairman, Resolution 14 regarding the Chief Executive Officer, and Resolution 15 regarding the Directors.

These policies are established in line with the Company's best interest. As a result, they are based on the following shared principles:

- comparability and competitiveness: the Appointments, Compensation and Governance Committee makes recommendations and proposals and submits them to the Board of Directors, drawing on studies and analyses by independent experts of the market practices of similar companies. The competitiveness of the compensation policy is in the Company's interest so it can attract and retain premium senior executives;
- stability: the compensation policy must be sustainable as the criteria determining this compensation are only reviewed after long intervals. This policy may be adjusted, however, if this is necessary to adapt to changes in the objectives adopted by the Group, or in the event of a major operation with a significant impact on the Group's scope. The compensation policy of Corporate Officers is also reviewed by the Board of Directors in the event of their succession. The Board of Directors in this case carries out an overall analysis of the executive officer's situation and provides its opinion on all of the elements of his compensation taking into account the existing practices within the Company and the individual compensation awarded to the executive officer in the past;
- consistency: the compensation of Corporate Officers must be determined in line with that of the other senior executives when it relates to compensating an Executive Corporate Officer and other employees of the Company. The Board therefore monitors the evolution of compensation ratios (mentioned below) between Corporate Officers and Company employees on the one hand and Company performance on the other hand;
- measurement: the determination of compensation components must be the result of a fair balance taking into account the Company's corporate interest, the interest of its shareholders, market practices and the performance of executives, where applicable. However, this policy is applied differently depending on whether it concerns the Chairman of the Board, the Chief Executive Officer or the Directors.

13.1.1.1 Compensation policy for the Chairman of the Board of Directors for 2021

Philippe Varin succeeded Jean-Louis Chaussade as Chairman of the Board on May 12, 2020.

The compensation policy for the Chairman recommended by the Appointments, Compensation and Governance Committee has been drawn up by the Board of Directors in accordance with the principles for determining compensation for Corporate Officers set out in the AFEP-MEDEF Code. The compensation policy applicable to Philippe Varin in connection with his appointment as Chairman was approved at the shareholders' meeting of May 12, 2020 with 99.53% of the vote. At its meeting of February 24, 2021, the Board of Directors decided to confirm this policy.

As a result, the Chairman of the Board's compensation includes annual gross fixed compensation of EUR 375,000, in line with market practices observed for non-executive chairmen, and a company car.

It is also confirmed that the Chairman of the Board of Directors does not receive compensation for attending Board of Directors or Committee meetings, and he does not receive variable compensation, in accordance with AFEP-MEDEF Code recommendations.

13.1.1.2 Compensation policy for the Chief Executive Officer for 2021

The compensation policy recommended by the Appointments, Compensation and Governance Committee for the Chief Executive Officer has been drawn up by the Board of Directors in accordance with the principles for determining compensation for Executive Corporate Officers set out in the AFEP-MEDEF Code. This policy, approved by the last shareholders' meeting of May 12, 2020, was reviewed by the Board of Directors at its meeting on February 24, 2021 without the Chief Executive Officer and management in attendance. In particular, the Board of Directors reviewed the ratios between the Chief Executive Officer's compensation and the compensation of Company employees, as described in section 13.1.2.3 of this chapter.

The Board of Directors decided to confirm this policy, placing greater emphasis on the integration of environmental, corporate and social responsibility criteria into the evaluation of the Chief Executive Officer's performance, given the significance of these topics to the Group's strategy, in connection with its Purpose.

The Board also provided clarifications and further details on the qualitative criteria for the Chief Executive Officer's annual variable compensation and on the payment scale for his long-term variable compensation.

Also, the Chief Executive Officer's compensation, which will be subject to approval by shareholders at the shareholders' meeting on June 22, 2021 under Resolution 14 , contains the following elements:

- Elements related to the Chief Executive Officer taking up office
  - **Welcome bonus:** in accordance with the AFEP-MEDEF Code, no allowance may be granted for the Chief Executive Officer taking up office when this individual is selected from the Group's existing executives.
    Bertrand Camus did not therefore receive a bonus following his appointment as Chief Executive Officer in 2019.
  - **Employment contract:** the Chief Executive Officer, in accordance with the recommendation of the AFEP-MEDEF Code, terminated his employment contract with the Company by resigning. He will not receive any compensation following the termination of his employment contract.
    Bertrand Camus therefore terminated his employment contract by resigning on May 14, 2019 when he was appointed Chief Executive Officer.
- Elements of compensation linked to the term of office of the Chief Executive Officer
  - **Annual fixed compensation:** its purpose is to retain and attract high-level and experienced executives *via* a consistent and competitive compensation plan. It is calculated taking into account the Chief Executive Officer's experience, seniority and common market practices for similar positions.
    It is intended to be stable, only changing over relatively long periods or following significant changes in the Group's scope.
    For fiscal year 2021, upon the Appointments, Compensation and Governance Committee's recommendation, the Board of Directors has kept the Chief Executive Officer's fixed compensation at EUR 750,000 in accordance with these principles. This amount has been unchanged since 2009.
  - **Annual variable compensation:** its purpose is to motivate and reward executives when the Company meets annual financial and non-financial objectives.

    The main characteristics of this annual variable compensation are as follows:

    - amount: between 0% and 150% of fixed annual compensation (the achievement of set objectives corresponds to a variable amount equivalent to 100% of fixed compensation),
    - conditions governing compensation: the award of compensation is based on achieving specific, predetermined, diversified and demanding objectives that enable a comprehensive analysis of performance aligned with corporate issues and strategy and with shareholders' interests. These objectives must be both quantifiable (accounting for 75% of the award), measured using financial criteria that are determined in accordance with the objectives and forecasts released by the Group to the market, with levels that can be observed by the public and by a criterion related to the Group's Health and Safety commitments, and qualitative (accounting for 25% of the award), measured in particular using criteria related to the Group's sustainable development commitments. The Board of Directors may, in exceptional circumstances external to the Company that have significant consequences for the Company, adjust the predetermined objectives, provided, on the one hand, that these adjustments remain consistent with the objectives and forecasts communicated to the market and, on the other, that an adequate correlation is maintained between the Chief Executive Officer's annual variable compensation and the Company's performance, and that these are balanced at all times with the interests of other stakeholders, in particular the Company's employees and shareholders. The Board of Directors must give sound reasons for using this discretion, upon the Appointments, Compensation and Governance Committee's recommendation, with regard to the circumstances that led to such revision. The Company does not foresee requesting a full or partial return of the annual variable compensation paid to the Chief Executive Officer.

The annual variable compensation amount that may be awarded for each of the quantifiable criteria is calculated as follows:

	Minimum	Target objective	Maximum	Remarks
Quantifiable criteria	Amount equal to 0 if less than 85% of the target objective is achieved.	Amount equal to 100% if 100% of the target objective is achieved.	Amount equal to 150% if 120% of the target objective is achieved.	Linear calculation between milestones.

For fiscal year 2021, upon the Appointments, Compensation and Governance Committee's recommendation, the Board of Directors has set the applicable performance criteria for the annual variable compensation as follows, and the financial criteria is in line with the indicators used for forecasts and objectives released by the Company in February 2021:

- quantifiable criteria, representing 75% of the overall weighting of the variable amount, relating to EBIT (20%), Recurring Free Cash Flow (20%), Recurring Earnings Per Share (25%), and the Group's Health and Safety results (10%), and
- qualitative criteria, representing 25% in the overall weighting of the variable amount, relating to:
  - 10%: objectives linked to the Group's environmental, social and governance (ESG) commitments, it being understood that the Board will assess the rate of achievement of these objectives on the basis of the criteria for reducing greenhouse gases, protecting biodiversity and diversity in management,
  - 15%: management of the Veolia takeover project and continued deployment of the SUEZ 2030 strategic plan in this context.

The rate of achievement of the performance criteria will be assessed by the Board of Directors, upon the Appointments, Compensation and Governance Committee's recommendation, at its meeting to approve SUEZ's 2021 Consolidated Financial Statements.

In accordance with Article L. 22-10-34 of the French Commercial Code, the payment of annual variable compensation is subject to approval at the annual shareholders' meeting called to approve the 2021 financial statements.

- **long-term variable compensation**: it is intended primarily to retain executives and align their interests with those of the Company and its shareholders. This long-term variable compensation is granted under a plan that has a large group of recipients (around 1,650 people in 2020, for example).

The main characteristics of the long-term variable compensation are as follows:

- type: fully linked to the Company's share price and may take the form of performance units (variable compensation in cash, in an amount which is indexed to the share price) or performance shares,
- amount and ceiling: the target amount (based on SUEZ's share price at the time of allocation) of the Chief Executive Officer's long-term variable compensation corresponding to meeting pre-defined performance conditions, equals 70% of his fixed compensation, the maximum amount of this compensation (if the Group outperforms its targets) is capped on allocation at 140% of fixed compensation;

	Minimum	Target objective	Maximum	Remarks
Valuation on allocation	EUR 0	70% of the Chief Executive Officer's fixed compensation.	140% of the Chief Executive Officer's fixed compensation.	Valuation carried out on the basis of the SUEZ share price at the time of allocation. Linear calculation between milestones.

- performance conditions: this variable long-term compensation is fully subject to the achievement of performance conditions, assessed over a minimum period of three years. The "internal" performance condition(s) is/are established based on one or more financial indicators audited and disclosed by the Company, in line with the forecasts, strategy and/or objectives published by the Group, or in line with the Group's budget and medium-term plan (e.g., recurring net income and recurring free cash flow for the most recent long-term variable compensation plans introduced). The "external" performance condition allows an assessment of the Company's performance compared to a group of comparable companies (for example through the average change in the Company's Total Shareholder Return (TSR) over a three-year period, compared to the change in the TSR of the Euro Stoxx Utilities index over the same period). A non-financial performance condition related to the Group's corporate social and environmental responsibility policy is also included, and, from 2021, this has the same weighting as the internal performance conditions and the external performance condition.

The long-term variable compensation amount that may be awarded for each of the internal and external criteria is calculated as follows:

	Minimum	Target objective	Maximum	Remarks
Level at which performance units or shares are vested for each condition	Vesting equal to 0 if the level of achievement of the criterion is strictly below 100% (no allocation in the event of underperformance)	Vesting equal to 100% of the target number if the criterion is achieved at 100%	Vesting equal to 200% of the target number if the criterion is achieved at or over 130%	Linear calculation between milestones

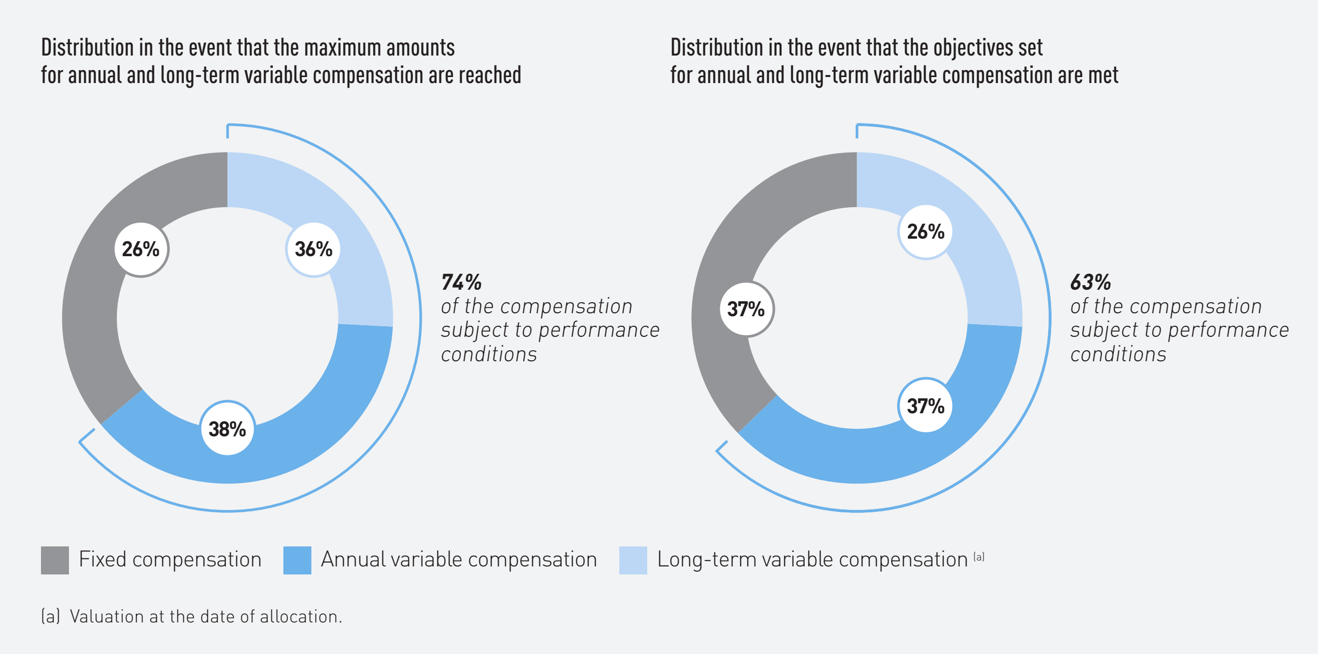
- service condition: the allocation of long-term variable compensation is subject to a service condition of a minimum of three years. This means that, if the Chief Executive Officer leaves before he has met the service condition, his entitlements under the long-term incentive plans will be lost, unless the Chief Executive Officer retires, in which case the entitlements will be maintained in their entirety, but will still be subject to performance conditions. If he leaves following a forced departure due to a change of control or strategy, his entitlements will be prorated according to the length of his service within the Group, but will still be subject to performance conditions,
- obligation to hold shares: the Chief Executive Officer has agreed, until the end of his or her term of office, to hold 25% of the performance shares vested, or to reinvest in shares 25% of the amount actually received for performance units, up to a number of registered shares held by the Chief Executive Officer equal to twice the fixed compensation. The objective is therefore to increase the number of shares held by the Chief Executive Officer throughout his term of office in order to better align his interests with those of the shareholders. Lastly, the Chief Executive Officer has agreed not to engage in hedging transactions with respect to the performance shares or stock options that he receives from the Company.

It is not possible for the Company to ask for the long-term compensation to be returned.

- **Exceptional compensation:** in accordance with Article 25.3.4 of the AFEP-MEDEF Code, the Board of Directors may decide to pay exceptional compensation to the Chief Executive Officer only under circumstances resulting in a significant change in the scope of the Group. In this case, payment of this exceptional compensation would then be entirely subject to the achievement of the performance conditions.

  Since the Company's IPO in 2008, the Board of Directors has only awarded exceptional compensation once, in connection with the acquisition of GE Water & Process Technologies in 2017. Also note that, in accordance with Article L. 22-10-34 of the French Commercial Code, the granting of exceptional compensation must be approved at the annual shareholders' meeting.
- **Benefits in kind:** the Chief Executive Officer receives and uses a company car and is covered under group health and other insurance plans for SUEZ employees.
- **Compensation related to attending Board and Committee meetings:** the Chief Executive Officer does not receive this type of compensation.

The weighting of the fixed, annual variable and long-term variable elements (excluding exceptional compensation) in the total compensation of the Chief Executive Officer is as follows:



(a) Valuation at the date of allocation.

► **Elements related to the termination of the term of office or subsequent to the term of office of the Chief Executive Officer**

- **Severance pay:** it may be granted taking into account the Chief Executive Officer's personal situation on the date of taking up office.
  As such, the Board of Directors, having taken note of the termination of the employment contract of Bertrand Camus and, consequently, the loss of existing contractual and legal arrangements in this regard in the event of termination, decided, at its meeting of February 26, 2019, to grant compensation to Bertrand Camus in the event of forced departure from the position of Chief Executive Officer (in particular following dismissal or resignation linked to a change of control or strategy of the Company).

  No severance pay would be due in the following cases:

  - if the departure occurs less than two years after the start date of the Chief Executive Officer's term of office or in the event of resignation, except if the departure results from a change in the Company's control or a change of strategy,
  - in the event of a change of duties within the SUEZ Group,
  - if the departure, regardless of its form, is a consequence of gross negligence or misconduct by the Chief Executive Officer,
  - if the Chief Executive Officer is eligible for retirement at the time of departure,
  - if the age limit for exercising the office of Chief Executive Officer has been reached, or
  - in the event of death.

  The amount of severance pay is capped at two years of annual fixed and variable compensation. The variable compensation to be taken into account when calculating severance pay will correspond to the average of the previous two annual variable compensation amounts actually paid to the Chief Executive Officer.

  Severance pay may also only be paid after the Board of Directors has acknowledged the achievement of the performance conditions, assessed at the date the Chief Executive Officer's term of office ends. These performance conditions correspond to the rate of achievement of the quantifiable performance criteria set at the start of each fiscal year by the Board of Directors for calculating the Chief Executive Officer's annual variable compensation.

  As a result, if the average amount obtained by the Chief Executive Officer in accordance with quantifiable criteria for the three fiscal years prior to departure is greater than or equal to the target amount of the annual variable compensation, then 100% of the severance pay will be payable to the Chief Executive Officer. If the average amount obtained is on average between 90% and 100% (excluding) of the target amount for the three fiscal years prior to departure, 70% of the amount of the severance pay will be payable to the Chief Executive Officer. If the average amount obtained is on average less than 90% (excluding) of the target amount for the three fiscal years prior to departure, no severance pay will be payable to the Chief Executive Officer. If the Chief Executive Officer leaves before the end of the third fiscal year, then fulfillment of the performance condition will be assessed on one or two fiscal years only, depending on how long the Chief Executive Officer remained in the position.

  Commitments made to the Chief Executive Officer for severance pay were approved by the SUEZ shareholders' meeting of May 14, 2019 under a special resolution.

- **Non-compete commitment**: it may be implemented in respect of the Chief Executive Officer in order to protect the legitimate interests of the Company, given the duties exercised by the Chief Executive Officer and the strategic, confidential information to which he has access in this context.
  At its meeting of February 26, 2019, the Board of Directors therefore decided, in consideration for a commitment from Bertrand Camus not to exercise, directly or indirectly, any activity that competes with that of the Company or SUEZ Group companies for a period of two years from the end of his term of office as Chief Executive Officer, irrespective of the reason for the cessation of his duties, to grant him a payment of an amount equal to one year's compensation (fixed and variable amounts, the variable compensation considered for the calculation of this payment being the average of the last two annual variable compensation amounts actually paid to the Chief Executive

Officer), paid in the form of 24 equal, successive monthly installments.

In accordance with the AFEP-MEDEF Code, the total severance pay and compensation for a non-compete commitment may under no circumstances exceed two years' compensation (fixed and variable compensation, with the variable compensation based on the average of the two last annual variable compensations paid to the Chief Executive Officer). Accordingly, if the Board of Directors was to decide to implement the non-compete commitment, the amount of the severance pay would be capped at one year's compensation.

Compensation for a non-compete commitment will not be paid, under any circumstances, if the Chief Executive Officer retires or is over 65 years old at the end of his term as Chief Executive Officer.

In addition, the Board of Directors will have the possibility of renouncing implementation of this non-compete commitment on the Chief Executive Officer's departure, in which case no compensation will be due.

These non-compete compensation commitments made for the Chief Executive Officer were approved by the SUEZ shareholders' meeting of May 14, 2019.

- **Retirement plan**: the Chief Executive Officer may be eligible to participate in a retirement plan established by the Company.

  Since 2006, Bertrand Camus has participated, under his employment contract, in a Group defined-benefit retirement plan, under Article L. 137-11 of the French Social Security Code, applicable to Company employees, which had allowed him to accrue potential entitlements that are retained if a participant retires directly from the Company. The termination of Bertrand Camus's employment contract on May 14, 2019 resulted in the permanent waiving of the benefit of the entitlements accrued under this plan.

  The Board of Directors had examined the cost of maintaining the benefit of this plan for the Chief Executive Officer. On completion of the review, the Board had felt that setting up another optional defined contribution retirement plan was in the Company's interests since the cost of such plan was significantly lower than the current defined-benefit plan, while remaining competitive for the plan participant.

  Consequently, the Board of Directors decided at its meeting of February 26, 2019 that the Chief Executive Officer would be eligible to participate in the optional defined contribution retirement plan set up by the Company, which is governed by the provisions of Article 82 of the French General Tax Code and provides the plan participant with the guarantee of additional retirement income in the form of an annuity or a cash sum upon retirement. In this regard, the Company will pay an annual amount, linked to the Group's performance, corresponding to 30% of the fixed compensation and the annual variable compensation paid to the Chief Executive Officer, on the understanding that this amount will be paid in cash by the Company. Half will be paid to the insurer responsible for managing the plan and half to the Chief Executive Officer, given the immediate taxation on payments made into this new plan.

  Although the payments made by the Company under the defined contribution retirement plan do not guarantee the Chief Executive Officer a level of annuity equivalent to the amount he would have received had he stayed in the defined benefit plan (subject to retiring directly from the Company), this change allows the Chief Executive Officer to accrue certain benefits and the Company to make an estimated saving of 47% (comparing the cost of the two plans until the age at which the Chief Executive Officer may become eligible to retire).

  This commitment made for the Chief Executive Officer for this defined contribution retirement plan was approved by the shareholders' meeting of May 14, 2019. Additional information regarding this commitment is provided in section 13.1.2.1.

13.1.1.3 Compensation policy for Directors

Director compensation (except for the Chairman of the Board of Directors, the Chief Executive Officer, Directors representing employees and the Director representing employee shareholders) only consists of compensation related to their attendance at Board of Directors and Committee meetings, where applicable.

The maximum annual amount for this compensation set by the Combined shareholders' meeting of May 22, 2014 was EUR 700,000.

Since fiscal year 2014, this compensation has been allocated according to the following rules, with the understanding that a reduction, based on the attendance rate, of the amount of this compensation is applied in the event that the amount has been exceeded, and that the Board may decide to share the unpaid balance, depending on the attendance rate of each Director, if the amount has not been used in full:

- a fixed annual portion of EUR 15,000 per Director;
- a variable portion of EUR 2,000 per meeting for each Director;
- a variable portion of:
  - EUR 2,000 per meeting for each of the members of the Board of Directors' committees,
  - EUR 4,000 per meeting of the Committee that they chair for the Chairman of the Appointments, Compensation and Governance Committee, the Strategy Committee and the CSR, Innovation, Ethics, Water and Sustainable Planet Committee,
  - EUR 6,000 per meeting of the Audit and Financial Statements Committee for the Chairman of the Committee.

The variable portion for attending a meeting of the Board of Directors or of a Committee is reduced to EUR 1,000 if attendance is by means of telecommunication (phone, video conference), except in exceptional circumstances. This rule was not applied from March 2020 onwards, due to the Covid-19 health crisis and the restrictions on travel and gatherings imposed during this period.

Furthermore, it is specified that no compensation was paid to Directors for their participation in the *ad hoc* Committee meetings set up in September 2020 following Veolia's announcement of its intention to take control of the Company (see chapter 14.3 of the Universal Registration Document for more information on this Committee).

These distribution rules mean that the variable portion related to the Directors' attendance at Board and Committee meetings is greater than the annual fixed portion allocated thereto, in compliance with the AFEP-MEDEF Code. The Directors' compensation policy, which has remained unchanged, will be submitted to the shareholders' meeting on June 22, 2021 under Resolution 15.

13.1.2 Compensation of the Chief Executive Officer, Chairman and Directors for 2020

13.1.2.1 Compensation of the Chief Executive Officer for 2020

The tables below summarize the compensation of the Chief Executive Officer, the Company's sole Executive Corporate Officer, according to the model defined by the AFEP-MEDEF Code and AMF recommendations.

The compensation described below is derived from the compensation policies previously approved by the shareholders' meeting.

SUMMARY TABLE OF COMPENSATION, OPTIONS AND SHARES ALLOCATED TO THE CHIEF EXECUTIVE OFFICER – GROSS AMOUNTS (IN EUROS)

Bertrand Camus, Chief Executive Officer	Fiscal year 2019 [a]	Fiscal year 2020
Compensation allocated for the year (see breakdown below)	1,280,449	2,102,519
Valuation of long-term incentive plans allocated during the fiscal year (according to IAS 19 revised)	338,398	417,976
Valuation of options allocated during the fiscal year	-	-
Valuation of bonus shares allocated	-	-
Valuation of other long-term incentive plans	-	-
Total	**1,618,847**	**2,520,495**

(a) Amounts calculated on a *pro rata* basis for the period from May 14 to December 31, 2019.

SUMMARY TABLE OF THE CHIEF EXECUTIVE OFFICER'S COMPENSATION (IN EUROS)

	Amounts in fiscal year 2019		Amounts in fiscal year 2020	
Bertrand Camus, Chief Executive Officer	due [a]	paid [a]	due	paid
Fixed compensation	471,774	471,774	750,000	718,750 [b]
Annual variable compensation	510,283	-	870,150 [c]	510,283 [a]
Long-term variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Retirement benefits	294,617		476,670 [c]	294,617 [a]
Benefits in kind	3,775	3,775	5,699	5,699
Total	**1,280,449**	**475,549**	**2,102,519**	**1,529,349**

(a) Amounts calculated on a *pro rata* basis for the period from May 14 to December 31, 2019.
(b) After deduction of amounts donated to Institut Pasteur and UNICEF during the first lockdown.
(c) Subject to approval by the shareholders' meeting of June 22, 2021.

The Chief Executive Officer's gross annual fixed compensation for 2020 was EUR 750,000. This compensation has not changed since 2009. Under the solidarity measures put in place by the Company as a result of the Covid-19 pandemic, the Chief Executive Officer donated a quarter of his fixed compensation during the first lockdown (in April and May). This donation was paid by the SUEZ Foundation to Institut Pasteur and to UNICEF to fund research and support for healthcare workers during the crisis. After these amounts have been deducted, the gross fixed compensation paid to the Chief Executive Officer in fiscal year 2020 totaled EUR 718,750.

In addition to this fixed compensation, variable compensation ranging from 0% to 150% of the total fixed amount is paid, with a target if the set objectives are achieved, corresponding to the allocation of a variable portion equal to 100% of the fixed compensation.

This variable amount was defined according to quantifiable criteria for 75%, and qualitative criteria for 25%. The details of these criteria are shown below.

	Weighting	Scope of evaluation	Level of achievement	Amount *(in euros)*
EBIT	20%	0 to 120%	115.4%	207,803
Recurring free cash flow	20%	0 to 120%	120%	225,000
Recurring earnings per share	25%	0 to 120%	120%	281,250
Health/Safety results	10%	0 to 120%	112.5%	98,438
Total quantifiable criteria	**75%**		**117.8%**	**812,491**
Total qualitative criteria [a]	**25%**	**0 to 120%**	**118%**	**271,875**
Total variable amount (before adjustment)	**100%**		**117.8%**	**1,084,366**
Total variable amount (after adjustment)	**100%**		**106.4%**	**870,150**

(a) The qualitative criteria related to the implementation of SUEZ's 2030 strategic plan on environmental, corporate and social responsibility, management and innovation.

On the recommendation of the Appointments, Compensation and Governance Committee, the Board of Directors has determined the amount of the Chief Executive Officer's variable compensation for fiscal year 2020 on the basis of the following principles:

- the Board highlighted the excellent performance of the Chief Executive Officer in 2020, in the context of the Covid-19 health crisis, which resulted in a sharp deterioration in the global economic situation and an unsolicited takeover bid launched by its main competitor. Despite these unique circumstances, the Group has been able to provide its customers with all essential services, while adjusting the structure of its teams to protect their Health and Safety, ensuring the Group remains financially sound and putting in place solidarity measures for its stakeholders (including its employees, customers and suppliers). The Board of Directors also noted that the Shaping SUEZ 2030 plan was implemented throughout the year despite the circumstances outlined above and that in several aspects of this strategic plan the Group even exceeded its objectives (see below);
- as regards the qualitative criteria, which related to the implementation of SUEZ's 2030 strategic plan, particularly in terms of environmental, corporate and social responsibility, management and innovation, performance was deemed to have been excellent for the following reasons:
  - in terms of environmental, corporate and social responsibility: the Group's Purpose has been defined and was announced at the shareholders' meeting, the 1.5° carbon trajectory has been outlined, the Group has strengthened its commitments within the "Entreprises Engagées pour la Nature – Act4Nature France" initiative, the Group's non-financial ratings have continued to improve, making SUEZ a sector leader in this domain, and, from 2021 onwards, SUEZ will be publishing the percentage of its revenue that qualifies under the EU taxonomy framework for sustainable business activities,
  - in terms of innovation, the new "Innovation" roadmap has been set out,
  - in terms of performance: the "SPOT" performance plan has been launched, enabling the achievement of better-than-expected cost reductions in 2020,
  - in terms of asset rotation: wave 1 of the asset disposal plan has been carried out under conditions that exceeded expectations and the first reinvestments have been made (in Asia in particular),
  - in terms of management and organizational structure: the Group's new organizational structure was put in place on January 1, 2020, and includes the creation of the new global business unit "Smart & Environmental Solutions," the impacts of the Covid-19 crisis were very well managed with regard to both employees and customers; diversity in the Company's various governing bodies and management (Executive Committee, Top Executives, managers) has continued to improve;
- as regards the quantifiable, financial criteria, the Board assessed the level of performance in terms of EBIT, recurring free cash flow and recurring earnings per share to be consistent with the budget the Board had approved, enabling the Company to announce its forecasts in July 2020. The Group has exceeded these approved objectives, demonstrating its strong resilience and adaptibility to these particularly challenging times. Furthermore, the Board noted that the management of this situation and the effective implementation of the Shaping SUEZ 2030 plan had enabled the Group to confirm the financial trajectory it had announced at the end of 2019, which terminates in 2021, in terms of recurring earnings per share, recurring free cash flow and dividends to be recommended to the shareholders. However, the Board is satisfied that the Chief Executive Officer's compensation for 2020 remains consistent with the spirit of solidarity that has already resulted in special measures being put in place (bonuses for employees on the ground, top-up payments for employees on short-time working) and with the steps agreed by the shareholders (whose dividend was reduced by around 30% in 2020). For this reason and with the agreement of the Chief Executive Officer, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, decided to deduct 30% from the amount allocated in respect of quantifiable financial criteria. The amount of the Chief Executive Officer's variable compensation for 2020 is EUR 870,150, 116% of his fixed annual compensation.

In addition to the fixed and variable compensation mentioned above, 2020 benefits in kind totaled EUR 5,699, corresponding to the provision of a company car.

Long-term variable compensation

Upon the recommendation of the Appointments, Compensation and Governance Committee, at its meeting of November 24, 2020, the Board of Directors granted Bertrand Camus long-term variable compensation for fiscal year 2020.

This long-term variable compensation took the form of performance unit awards. Each performance unit may grant an entitlement to cash compensation at the end of the plan in 2023. It is indexed on the SUEZ share price and subject to achieving performance conditions in fiscal years 2020 to 2022 as well as meeting service conditions for three years.

The Board of Directors therefore granted a target number of 32,325 performance units, corresponding to an equivalent of 70% of the Chief Executive Officer's annual fixed compensation (based on SUEZ's share price at the time of the award), which can be increased to a maximum of 64,650 performance units in the event of outperformance.

The number of performance units the Chief Executive Officer will vest will depend on how well the Group meets the following performance conditions, which will each count for one third of the performance units awarded. These internal performance conditions are completely aligned with the Group's medium-term plan:

- an internal performance condition relating to the Group's cumulative recurring net earnings per share in fiscal years 2020 to 2022;
- an internal performance condition relating to the Group's cumulative recurring free cash flow in fiscal years 2020 to 2022;
- an external performance condition based on the change in SUEZ's TSR (Total Shareholder Return) compared to the change in the TSR of the Euro Stoxx Utilities index over the period from January 1, 2020 to December 31, 2022.

For each of these performance conditions, the Board of Directors retained the payment scale for the performance units and confirmed that if the Group performs under the objectives set in the medium-term plan for the internal conditions or the index for the external condition, no payment would be made for that condition. The Board of Directors wanted to retain demanding performance conditions while rewarding outperformance.

Additionally, the number of performance units vested by the Chief Executive Officer could be reduced or increased by 10% depending on level of gender equality in management as of December 31, 2022. However, the number of performance units vested cannot under any circumstances exceed the maximum number of performance units referred to above.

The Board of Directors also voted to combine the Chief Executive Officer's long-term variable compensation with an obligation to reinvest 25% of the net amount that would be effectively received in 2023 in shares, until the number of shares held by the Chief Executive Officer equals two times his fixed annual compensation. With this measure, the Board wants to increase the Chief Executive Officer's exposure to SUEZ share price evolution, which will help to align his interests with those of the shareholders.

Other benefits

RETIREMENT BENEFITS

Bertrand Camus is covered under an optional defined contribution retirement plan, which guarantees the plan participant additional retirement income in the form of an annuity or a cash sum upon retirement. This plan was set up when Bertrand Camus was appointed Chief Executive Officer in May 2019, having been approved in advance at the shareholders' meeting of May 14, 2019.

The retirement plan has the following characteristics:

- it is a defined-contribution retirement plan governed by the provisions of Article 82 of the French General Tax Code;
- the Company pays, based on the Group's performance, an annual amount corresponding to 30% of the fixed compensation and the annual variable compensation paid to the Chief Executive Officer, it being understood that half of this amount is paid in cash by the Company to the insurer in charge of managing the plan and the other half to the Chief Executive Officer, taking into account the tax treatment of payments into the new plan;
- the plan available to the Chief Executive Officer is also available to other members of the Executive Committee;
- rights are acquired annually as payments are made by the Company (the plan participant can make voluntary supplementary payments and there is no payment cap in this plan);
- plan payments for compensation due in 2020 will generate an estimated EUR 11,700 in gross annual retirement income. In addition, assuming Bertrand Camus continues to participate in this plan until he is 65 years old, and based on an average annual compensation corresponding to the sum of his fixed compensation and targeted annual variable compensation, the amount of annuity income he could receive on retirement would be around 8% of his annual compensation.

When Bertrand Camus's employment contract was terminated, it resulted in him permanently waiving the benefits accrued under the Group defined-benefit retirement plan, on the understanding that, assuming Bertrand Camus had continued to participate in this plan until he was 65 years old, and based on an average annual compensation corresponding to the sum of his fixed compensation and the targeted annual variable compensation, the amount of annuity he could have received would have been around 34% of his annual compensation.

In 2020, the Company paid EUR 294,617 into this plan for fiscal year 2019, this amount having been approved in advance at the shareholders' meeting of May 12, 2020.

For fiscal year 2020, and subject to approval by the shareholders' meeting of June 22, 2021, the Company will pay EUR 476,670 in 2021. Half of the amount EUR 238,335 will be paid to the insurer in charge of managing the retirement plan and the other half to the Chief Executive Officer, considering the taxation at the beginning of the plan.

HEALTH AND OTHER INSURANCE COVERAGE

Bertrand Camus continues to be covered under the Group health and other insurance plans applicable to SUEZ employees. For fiscal year 2020, the contributions paid by the Company totaled EUR 4,987.

EMPLOYMENT CONTRACT AND SEVERANCE PAY

Corporate Officer	Employment contract		Supplementary retirement plan		Compensation or benefits due or that may become due pursuant to termination or a change in duties		Compensation due under a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Bertrand Camus **Chief Executive Officer**		X	X		X		X	
Start of term of office: 05/14/2019								
End of term of office as Chief Executive Officer: 2023 shareholders' meeting								

Detailed information on the terminated employment contract, severance pay and non-compete compensation are shown in section 13.1.1.2 of this chapter and are also in the table below, in the section entitled "shareholders' vote on 2020 compensation for Bertrand Camus, Chief Executive Officer."

Shareholders vote on 2020 compensation for Bertrand Camus, Chief Executive Officer

In accordance with Article L. 22-10-34 of the French Commercial Code, on June 22, 2021, the shareholders' meeting will be required to vote on the elements of compensation paid in 2020 or awarded for fiscal year 2020 to Bertrand Camus, Chief Executive Officer, in line with the compensation policy previously approved by the shareholders' meeting.

By way of reminder, the Chief Executive Officer's compensation policy for 2020 was approved at the last shareholders' meeting with 95.73% of the vote.

The shareholders' meeting of June 22, 2021 (Resolution 14) is asked to vote on the following elements of compensation paid during fiscal year 2020 or awarded for fiscal year 2020 to Bertrand Camus, Chief Executive Officer:

Elements of compensation submitted for voting	Amounts paid during the fiscal year ended	Amounts awarded for the year ended or carrying amount	Description
Fixed compensation	EUR 718,750	EUR 750,000	This is the gross annual fixed compensation for fiscal year 2020. This compensation has not changed since 2009. Under the solidarity measures put in place by the Company as a result of the Covid-19 pandemic, the Chief Executive Officer donated a quarter of his fixed compensation during the first lockdown (in April and May) to Institut Pasteur and to UNICEF to fund research and support for healthcare workers during the crisis.
Annual variable compensation	EUR 510,283	EUR 870,150	The amount of EUR 510,283 relates to annual variable compensation awarded for fiscal year 2019 paid in 2020. This amount was calculated on a *pro rata* basis for the period from May 14, 2019, the date upon which Bertrand Camus began his term of office as Chief Executive Officer, to December 31, 2019. The payment of this amount was approved at the shareholders' meeting of May 12, 2020. The amount of EUR 870,150 corresponds to Bertrand Camus's annual variable compensation for fiscal year 2020, as set by the Board of Directors at its meeting of February 24, 2021, on the recommendation of the Appointments, Compensation and Governance Committee. This compensation accounts for 116% of the fixed portion of his compensation. Note that Bertrand Camus was not present when the Board of Directors decided on his compensation. Bertrand Camus's variable compensation may represent between 0% and 150% of his fixed compensation and has been determined based on: ► quantifiable criteria, determined in accordance with the objectives and forecasts released by the Group to the market. These criteria represent 75% of the overall weighting of the variable portion and are related to EBIT (20%), recurring free cash flow (20%), recurring earnings per share (25%) and Health and Safety results (10%); and ► qualitative criteria, which represent 25% of the overall weighting of the variable portion and relate to the implementation of SUEZ's 2030 strategic plan (focusing on environmental, corporate and social responsibility, management, labor and innovation). On the recommendation of the Appointments, Compensation and Governance Committee, at its meeting of February 24, 2021 the Board of Directors assessed the level at which the quantifiable financial criteria had been achieved, based on the information set out on page 186 of the Company's Universal Registration Document. The payment of this annual variable compensation is subject to approval at the shareholders' meeting on June 22, 2021. It is not possible for the Company to request that the variable compensation be returned.

Elements of compensation submitted for voting	Amounts paid during the fiscal year ended	Amounts awarded for the year ended or carrying amount	Description
Long-term variable compensation	EUR 0	EUR 417,976 (carrying amount of performance units awarded for fiscal year 2020)	The Board of Directors voted to grant long-term variable compensation for fiscal year 2020 to Bertrand Camus. This long-term variable compensation took the form of performance unit awards. Each performance unit may grant an entitlement to cash compensation at the end of the plan in 2023. It is indexed on the SUEZ share price and subject to achieving performance conditions in fiscal years 2020 to 2022 as well as meeting service conditions for three years. As a result, the Board of Directors granted a target number of 32,325 performance units corresponding to an equivalent amount of 70% of the Chief Executive Officer's annual fixed compensation (based on SUEZ's share price at the grant date), which can be increased to a maximum of 64,650 performance units if the Group outperforms (i.e., 140% of the Chief Executive Officer's annual fixed compensation). The number of performance units the Chief Executive Officer will vest will depend on how well the Group meets the following performance conditions, which will each count for one third of the performance units awarded. These internal performance conditions are aligned with the Group's medium-term plan: ► an internal performance condition relating to the Group's cumulative recurring net earnings per share from 2020 to 2022; ► an internal performance condition relating to the Group's cumulative recurring free cash flow from 2020 to 2022; ► an external performance condition based on the change in SUEZ's TSR (Total Shareholder Return) compared to the change in the TSR of the EUROSTOXX Utilities index over the period from January 1, 2020 to December 31, 2022. For each of these performance conditions, if the Group performs under the objectives set in the medium-term plan for the internal conditions or the index for the external condition, no payment would be made for that condition. Additionally, the number of performance units vested by the Chief Executive Officer could be reduced or increased by 10% depending on the level of gender equality in management as of December 31, 2022. However, the number of performance units vested cannot under any circumstances exceed the maximum number of performance units referred to above. The Board of Directors also voted to combine the Chief Executive Officer's long-term variable compensation with an obligation to reinvest 25% of the net amount that would be effectively received in 2023 in shares, until the number of shares held by the Chief Executive Officer equals two times his fixed annual compensation. It is not possible for the Company to request that this long-term variable compensation be returned. The allocation of this long-term variable compensation is subject to the approval of the shareholders' meeting of June 22, 2021.

Elements of compensation submitted for voting	Amounts paid during the fiscal year ended	Amounts awarded for the year ended or carrying amount	Description
Exceptional compensation	N/A	N/A	No exceptional compensation was paid in fiscal year 2020 or awarded for fiscal year 2020 to the Chief Executive Officer.
Stock options, performance shares or any other long-term benefit (warrants, etc.)	N/A	N/A	No allocation was made to the Chief Executive Officer for fiscal year 2020.
Compensation due to a Director's term of office	N/A	N/A	The Chief Executive Officer does not receive compensation for attending Board of Directors or Committee meetings.
Benefits of any kind	EUR 10,686	EUR 10,686	Bertrand Camus has a company car. He is also still covered under the Group health and other insurance plans applicable to SUEZ employees.

Elements of compensation submitted for voting	Amounts paid during the fiscal year ended	Amounts awarded for the year ended or carrying amount	Description
Severance pay	No amount paid	N/A	Bertrand Camus will receive severance pay in the event of termination of his office. The Board of Directors, having noted the termination of Bertrand Camus's employment contract, and therefore the loss of the legal and contractual arrangements existing under his contract in the event, decided, at its meeting of February 26, 2019, to award Bertrand Camus severance pay should he leave his office as Chief Executive Officer following a forced departure, particularly due to dismissal or resignation linked to a change in control of the Company or a change of its strategy. No severance pay would be due in the following cases: ► if the departure occurred less than two years after the start date of the Chief Executive Officer's term of office or in the event of resignation, except if the departure results from a change in the Company's control or a change of strategy; ► in the event of a change of duties within the SUEZ Group; ► if the departure, regardless of its form, is a consequence of gross negligence or misconduct by the Chief Executive Officer; ► if the Chief Executive Officer is eligible for retirement at the time of departure; ► if the age limit for exercising the office of Chief Executive Officer has been reached; or ► in the event of death. The amount of severance pay is capped at two years of annual fixed and variable compensation. The variable compensation to be taken into account when calculating severance pay will correspond to the average of the previous two annual variable compensation amounts actually paid to the Chief Executive Officer. Severance pay may also only be paid after the Board of Directors has acknowledged the achievement of the performance conditions, assessed at the date the Chief Executive Officer's term of office ends. These performance conditions correspond to the rate of achievement of the quantifiable performance criteria set at the start of each fiscal year by the Board of Directors for calculating the Chief Executive Officer's annual variable compensation. As a result, if the average amount obtained by the Chief Executive Officer in accordance with quantifiable criteria for the three fiscal years prior to departure is greater than or equal to the target amount of the annual variable compensation, then 100% of the severance pay will be payable to the Chief Executive Officer. If the average amount obtained is on average between 90% and 100% (excluding) of the target amount for the three fiscal years prior to departure, 70% of the amount of the severance pay will be payable to the Chief Executive Officer. If the average amount obtained is on average less than 90% (excluding) of the target amount for the three fiscal years prior to departure, no severance pay will be payable to the Chief Executive Officer. If the Chief Executive Officer leaves before the end of the third fiscal year, then fulfillment of the performance condition will be assessed on one or two fiscal years only, depending on how long the Chief Executive Officer remained in the position. This severance pay was approved by the shareholders' meeting of May 14, 2019 under Resolution 15.

Elements of compensation submitted for voting	Amounts paid during the fiscal year ended	Amounts awarded for the year ended or carrying amount	Description
Non-compete compensation	No amount paid	N/A	At its meeting of February 26, 2019, the Board of Directors decided, in consideration for a commitment from Bertrand Camus not to exercise, directly or indirectly, any activity that competes with that of the Company or SUEZ Group companies for a period of two years from the end of his term of office as Chief Executive Officer, irrespective of the reason for the cessation of his duties, to grant him a payment of an amount equal to one year's compensation (fixed and variable amounts, the variable compensation considered for the calculation of this payment being the average of the last two annual variable compensation amounts actually paid to the Chief Executive Officer), paid in the form of 24 equal, successive monthly installments. In accordance with the AFEP-MEDEF Code, the total severance pay and compensation for a non-compete commitment may under no circumstances exceed two years' compensation (fixed and variable compensation, with the variable compensation based on the average of the two last annual variable compensations paid to the Chief Executive Officer). Accordingly, if the Board of Directors was to decide to implement the non-compete commitment, the amount of the severance pay would be capped at one year's compensation. Compensation for a non-compete commitment will not be paid, under any circumstances, if the Chief Executive Officer retires or is over 65 years old at the end of his term as Chief Executive Officer. In addition, the Board of Directors will have the possibility of renouncing implementation of this non-compete commitment on the Chief Executive Officer's departure, in which case no compensation will be due. This compensation due under a non-compete clause was approved by the shareholders' meeting of May 14, 2019 under Resolution 15.
Supplementary retirement	EUR 294,617	EUR 476,670	Bertrand Camus is covered under a supplementary retirement plan. The Board of Directors decided at its meeting of February 26, 2019 that the Chief Executive Officer would be eligible to participate in a defined-contribution retirement plan set up by the Company, which is governed by the provisions of Article 82 of the French General Tax Code and provides the plan participant with the guarantee of additional retirement income in the form of an annuity or a cash sum upon retirement. In this regard, the Company will pay an annual amount, linked to the Group's performance, corresponding to 30% of the fixed compensation and the annual variable compensation paid to the Chief Executive Officer, on the understanding that this amount will be paid in cash by the Company. Half will be paid to the insurer responsible for managing the plan and half to the Chief Executive Officer, taking into account the tax treatment of payments into the new plan. The shareholders' meeting of May 14, 2019 granted and approved this defined-contribution supplementary retirement plan under Resolution 16. The amount of EUR 294,617 (calculated on a *pro rata* basis) relates to the allocation made under this plan for fiscal year 2019. The payment of this amount was approved at the shareholders' meeting of May 12, 2020. The payment of EUR 476,670 under this plan for fiscal year 2020 is subject to approval at the shareholders' meeting on June 22, 2021.

13.1.2.2 Compensation of the Chairman for 2020

Note that two Chairmen of the Board of Directors have succeeded one another in 2020 – Jean-Louis Chaussade for the period from January 1 to May 12, 2020 and Philippe Varin for the period from May 12 to December 31, 2020.

A) SHAREHOLDER VOTE ON THE 2020 COMPENSATION FOR JEAN-LOUIS CHAUSSADE, CHAIRMAN OF THE BOARD OF DIRECTORS UNTIL MAY 12, 2020

In accordance with Article L. 22-10-34 of the French Commercial Code, on June 22, 2021, the shareholders' meeting will be required to vote on the elements of compensation paid in 2020 or awarded for fiscal year 2020 to Jean-Louis Chaussade, Chairman of the Board of Directors from January 1 to May 12, 2020.

These elements have been paid or awarded in accordance with the compensation policy approved by 99.91% of the shareholders' meeting of May 12, 2020.

Jean-Louis Chaussade's compensation for his term of office as Chairman of the Board of Directors for the period from January 1 to May 12, 2020 amounted to EUR 91,398. It corresponds to fixed compensation over an annual base of EUR 250,000 plus a company car – a benefit valued at EUR 7,070 for the same period.

The Board of Directors also voted that logistics resources (office, assistant, car and driver) would be made available to Jean-Louis Chaussade at the end of his term of office for a five-year period.

This compensation is subject to approval by the shareholders' meeting of June 22, 2021 under Resolution 10.

B) SHAREHOLDER VOTE ON THE 2020 COMPENSATION FOR PHILIPPE VARIN, CHAIRMAN OF THE BOARD OF DIRECTORS SINCE MAY 12, 2020

In accordance with Article L. 22-10-34 of the French Commercial Code, on June 22, 2021, the shareholders' meeting will be required to vote on the elements of compensation paid in 2020 or awarded for fiscal year 2020 to Philippe Varin, Chairman of the Board of Directors since May 12, 2020.

These elements have been paid or awarded in accordance with the compensation policy approved by 99.54% of the shareholders' meeting of May 12, 2020.

Philippe Varin's compensation for his term of office as Chairman of the Board of Directors for the period from May 12 to December 31, 2020 amounted to EUR 238,911. It corresponds to fixed compensation over an annual base of EUR 375,000 plus a company car – a benefit valued at EUR 3,008 for the same period.

This compensation is subject to approval by the shareholders' meeting of June 22, 2021 under Resolution 11.

13.1.2.3 Executive-to-employee pay ratios

In accordance with Article L. 22-10-9, I, paragraphs 6 and 7 of the French Commercial Code, the tables below show the yearly change in compensation for each Corporate Officer over the past five fiscal years compared to the average compensation of Company employees and the Company's performance. These tables also mention the following executive-to-employee pay ratios for each Corporate Officer: the ratio between the level of pay for a Corporate Officer and the average pay of Company employees on a full-time equivalent basis and the ratio between the Corporate Officer's pay and the median pay of Company employees on a full-time equivalent basis.

Additionally, in order to provide more representative information and in accordance with AFEP-MEDEF Code recommendations (January 2020 version, Article 26), the Company decided to publish average executive-to-employee pay ratios for SUEZ Group employees in France (28,767 FTE employees) in 2020 (hereafter called SUEZ France average executive-to-employee pay ratios).

The ratios were calculated using the following method:

- Scope:
  - employees (excluding Corporate Officers) of the Company, the Group's publicly traded holding company, 153 employees in 2020,
  - permanent contract or fixed-term contract employees,
  - expatriate employees are excluded,
  - only employees who work 12 months of the year are counted in the averages and medians for the year in question;
- Elements of compensation taken into account for employees:
  - gross annual compensation paid during the year, including the value of benefits in kind. Potential severance pay, as well as amounts paid under long-term incentive plans (which are valued at the grant date) are excluded, however,
  - gross amounts from applying the profit-sharing formula (no incentive agreement in place on the scope used), that employees have chosen to receive in cash or that they have opted to invest in employee savings plans offered by the Group. For year Y, the amounts calculated are those regarding year Y-1,
  - value of the possible long-term variable compensation granted for the fiscal year (IFRS value at the grant date),
  - for part-time employees, the average is calculated by using workforce expressed as Full-Time Equivalents (one employee at 80% whose compensation is EUR 40,000 counts for EUR 50,000 in the average);
- Elements of compensation taken into account for Corporate Officers:
  - fixed compensation paid during year Y and variable compensation paid in year Y for year Y-1,
  - value of benefits in kind allocated for fiscal year Y,
  - value of long-term compensation granted for fiscal year Y (IFRS value at the grant date),
  - where applicable, compensation received during fiscal year Y for a Director's term of office.

Criteria for net income Group share and EBIT have been chosen to illustrate the Company's performance.

Pay ratios

Chairman of the Board of Directors	2016	2017	2018	2019	2020
Average executive-to-employee pay ratio – Company employees	0.6	0.5	0.4	1.7	2.6
Median executive-to-employee pay ratio – Company employees	0.9	0.7	0.6	2.4	3.9
Average executive-to-employee pay ratio – **France**	1.9	1.6	1.3	4.6	8.1

Chief Executive Officer	2016	2017	2018	2019	2020
Average executive-to-employee pay ratio – Company employees	16.2	12.2	10.1	15.8	12.6
Median executive-to-employee pay ratio – Company employees	24.6	18.3	14.9	21.9	18.9
Average executive-to-employee pay ratio – **France**	51	39.3	32	42.5	39.2

Changes in compensation and the Company's performance

	2016	2017	2018	2019	2020
Change in average compensation of the Company's employees	4.3%	6.5%	-0.1%	-13.0% (a)	17.5% (e)
Change in the Chairman's compensation	7.9%	-15.0%	-15.8%	261.8% (b)	77.3% (f)
Change in the Chief Executive Officer's compensation	0.4%	-20.0%	-16.8% (c)	35.4% (d)	- 6% (g)
Gross change in net income Group share	3.1%	-28%	13.4%	5.1%	N/A (h)
Gross change in EBIT	-7.2%	0.2%	10.2%	5.4%	44.6%

(a) This decrease is mainly related to certain executives leaving the Company.
(b) Corresponds to Directors' fees received by Gérard Mestrallet, Chairman of the Board until May 14, 2019, then fixed compensation paid to Jean-Louis Chaussade, Chairman of the Board starting on May 14, 2019.
(c) The 2018 compensation for the Chief Executive Officer does not include long-term variable compensation, as the CEO waived this pay.
(d) Corresponds to the compensation paid to Jean-Louis Chaussade until May 14, 2019, the date his term of office as Chief Executive Officer ended. It also includes compensation paid to Bertrand Camus, Chief Executive Officer from that date on (including the value of the long-term incentive plan set up in 2019). Since the Chief Executive Officer's fixed compensation has been unchanged since 2009, the change in ratios between 2018 and 2019 mainly came from the Chief Executive Officer waiving his long-term variable compensation for fiscal year 2018.
(e) This change is explained by the first full year of compensation for new executives and the valuation of long-term incentive plans, as a result of the increase in the Company's stock market price. Employee compensation in 2020 was therefore back to the compensation levels for 2017 and 2018.
(f) This change is due to the adjustment made to the compensation policy of the Chairman of the Board, which was approved by the shareholders' meeting of May 12, 2020 (increase in the fixed portion).
(g) This change is primarily the result of the Chief Executive Officer's lower annual variable compensation, linked to the fact that this variable compensation was calculated *pro rata* to the Chief Executive Officer's term of office during fiscal year 2020.
(h) Negative Group net income in 2020.

13.1.2.4 Director compensation for 2020

For fiscal year 2020, 16 Directors (excluding the Chief Executive Officer and the Directors representing employees and the Director representing employee shareholders) received compensation in relation to their directorship. The compensation of the Chairman of the Board is set out in section 13.1.2.2 B).

The following tables show the compensation allocated to Directors in 2020, calculated in accordance with the above rules and approved by the Board of Directors at its meeting of December 18, 2020.

Serving Board members as of January 1, 2021	2020 Compensation [a] *(in euros)*	2019 Compensation [a] *(in euros)*
Miriem Bensalah-Chaqroun	65,573	39,151
Anthony Coscia [b]	-	N/A
Martha Crawford	32,614	16,394
Delphine Ernotte Cunci	123,573	67,381
Anne Lauvergeon	91,573	77,566
Bertrand Meunier [c]	3,073	N/A
Jacques Richier [c]	3,073	N/A
Brigitte Taittinger-Jouyet	86,859	50,601
Members of the Board whose term of office has expired		
Gérard Mestrallet [d]	27,500	53,894
Nicolas Bazire [d]	33,500	46,133
Valérie Bernis [d]	-	20,500
Franck Bruel [e]	28,278	30,381
Francesco Caltagirone [e]	17,500	26,158
Lorenz d'Este [d]	-	41,500
Isidro Fainé Casas [e]	18,500	24,513
Judith Hartmann [e]	36,278	41,381
Isabelle Kocher [e]	69,106	38,141
Pierre Mongin [d]	23,500	42,925
Guillaume Pepy [d]	39,500	83,381
Total	**700,000**	**700,000**

(a) Gross amounts before any mandatory fixed levies, social security contributions or withholding tax, as applicable. Compensation due for the second half of 2020 was paid in February 2021: compensation for the second half of 2019 was paid in February 2020.
(b) Anthony Coscia was co-opted as Director on December 18, 2020.
(c) Bertrand Meunier and Jacques Richier were co-opted as Directors on October 27, 2020.
(d) The terms of office of Valérie Bernis and Lorenz d'Este expired at the end of the shareholders' meeting of May 14, 2019 and those of Gérard Mestrallet, Nicolas Bazire, Guillaume Pepy and Pierre Mongin at the end of the shareholders' meeting of May 12, 2020.
(e) Francesco Caltagirone and Isidro Fainé Casas resigned from office on October 27, 2020, Franck Bruel and Judith Hartmann at the end of November 2020 and Isabelle Kocher on January 1, 2021.

13.1.3 Compensation of Executive Committee members

In 2020, members of the Executive Committee, including the Chief Executive Officer, received total gross compensation of EUR 9,221,900.

The table below specifies the annual fixed and variable amounts paid to Executive Committee members over the last three years (amounts in euros). It does not include the valuation of the long-term incentive plans to which they are entitled. There were 9 members of the Executive Committee from April 2017 to March 2018, 11 members from March 2018 to May 2019, 9 from May to July 2019, then 10 from July to December 2019 and 11 starting on January 1, 2020.

Year of payment	Total fixed portion	Total variable portion	Total compensation
2018	4,859,407	3,520,611	8,380,018
2019	4,894,835	4,357,428	9,252,263
2020	**4,978,778**	**4,243,122**	**9,221,900**

The compensation paid was stable between 2019 and 2020, despite the Executive Committee increasing from an average of 10.1 Full-Time Equivalent (FTE) members in 2019 to 11 FTE members in 2020. Consequently, average compensation per FTE member was down 8.6%, associated, in particular, with the solidarity measure outlined below.

Added to the compensation described above is an amount corresponding to employee profit-sharing, which totaled EUR 42,400 paid to the entire Executive Committee in 2020 for fiscal year 2019. This amount was EUR 54,478 in 2019 for 2018 and EUR 74,424 in 2018 for 2017.

During the first lockdown related to the health crisis, members of the Executive Committee donated a quarter of their fixed compensation to initiatives to combat Covid-19.

The variable compensation system for members of the Executive Committee (excluding the Chief Executive Officer) is divided between financial objectives (with a 60% weighting) and individual objectives (40%). The amount, which is calculated according to the level at which these objectives are achieved, may be reduced or increased by multiplying by a coefficient of between 0.8 and 1.2, depending on Health and Safety performance. In 2021, a similar system will be implemented with regard to ESG (Environmental, Social and Governance) performance.

13.1.4 Long-term incentive plans

General allocation policy

The objective of long-term incentives is to involve certain categories of employees and Corporate Officers in the Company's future growth and value creation and to retain them and recognize their performance, as well as to align the interests of the Group's managers with those of shareholders.

The beneficiaries of these long-term incentives are:

- executives and senior managers ("Top Executives"), including members of the Executive Committee as well as high – potential managers and experts ("A Beneficiaries"); and
- employees who demonstrate outstanding performance but do not fall within the above categories ("B Beneficiaries").

Long-term variable compensation granted to all beneficiaries is fully subject to meeting internal performance conditions (related to audited financial indicators made public by the Company and in line with forecasts, the strategy and/or the objectives published by the Company or in line with the medium-term plan or budget), one external performance condition (related to stock market performance or the Company's Total Shareholder Return) and one non-financial performance condition (e.g., based on gender balance in management).

Pursuant to the Code of Conduct on the prevention of market abuse, the members of the Executive Committee, including the Chief Executive Officer, may not engage in trading in Company shares, including the sale of shares resulting from the exercise of stock options or the allocation of performance shares, if they are in possession of inside information, as well as during the following blackout periods:

- a period of 30 days prior to the publication of the Company's annual and interim results, until two days after their publication; and
- a period of 15 days prior to the publication of the Company's first and third-quarter results, until two days after their publication.

Long-term variable compensation plan awarded in 2020

On the recommendation of the Appointments, Compensation and Governance Committee, at its meeting of November 24, 2020, the Board of Directors voted to implement a new long-term variable compensation plan in 2020. This plan includes performance units (providing for a cash payment indexed on the change in share price) for all beneficiaries. The plan is fully subject to meeting performance conditions assessed over several fiscal years.

This plan includes more than 1,650 beneficiaries who have been granted 1,740,848 performance units, which can be increased to 2,285,730 performance units if the objectives set for each of the performance conditions listed below are surpassed. This plan provides for a cash payment in 2023 provided that the following performance conditions are met:

- a performance condition related to cumulative recurring net income per share for fiscal years 2020 to 2022 applies to one third of the target number of performance units awarded;
- a performance condition related to cumulative recurring free cash flow for fiscal years 2020 to 2022 applies to one third of the target number of performance units awarded;
- a performance condition related to the Company's Total Shareholder Return compared to the average Total Shareholder Return of the companies making up the Euro Stoxx Utilities index over the period from January 1, 2020 to December 31, 2022 applies to one third of the target number of performance units awarded.

The number of performance units vested under the above-mentioned performance conditions can also be increased by 10%, remain unchanged or decreased by 10% depending on if or how well the Group meets a performance condition related to gender balance in management as of December 31, 2022.

The Board of Directors confirmed the trigger thresholds for paying long-term incentives implemented under the 2019 plan, whereby no payment will be made for a performance condition if a target objective is not met, but in return, better compensation is offered in the event of outperformance. As with the 2019 plan, the performance conditions of the 2020 plan are assessed separately rather than cumulatively.

Note that the target objective for internal conditions correspond to objectives that appear in the Group's medium-term plan and are in line with the objectives announced to the market.

The long-term incentive plan provides for the loss of entitlement to payment in the event of resignation or termination due to gross negligence or serious misconduct; payment is maintained in other cases of termination of employment (retirement, disability, death), with graduated amounts according to years of service. The plan also includes specific provisions in the event of a change of control of the Company before the end of the vesting period depending on both the level to which the performance conditions have been achieved and on the other hand, the service condition.

The members of the Executive Committee are obliged to reinvest in SUEZ shares 15% of the net amount that will be received in 2023 in respect of performance units until the number of shares being held represents 100% of their annual fixed compensation. Regarding the Chief Executive Officer, the requirement to reinvest in SUEZ shares is 25% of the net amount that will be received in 2023 until the number of shares being held represents 200% of his annual fixed compensation.

Summary of long-term variable compensation paid in cash to the Chief Executive Officer as of December 31, 2020

Plan	Target number [a] *(in performance units)*	Maximum number *(in performance units)*	Number vested *(in performance units)*	Performance conditions
2019	38,750	77,500	Not known	The number of performance units vested by the Chief Executive Officer in 2022 will depend on how successfully the Group achieves the three following performance conditions, which each apply for one third of the performance units awarded: ► an internal performance condition based on Group recurring earnings per share as they appear in SUEZ's Consolidated Financial Statements as of December 31, 2021; ► an internal performance condition relating to the Group's recurring free cash flow as it appears in SUEZ's Consolidated Financial Statements as of December 31, 2021; ► an external performance condition based on the change in SUEZ's TSR (Total Shareholder Return) compared to the change in the TSR of the Euro Stoxx Utilities index over the period from January 1, 2019 to December 31, 2021. This number of performance units may also be reduced or increased by 10% depending on the proportion of women in management at December 31, 2021.
2020	32,325	64,650	Not known	For a description of this plan, please refer to section 13.1.2.1 "long-term variable compensation."

(a) Corresponding to an amount equivalent to 70% of the CEO's annual fixed compensation based on the SUEZ share price at the time of the grant.

Stock option plans

In accordance with the Company's long-term compensation policy, no stock option plans have been set up since December 2010.

Furthermore, as of December 31, 2020, there were no more stock options outstanding. Information on past stock option plans is available in chapter 15 of the Company's 2018 Reference Document.

Stock option plans allocated to the Executive Corporate Officer in 2020

	Plan	Type of option	Valuation of stock options based on the method used for the Consolidated Financial Statements *(in euros)*	Number of options allocated during the fiscal year	Exercise price	Exercise period
Bertrand Camus, Chief Executive Officer	No options were awarded to the Corporate Officer by the Company in fiscal year 2020.					

Stock option plans subscribed or exercised by the Executive Corporate Officer in 2020

	Plan	Number of options exercised during the fiscal year	Exercise price
Bertrand Camus, Chief Executive Officer	The Corporate Officer exercised no Company stock options during fiscal year 2020.		

Stock options granted to the first ten eligible non-corporate officer employees and options exercised by them

	Total number of options awarded/ shares subscribed or purchased	Purchase price	Plan
Options granted in fiscal year 2020 by the Company or any company within the scope of option awards, to the ten employees of the Company or any other company within this scope, who received the highest number of such options (aggregate information)	Not applicable – No stock options granted in 2020.		
Options held on the Company and the aforesaid companies exercised during fiscal year 2020 by the ten employees of the issuer and these companies who purchased or subscribed to the highest number of such options (aggregate information)	Not applicable – No stock options exercised in 2020.		

Performance share plans

No performance share plans were awarded in 2020.

At December 31, 2020, there were 639,016 performance shares outstanding, representing 0.10% of the Company's share capital in the case of the vesting of all of the performance shares allocated.

In addition, as of December 31, 2020, there were 255,790 free bonus shares outstanding granted to employees as matching shares under the Sharing 2017 and Sharing 2019 employee stock ownership plans, representing 0.04% of the Company's share capital.

Status of performance conditions applicable to the performance share plans

	Applicable performance conditions	Level of achievement	Proportion of shares delivered relative to the initial allocation
Plan of July 25, 2018 [(a)]	Cumulative Group EBIT for fiscal years 2018, 2019 and 2020	101.8%	Executive Committee: 0% Top Executives: 36.7% Other beneficiaries: 73.3%
	Change in TSR for SUEZ compared to average TSR for companies in the DJ Euro Stoxx Utilities Index from January 1, 2018 to December 31, 2020	<90%	
	Degree of gender parity among management	No bonus, no penalty	

(a) The Chief Executive Officer in office at the grant date was not a beneficiary of this performance share plan. However, Bertrand Camus, who was an employee of the Company in 2018 and not Chief Executive Officer, does benefit under this plan.

A summary of past performance share plans is shown in chapter 15 of the 2018 Reference Document.

Performance shares granted to the Executive Corporate Officer in 2020

	Plan	Number of shares granted during the fiscal year	Value of shares based on the method used for the Consolidated Financial Statements *(in euros)*	Vesting date	Availability date	Performance conditions
Bertrand Camus, Chief Executive Officer	No performance shares granted to the Corporate Officer in 2020.					

Performance shares fully vested during fiscal year 2020 by the Executive Corporate Officer

	Plan (date)	Number of shares that became available during the fiscal year	Vesting conditions
Bertrand Camus, Chief Executive Officer	No performance shares fully vested by the Corporate Officer in fiscal year 2020.		

Performance shares granted to the first ten eligible non-corporate officer employees

	Total number of performance shares granted	Plan conditions
Performance shares granted by the Company in fiscal year 2020 to the ten eligible non-corporate officer employees of the Group (aggregate information)	No performance shares were awarded in 2020.	

Summary and features of performance share plans in progress as of December 31, 2020

The summary of performance share plans launched in 2009, 2010, 2012 and 2013 is available in chapter 15 of the Company's 2018 Reference Document.

	2018 Plan
Date of authorization by the shareholders' meeting	May 17, 2018
Date of Board of Directors' meeting	July 25, 2018
Maximum number of performance shares initially granted	777,944
of which to the Corporate Officer	-
Number of beneficiaries	803
Vesting date of shares	
For French tax residents	September 30, 2021
For foreign tax residents	-
Date of transferability of shares	
For French tax residents	September 30, 2021
For foreign tax residents	-
Number of performance shares canceled or forfeited	138,928
Number of performance shares fully vested	-
of which by the Corporate Officer	-
Performance shares outstanding as of December 31, 2020	639,016

13.2 Amounts provisioned by the Company and its subsidiaries for the payment of pensions, retirement benefits, and other benefits to members of the Executive Committee

The total retirement obligations provisioned or recognized for the members of the Executive Committee in the Consolidated Financial Statements as of December 31, 2020, including tax on employer contributions, amounted to EUR 7.4 million (compared to EUR 5.5 million in 2019).

14 Functioning of governance and management bodies

14.1 Terms of office of members of the Board of Directors

The following table shows the dates of first appointment and the expiration dates of the terms of office of the Directors of the Company, in office as of the date of this Universal Registration Document:

Name and title	Date of first appointment	Start date of current term of office	Term of office expiration date
Philippe Varin, Chairman of the Board of Directors	May 12, 2020	May 12, 2020	Shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2023
Bertrand Camus, Chief Executive Officer	May 14, 2019	May 14, 2019	Shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2022
Miriem Bensalah-Chaqroun, Director	April 28, 2016	May 12, 2020	Shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2023
Anthony R. Coscia, Director	December 18, 2020	December 18, 2020	Shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2021
Martha Crawford, Director	May 14, 2019	May 14, 2019	Shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2022
Delphine Ernotte Cunci, Director	May 24, 2012	May 12, 2020	Shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2023
Anne Lauvergeon, Director	October 29, 2014	May 14, 2019	Shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2022
Bertrand Meunier, Director	October 27, 2020	October 27, 2020	Shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2023
Philippe Petitcolin, Director	February 1, 2021	February 1, 2021	Shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2022
Jacques Richier, Director	October 27, 2020	October 27, 2020	Shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2021
Brigitte Taittinger-Jouyet, Director	May 17, 2018	May 17, 2018	Shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2021
Agatta Constantini, Director representing employees [a]	December 12, 2014	December 12, 2018	December 11, 2022
Enric Xavier Amiguet i Rovira, Director representing employees [a]	February 11, 2015	February 11, 2019	February 10, 2023
Guillaume Thivolle, Director representing employee shareholders [b]	April 28, 2016	May 12, 2020	Shareholders' meeting called to approve the financial statements for the fiscal year ending December 31, 2023

(a) Directors representing employees appointed pursuant to Article L. 22-10-7 of the French Commercial Code and Article 10 of the Company bylaws.
(b) Director representing employee shareholders, appointed pursuant to Article L. 22-10-5 of the French Commercial Code and Article 10.3 of the Company bylaws.

The shareholders' meeting of June 22, 2021 will be called to approve ratification of the cooptation of four new Directors: Anthony R. Coscia, Bertrand Meunier, Philippe Petitcolin and Jacques Richier. If these resolutions are approved, the Board of Directors would be composed of 14 Directors.

14.2 Information on service contracts between members of the Company's governance and management bodies and the Company or any of its subsidiaries

To the knowledge of the Company, as of the date of this Universal Registration Document, no member of the Board of Directors or the Chief Executive Officer enjoy benefits as a result of service contracts between them and the Company or any of its subsidiaries.

14.3 Committees of the Board of Directors

In accordance with Article 15 of the Company bylaws, the Board of Directors may decide to set up committees responsible for studying issues that the Board or its Chairman may ask them to examine.

The Board is supported by four committees: the Strategy Committee, the Audit and Financial Statements Committee, the Appointments, Compensation and Governance Committee and the CSR, Innovation, Ethics, Water and Sustainable Planet Committee. Their respective missions are described in the Board of Directors' Internal Regulations.

An Ad hoc Committee was also established on August 31, 2020, after Veolia announced its intention to acquire 29.9% of the Company's capital from ENGIE and then to take control of the Company. It is composed of Independent Directors (including the Chairman) and one Director representing employees and is responsible for reviewing, in particular, the transaction proposed by Veolia, as well as any alternative transactions considered, from the perspective of the corporate interests of all SUEZ stakeholders and creating value for all its shareholders.

14.4 Report on corporate governance

This report has been prepared in accordance with Article L. 225-37 paragraph 6 et seq. of the French Commercial Code.

This report has been approved by the Board of Directors of February 24, 2021 upon the recommendation of the Appointments, Compensation and Governance Committee. It will be presented at the shareholders' meeting on June 22, 2021.

1. Composition of the Board of Directors

BOARD OF DIRECTORS KEY FIGURES [a]

82% Independent Directors [b]
45% women [b]

36% non-French
5 nationalities represented

1 Director representing employee shareholders
2 Directors representing employees

22 Board of Directors' meetings
89.6% attendance

(a) Information updated as of the date of this report.
(b) Directors representing employees and employee shareholders are not taken into account when calculating this percentage, in accordance with the AFEP-MEDEF Code.

The Board of Directors is thus composed, as of the date of this Report, of 14 Directors.

Since the beginning of 2020, the Board's composition changes are:

Directors who have left the Board of Directors

Gérard Mestrallet (non-independent)	May 12, 2020	End of term of office
Jean-Louis Chaussade (non-independent)	May 12, 2020	End of term of office
Nicolas Bazire (independent)	May 12, 2020	Resignation (loss of independent status due to a term of office of 12 years)
Guillaume Pepy (independent)	May 12, 2020	Resignation (loss of independent status due to a term of office of 12 years)
Pierre Mongin (non-independent)	May 12, 2020	Resignation (end of his duties at ENGIE)
Francesco Caltagirone (independent)	October 16, 2020	Resignation (end of the lock-up period for shares held by the Caltagirone Group)
Isidro Fainé Casas (non-independent)	October 21, 2020	Resignation (personal reasons)
Franck Bruel (non-independent)	November 26, 2020	Resignation (sale of 29.9% of the Company shareholders' equity by ENGIE to Veolia)
Judith Hartmann (non-independent)	November 26, 2020	Resignation (sale of 29.9% of the Company shareholders' equity by ENGIE to Veolia)
Isabelle Kocher (non-independent)	January 1, 2021	Resignation (personal reasons)

Directors who have joined the Board of Directors

Philippe Varin (independent)	May 12, 2020	Appointment by the shareholders' meeting
Bertrand Meunier (independent)	October 27, 2020	Cooptation by the Board of Directors (subject to ratification at the Annual General shareholders' meeting on June 22, 2021)
Jacques Richier (independent)	October 27, 2020	Cooptation by the Board of Directors (subject to ratification at the Annual General shareholders' meeting on June 22, 2021)
Anthony R. Coscia (non-independent)	December 18, 2020	Cooptation by the Board of Directors (subject to ratification at the Annual General shareholders' meeting on June 22, 2021)
Philippe Petitcolin (independent)	February 1, 2021	Cooptation by the Board of Directors (subject to ratification at the Annual General shareholders' meeting on June 22, 2021)

These changes were primarily made partly to reduce the size of the Board of Directors (the Board dropping from 19 to 15 members at the end of the shareholders' meeting on May 12, 2020) and partly because of changes in the Company's shareholding. The Board of Directors was strengthened in 2020 by prominent figures joining it.

These changes helped to reduce the size of the Board of Directors further, while increasing its level of independence and contributing additional skills.

When new Directors join the Board of Directors, it is proposed that they have interviews with members of the Group's Management Committee and conduct site visits (when health conditions permit), so that the Group's activities can be presented to them. Regarding Directors representing employees and the Director representing employee shareholders, a specific training program was carried out, primarily concerning issues falling under the competence of the Board, including financial aspects. This program also includes language training and interpersonal skills development modules.

The bylaws provide for a four-year term of office for Directors and require every Director to hold at least 2,000 Company shares, unless otherwise provided by law, especially with reference to the Directors representing employee shareholders or employees.

Bertrand Camus, Chief Executive Officer, is the only Director with executive functions within the Group.

THE COMPOSITION OF THE BOARD OF DIRECTORS AS OF THE DATE OF THIS REPORT IS AS FOLLOWS:

- nine Independent Directors: Philippe Varin, Chairman of the Board of Directors, Miriem Bensalah-Chaqroun, Martha Crawford, Delphine Ernotte Cunci, Anne Lauvergeon, Bertrand Meunier, Philippe Petitcolin, Jacques Richier and Brigitte Taittinger-Jouyet;
- a Corporate Officer within a Group company: Anthony R. Coscia;
- the Chief Executive Officer: Bertrand Camus;
- two Directors representing employees: Agatta Constantini and Enric Xavier Amiguet i Rovira;
- one Director representing employee shareholders: Guillaume Thivolle.

Details of the terms of office and functions fulfilled by each of the Directors can be found in chapter 12.1 of the Universal Registration Document.

STAGGERED SCHEDULE OF RENEWALS

In line with best governance practices and in accordance with the recommendations of the AFEP-MEDEF Code, in 2010 the Board of Directors decided to put in place a staggered renewal of the terms of office of Directors by thirds, approved by the shareholders' meeting.

No Directors will reach the end of their terms of office at the shareholders' meeting on June 22, 2021. The terms of office of all Directors will be renewed during fiscal years 2022, 2023 and 2024.

Information relating to the terms of office of Directors within the Company is set out in chapter 14.1 of the Universal Registration Document.

DIVERSITY POLICY WITHIN THE BOARD OF DIRECTORS

In accordance with applicable regulations, in 2019, the Board of Directors defined a diversity policy applicable to Directors regarding criteria such as gender, expertise and professional experience, nationality and independence. This policy was confirmed in 2020 with no changes to the objectives, apart from that relating to Directors' independence, whereby the Board planned to increase the proportion of Independent Directors in the future. This objective was achieved in 2020.

During its meeting on February 24, 2021, upon the Appointments, Compensation and Governance Committee's suggestion, the Board of Directors reviewed this diversity policy, particularly with regard to the Directors' skills matrix, to reassess, where applicable, some of its objectives.

The table below summarizes the diversity policy defined and reviewed annually by the Board of Directors. The Board of Directors ensures that this diversity policy is followed, particularly when assessing the Board's and its Committees' operations, which will include a section on evaluating this policy.

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Criteria	Objectives in 2020 and implementation methods	Results for 2020	Potential reassessment of the 2021 objective
Gender balance	Maintain gender balance by identifying potential Director candidates in advance whose backgrounds meet multiple criteria of the diversity policy.	Following all these changes, the Board is almost equally composed (45% women and 55% men) [(a)].	Same objective
Expertise and professional experience	Keep a diverse level of expertise and experience among members of the Board of Directors, especially in the following areas: ► SUEZ's businesses; ► innovation/R&D (including digital/smart/cybersecurity); ► industry; ► public services; ► international markets; ► finance; ► operational management or governance of major companies/entrepreneurship; ► Social and Environmental responsibility. Expand expertise in innovation and R&D as noted by Directors during previous self-assessments	The cooptation of Bertrand Meunier, Jacques Richier and Philippe Petitcolin addresses this objective. Their profiles have helped to enhance the Board's skills matrix. As such, Bertrand Meunier brings his skills and experience in financial, digital and cybersecurity matters, as he is Chairman of Atos and has spent most of his career in investment funds. Jacques Richier, as Chief Executive Officer of Allianz France, brings in particular his knowledge of financial matters and risk management. Philippe Petitcolin brings in particular his knowledge of the industrial world, as he has a long professional background in the industrial sector and was, until recently, Chief Executive Officer of the Safran Group. Anthony R. Coscia has good knowledge of SUEZ's businesses, particularly in the United States, and, as a lawyer, has legal expertise – skills that have been little represented to date. It should be noted that these cooptation programs also address the Board's desire to draw upon individuals with experience managing large groups.	Same objective
Nationality	Continue making the Board of Directors more international by suggesting Director candidates who are not French and who also meet other diversity policy criteria – and who are from geographic areas that are not covered by the other Directors, if possible.	The reappointments of Miriem Bensalah-Chaqroun, of Moroccan nationality, and Isidro Fainé Casas, of Spanish nationality (who has since resigned) demonstrate the Board's desire to ensure that all the regions in which the Group operates are represented, including those outside Europe. The cooptation of Bertrand Meunier and Anthony R. Coscia, who are Franco-British and American respectively, also address this objective.	Same objective
Independence	Increase the proportion of Independent Directors, maintaining the percentage recommended by the AFEP-MEDEF Code. Each committee must also be chaired by an Independent Director and any Director who loses their independent status by serving for more than 12 years must commit to resign as soon as they lose their status, in accordance with SUEZ's Internal Regulations.	This objective was achieved with the proportion of Independent Directors increasing from 50% in 2019 to 82% [(a)] as of the date of this report. The four Committees of the Board of Directors are chaired by an Independent Director. This is also the case for the Ad hoc Committee established in August 2020.	With regard to the independence of Directors, the Board will strive to maintain a high percentage of Independent Directors in the future, maintaining the percentage recommended by the AFEP-MEDEF Code and in accordance with market best practices.
Balance	Strike a balance between keeping Directors who have extensive knowledge of the Group and its businesses in their position for several years and integrating new members who bring new momentum and expertise to the Group.	This balance was maintained during the 2020 fiscal year, with seven members serving their first term of office and six members having already been reappointed as Directors within SUEZ.	Same objective

(a) Directors representing employees and employee shareholders are not taken into account for the calculation of this percentage, in accordance with the French AFEP-MEDEF Code.

As a result, as of the date of this report, in accordance with this policy, it is possible to record a wide range of expertise among the Directors, as shown in the following matrix:

- expertise in SUEZ's businesses: 6 Directors;
- innovation/R&D (including digital/smart/cybersecurity): 6 Directors;
- industry: 7 Directors;
- public services: 8 Directors;
- international market: 10 Directors;
- finance: 9 Directors;
- operational management or governance of major companies/ entrepreneurship: 10 Directors;
- social and Environmental Responsibility: 7 Directors.

INDEPENDENCE OF DIRECTORS

The independent status of some Directors (as defined by the AFEP-MEDEF Code) was reviewed in early 2021 by the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee.

To carry out this review, the Board of Directors referred to the definition of the AFEP-MEDEF Code, which considers that "*a Director is independent if (s)he has no relationship of any kind with the Company, its Group or its management that could compromise his/ her freedom of judgment*", and took into account all the criteria of that Code. Specifically, a Director must not:

- be an employee or Corporate Officer of the Company, or an employee or Director of a company within its scope of consolidation and must not have been one during the previous five years;
- be a Corporate Officer of a company in which SUEZ directly or indirectly holds a directorship, or in which an employee appointed as a Director or a Corporate Officer of the Company (currently or within the previous five years) holds a directorship;
- be, or have a direct or indirect relation with, a customer, supplier or corporate or investment banker, advisor:
  - of significance to the Company or its Group, or
  - whose business has a significant share provided by the Company or Group;
- have close family ties with a Corporate Officer;
- have been a Statutory Auditor of the Company during the previous five years;
- have been a Director of the Company for more than 12 years (all Directors lose independent status at 12 years).

Regarding Company Directors whose term of office began more than 12 years ago, during its meeting on February 26, 2019, the Board of Directors voted to begin applying the principle that requires Directors who lose their independent status during their term of office to resign as soon as they lose this status. This principle appears in the Company's Internal Regulations and was applied in 2020 to Nicolas Bazire and Guillaume Pepy, who had been Directors for more than 12 years on that date and who consequently resigned at the end of the shareholders' meeting on May 12, 2020.

Directors representing major shareholders of the Company may be considered independent provided that they do not exercise control over the Company. If a Director exceeds a threshold of 10% of the share capital or voting rights, the Board, based on the Appointments, Compensation and Governance Committee's report, must systematically review the independent status of the Director(s) concerned, taking into account the Company's ownership structure and whether or not there may be conflicts of interest. Furthermore, a non-Executive Corporate Officer may not be considered independent if he or she receives variable compensation in cash or securities or any compensation related to the Company's or Group's performance.

In accordance with the AFEP-MEDEF Code, the Appointments, Compensation and Governance Committee and then the Board of Directors evaluated the significance of business relationships maintained by the Company (and its subsidiaries) with the companies (and their subsidiaries) to which the Directors are related according to the following criteria:

- the proportion of business conducted between the Group and such companies, in terms of both purchases and revenue, which is far below 1%, and the absence of economic dependence;
- whether contracting is by tender or mutual agreement;
- the type of functions exercised by the Director concerned (whether executive or not) and the certainty that it does not affect the business relationship;
- the nature of services provided; and
- the length of the business relationship.

On the basis of this analysis, business relationships between the Group and the companies (and subsidiaries) in which Directors meeting all other criteria of independence have a role in management or a directorship were not considered to be significant.

Thus, the Board of Directors, on the recommendation of the Appointments, Compensation and Governance Committee, voted, at its meeting of February 24, 2021, in relation to the review of this report, to:

- confirm the independent status of nine Directors: Miriem Bensalah-Chaqroun, Martha Crawford, Delphine Ernotte Cunci, Anne Lauvergeon and Brigitte Taittinger-Jouyet as well as Philippe Varin, Bertrand Meunier, Philippe Petitcolin and Jacques Richier;
- confirm the non-independent status of the following Directors:
  - Bertrand Camus, Chief Executive Officer,
  - Anthony R. Coscia, Chairman of the Board of Directors of SUEZ North America, a subsidiary of the SUEZ Group,
  - Agatta Constantini and Enric Xavier Amiguet i Rovira, Directors representing employees, and Guillaume Thivolle, representing employee shareholders, due to their status as employees of a Company subsidiary.

The Board of Directors is therefore 82% composed of Independent Directors, without taking into account the Directors representing employees and employee shareholders, in accordance with the French AFEP-MEDEF Code.

Criteria / Directors	Philippe VARIN	Bertrand CAMUS	Anthony R. COSCIA	Miriem BENSALAH-CHAQROUN	Martha CRAWFORD	Delphine ERNOTTE CUNCI	Anne LAUVERGEON	Bertrand MEUNIER	Philippe PETITCOLIN	Jacques RICHIER	Brigitte TAITTINGER-JOUYET	Agatta CONSTANTINI	Enric Xavier AMIGUET I ROVIRA	Guillaume THIVOLLE
Is not an employee or Executive Corporate Officer of the Company or a company of the Group [a]	✓			✓	✓	✓	✓	✓	✓	✓	✓			
Does not have cross-directorships with another Company Executive or Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Does not have significant business relationships	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Does not have close family ties with a Corporate Officer	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Has not been a Statutory Auditor of the Company during the previous five years	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Has not been a Director of the Company for more than 12 years	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Does not represent a shareholder holding more than 10% of the Company's share capital [a]	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Is not a non-executive Corporate Officer receiving variable compensation or compensation that is tied to the Company's performance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	✓			✓	✓	✓	✓	✓	✓	✓	✓			

(a) Or has not held such a position during the previous five years.

DIRECTORS' CHARTER

The Directors' Charter, annexed to the Board of Directors' Internal Regulations, contains guidelines to which each Director must adhere in order to fully exercise their functions, ensuring the full effectiveness of their personal contribution, in accordance with the rules of independence, ethics and integrity.

The Charter states that each Director must act in the Company's interest and must represent all shareholders. It also reminds them of the principles of independence, duties of expression, loyalty, discretion, confidentiality, professionalism, commitment, and the collegiality and efficiency of the Board's work.

In addition, the Directors' Charter stipulates that every Director must inform the Board of any conflict of interest, even potential, that might directly or indirectly affect him or her. In the event that a Director cannot avoid being in a conflict of interest, he or she must refrain from participating in discussions and any decisions on the relevant matters.

In June 2012, the Board of Directors also adopted a Code of Conduct relating to the prevention of market abuse. It was reviewed by the Board in December 2016. The main provisions of this code can be found in chapter 12.2 of the Universal Registration Document.

2. General Management

METHOD OF EXERCISING GENERAL MANAGEMENT

The Company is a public limited company with a Board of Directors that, since the date of its initial public offering in July 2008, opted to dissociate the functions of the Chairman of the Board of Directors from those of the Chief Executive Officer, whose respective duties are clearly defined in the Company bylaws and the Board of Directors' Internal Regulations.

The Board of Directors confirmed the dissociation of the functions of Chairman of the Board of Directors and those of Chief Executive Officer in 2019 when Bertrand Camus was appointed as Chief Executive Officer and then in 2020 when Philippe Varin was appointed as Chairman of the Board of Directors.

The Board of Directors considers that dissociating the positions makes it possible to clearly separate the powers of control and determination of the Company strategy exercised by the Board, for which the Chairman shall ensure the smooth operation, from the powers of management and implementation of this strategy, which lie with the Chief Executive Officer.

DUTIES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

In accordance with the law and Article 3 of the Internal Regulations, the Chairman of the Board of Directors organizes and manages its work and reports on it to the shareholders' meeting. The Chairman ensures that the Company's governing bodies function correctly and that the Directors are fit to carry out their duties. He also identifies, and if applicable, manages proven or potential conflicts of interest. The Chairman also participates in the process of appointing Directors. He may be consulted on certain significant or strategic events. He can monitor relations with shareholders, on the topic of governance.

In 2020, the Chairman of the Board, in coordination with General Management, took part in particular in discussions with shareholders and public authorities regarding Veolia's planned unsolicited takeover of the Company.

LIMITS OF THE CHIEF EXECUTIVE OFFICER'S POWERS

The Chief Executive Officer holds the most extensive powers to act, under all circumstances, on behalf of the Company. He exercises those powers within the limit of the corporate purpose and subject to (i) the powers granted by law to shareholders' meetings and the Board of Directors, and (ii) internal limits on executive powers.

In this regard, the Internal Regulations define the limits on the powers of the Chief Executive Officer, which are summarized below.

- The Chief Executive Officer shall submit the following to the Board of Directors for prior approval:
  - material transactions likely to affect Group strategy or modify its financial structure, scope, activities or risk profile. The following in particular are considered material: transactions involving a commitment in excess of EUR 350 million, agreements, transactions and settlements in case of a dispute if the amount is greater than EUR 100 million, and
  - transactions that fall outside the Company's stated strategy;

  In addition, the Board of Directors specified that any acquisition, investment or disposal worth over EUR 100 million (other than maintenance capital expenditures), as well as any standard financing transactions with banks or on the bond market amounting to over EUR 700 million must have the Board's prior approval.
- In addition, the Chief Executive Officer may grant endorsements and guarantees up to a total amount set each year by the Board of Directors, which in fiscal year 2020 was EUR 500 million, with an added secondary limit of EUR 100 million per transaction. Beyond these two limits, the Chief Executive Officer must request the prior approval of the Board of Directors;
- The Chief Executive Officer consults the Appointments, Compensation and Governance Committee prior to any appointment of a member of the Executive Committee.

EXECUTIVE COMMITTEE

To successfully perform his duties, the Chief Executive Officer is assisted by an Executive Committee comprising ten other members, whose biographies are provided in section 12.1.2 of the Universal Registration Document.

This Executive Committee was formed in May 2019 by the Chief Executive Officer when he took office. The Committee's membership was adjusted as of January 1, 2020 to implement the SUEZ 2030 strategic plan. The Executive Committee's membership has a better gender balance, with women accounting for 36% of Executive Committee members (compared with 30% as of December 31, 2018). The Committee has more international members, with four members of foreign nationality, in line with the Group's goal of growing the proportion of the Group's international business. The Committee has also achieved a good balance between keeping former Management Committee members and bringing new members on Board (six new members were appointed to the Executive Committee compared to its composition as of December 31, 2018). The Company has set a goal of keeping the Executive Committee gender balanced (i.e. at its current level).

The Company has also set ambitious targets for the proportion of women in middle management bodies (Topex and Performance Management Committee), enabling it to build up a suitable talent pool. In 2019, women represented 23.5% of the Group's Top Executives (25% in 2020) and 24.5% of the workforce in the 10% most senior positions. The Company has set itself the objective of increasing this proportion to 27% for Top Executives by 2023.

In order to achieve these objectives, the Company has put in place an action plan based on four main points:

- the recruitment of more women;
- an equal wage policy for men and women;
- the identification of talent through dedicated "People Review" for women in each of the Group's entities;
- and an incentive for managers to promote women supervisors through the inclusion of a specific objective in the latest long-term compensation plans.

The Human Resources Department is leading a gender diversity policy, which is closely monitored by the CSR, Innovation, Ethics, Water and Sustainable Planet Committee and the Board of Directors. This policy and its results are detailed in chapter 15 of this Universal Registration Document.

The Chief Executive Officer is also assisted by a Performance Management Committee comprising the Executive Senior Vice Presidents of the six regions and the Group's two Global Business Units as well as the heads of the functional departments.

The composition of these committees is detailed on the Company website (www.suez.com).

3. Preparation and organization of tasks performed by the Board of Directors and the specialized Committees

FUNCTIONING AND TASKS OF THE BOARD OF DIRECTORS

The Board of Directors has Internal Regulations which, beyond the provisions of the law and the Company bylaws, set out the rules on the composition, role and powers of the Board of Directors and its Committees. The Internal Regulations are detailed on the Company's website (www.suez.com).

Activities of the Board of Directors in 2020

The Board meets as often as the interests of the Group require. Directors also met without the Chief Executive Officer being present for discussions on his performance, as well as on the proposal of the Chairman.

In 2020, the Board met 22 times (excluding the Directors' strategy seminar mentioned below), with a Board member attendance rate of 89.6% (90.8% in 2019).

They mainly dealt with subjects such as safety and security results, business reviews, the financial position and results (review of the annual, half-year and quarterly results), the Group's financing position (debts, available cash, bond issue), the renewal of the share buyback program, governance (change in the composition of the Board of Directors, including the appointment of a new Chairman, and of its Committees and evaluation of the organization and functioning of the Board and its Committees and the Directors' individual contributions), and reviewing the anti-corruption and vigilance plan. The Board also dealt with the matters of executive compensation (compensation of the Chief Executive Officer and the long-term incentive plan) and employee shareholding (launch of an offer reserved for employees at the beginning of 2021). The Board also reappointed the Chief Executive Officer's annual authorization to issue endorsements and guarantees, and approved guarantee projects. The Board has carried out the annual assessment to ensure that agreements relating to current operations and entered into on normal terms and conditions continue to meet these conditions. Lastly, it regularly reviewed the work of its various Committees.

In addition, the Board's activities in 2020 were particularly taken up by:

- monitoring the implementation of the Shaping SUEZ 2030 strategic plan, specifically the review of asset rotation transactions (disposal of certain Recycling and Recovery activities in Northern and Central Europe, acquisition of the equity interests of the Group's partner in SUEZ NWS Ltd and Derun Environnement in Asia, etc.); and related communications;
- monitoring the Company's situation in respect of the health crisis linked to the Covid-19 pandemic (crisis management, continuation of essential services, impact on Group employees, implementation of support and solidarity measures, monitoring of operating and financial performance with a review of the Group's forecasts in 2020 and related communications, Group cash management with various bond issues to secure the Group's liquidity, etc.);
- monitoring and reviewing the situation related to Veolia's planned takeover of the Company and assessing the alternative offers proposed.

Attendance rate of Directors at Board of Directors meetings and Committee meetings in 2020

	Overall attendance rate	Board of Directors	Audit and Financial Statements Committee	Appointments, Compensation and Governance Committee	CSR, Innovation, Ethics, Water and Sustainable Planet Committee	Strategy Committee	Ad hoc Committee
Philippe Varin	98%	100%		100%		100%	94%
Bertrand Camus	100%	100%					
Enric Amiguet i Rovira	97%	95%			100%	100%	
Nicolas Bazire[a]	93%	86%	100%	100%			
Miriem Bensalah-Chaqroun	98%	100%				100%	94%
Franck Bruel[a]	94%	92%			100%		
Francesco Caltagirone[a]	33%	32%				50%	
Jean-Louis Chaussade[a]	100%	100%				100%	
Agatta Constantini	100%	100%		100%		100%	100%
Martha Crawford	78%	77%			80%		
Delphine Ernotte Cunci	100%	100%	100%	100%			100%
Isidro Fainé Casas[a]	38%	42%				0%	
Judith Hartmann[a]	95%	92%	100%				
Isabelle Kocher	92%	95%		90%		80%	
Anne Lauvergeon	94%	95%	100%		100%	100%	86%
Gérard Mestrallet[a]	100%	100%		100%			
Bertrand Meunier	100%	100%				100%	
Pierre Mongin[a]	100%	100%			100%		
Guillaume Pepy[a]	100%	100%		100%		100%	
Jacques Richier	100%	100%	100%				
Brigitte Taittinger-Jouyet	96%	100%		100%	80%		93%
Guillaume Thivolle	97%	100%	92%		100%		
Overall Average	**91%**	**89.6%**	**98%**	**98.2%**	**93.3%**	**87.9%**	**94.6%**

(a) Director who left the Board during fiscal year 2020.

Several Directors left or joined the Board during the year. The dates of these arrivals and departures are indicated in section 14.4.1 of this chapter. With regard to Ms. Hartmann and Mr. Bruel (appointed on the proposal of ENGIE), it is stated that they did not take part in a number of Board meetings owing to conflicts of interest in accordance with the applicable recommendations in this area, with ENGIE having sold 29.9% of its shares in the Company to Veolia. Moreover, in the context of the health crisis and monitoring of the planned takeover bid by Veolia, Directors were, on several occasions, brought together at very short notice for Board meetings or for meetings of the Committees of which they are members, at times that were in some instances incompatible with the time difference for some Directors.

Performance assessment of the Board of Directors and Committees

As part of the work undertaken by the Board of Directors to improve its composition, its functioning, its organization and its relations with the Committees, the Appointments, Compensation and Governance Committee follows a process each year to assess the functioning of the Board of Directors and its Committees. This process takes the form of a self-assessment or, at regular intervals and at least every three years, an evaluation conducted by an external consultant (who then also assesses the individual contribution of Directors). The last assessment by an external consultant was conducted during 2019. Upon the Appointments, Compensation and Governance Committee's recommendation, the Board chose external consultants to assess the functioning of the Board and its Committees and the individual contribution of Directors. The external consultants conducted individual interviews with each Director and submitted a report to the Appointments, Compensation and Governance Committee. This exercise helped the Board brainstorm ideas on what changes to make to the Board's composition.

The conclusions of this Board assessment were presented to the Board of Directors during its meeting on February 25, 2020. Results showed that Directors are overall satisfied with the Board's functioning, particularly due to the Board's diversity, the breadth of backgrounds and experience on the Board and extensive knowledge of the Group. The Directors reiterated their strong preference to separate the functions of the Chairman of the Board of Directors and the Chief Executive Officer. They are also satisfied overall with the functioning of the Committees, with heavily involved chairmen and chairwomen. Directors also emphasized how valuable the site visits during the annual strategy seminar are. However, the Directors believe the Board's size is not ideal and it limits the Board's agility. Regarding the functioning of the Board, the meetings between Directors, or, if necessary, between the Chairman of the Board and Committee Chairmen and Chairwomen, must be systematized. Concerning the Directors' individual contributions, external consultants presented their conclusions to the Chairwoman of the Appointments, Compensation and Governance Committee.

The Appointments, Compensation and Governance Committee then drew up recommendations for the Board of Directors, taking these conclusions into account, particularly with regard to the size and composition of the Board, notably for re-appointment, appointment and cooptation proposals that have occurred since that date.

SPECIALIZED COMMITTEES

The Board of Directors is supported by four committees: the Audit and Financial Statements Committee, the Appointments, Compensation and Governance Committee, the Strategy Committee and the CSR, Innovation, Ethics, Water and Sustainable Planet Committee.

The Internal Regulations set out the rules governing the composition and role of each Committee. The Committees have the option of requesting assistance from external experts. From 2019 onward, the Board also decided to apply the principle that the Chairmen or Chairwomen of the Committees will all be Independent Directors.

Minutes from each meeting of these various Committees were submitted to the Board of Directors and, where appropriate, recommendations were made for decisions within the Board's remit.

The composition of the Committees was amended in 2020, in particular to take account of changes that had taken place in the composition of the Board of Directors.

An Ad hoc Committee was also established in August 2020, following Veolia's announcement of its intention to acquire 29.9% of the Company shareholders' equity from ENGIE and then to take control of the Company. It is composed of Independent Directors and one Director representing employees and is responsible for reviewing, in particular, the transaction proposed by Veolia, as well as any alternative transactions considered, from the perspective of the corporate interests of all SUEZ stakeholders and creating value for all its shareholders. The Ad hoc Committee met 16 times between its constitution in August 2020 and the end of 2020, with an attendance rate of 94.6%. It should be noted that no compensation (neither fixed nor variable) is associated with participation in this Committee.

The Audit and Financial Statements Committee

11 meetings in 2020 [(a)]
98% attendance

100% Independent Directors

(a) Including one joint meeting with the Strategy Committee.

Composition

The Audit and Financial Statements Committee is composed of four members: Delphine Ernotte Cunci, Chairwoman, Anne Lauvergeon, Jacques Richier and Guillaume Thivolle. During the 2020 fiscal year, Judith Hartmann and Nicolas Bazire left the Audit and Financial Statements Committee owing to the end of their term of office. Jacques Richier joined the Audit and Financial Statements Committee. With Delphine Ernotte Cunci, Anne Lauvergeon and Jacques Richier qualifying as independent, the proportion of Independent Directors is 100% of Committee members (excluding the Director representing employee shareholders), including the Chairwoman, in line with the recommendations of the AFEP-MEDEF Code. As described in the biographies of the members of the Audit and Financial Statements Committee in chapter 12 of this Universal Registration Document, Delphine Ernotte Cunci, Anne Lauvergeon and Jacques Richier have financial and/or accounting competency based on their education or functions and as defined by Article L. 823-19 of the French Commercial Code. Moreover, Delphine Ernotte Cunci, Anne Lauvergeon and Jacques Richier hold or have held Senior Management positions in large corporations.

Missions

The Audit and Financial Statements Committee assists the Board of Directors in ensuring the accuracy and fair presentation of SUEZ's statutory and Consolidated Financial Statements and the quality of the internal control procedures and the information provided to shareholders and financial markets. The Committee presents opinions and recommendations in the areas described below to the Board of Directors.

The Board of Directors specifically entrusts the Committee with the following engagements, consistent with the engagements defined for the Audit Committee by Article L. 823-19 of the French Commercial Code. The Company also refers to the report of the working group on Audit Committees published by the AMF on July 22, 2010.

- **As regards the financial statements, the Committee:**
  - monitors the process of preparing the financial information and, where applicable, draws up recommendations to ensure its integrity;
  - reviews, before publication, the draft annual and interim financial statements, the activity and income report and any financial statements (including forecasts) drawn up for specific major transactions and significant financial press releases, before they are circulated to the Board of Directors or publicly released;
  - assesses the relevance and permanence of the accounting rules and principles used in preparing the statutory and Consolidated Financial Statements and prevents any potential breach of those rules;
  - requests details of any change in the scope of consolidation and, where necessary, obtains all required explanations;
  - meets, whenever it deems it necessary, with the Statutory Auditors, Senior Management, the Finance Department, internal auditors and any other member of management; these hearings may take place, where necessary, without the presence of General Management;
  - ensures the quality of procedures to guarantee compliance with stock exchange regulations;
  - is informed annually on financial strategy and on the terms and conditions of the Group's main financial transactions;
  - is periodically informed about the Group's tax situation.
- **As regards the external auditing of the Company, the Committee:**
  - ensures that both the annual and Consolidated Financial Statements are audited by the Company's Statutory Auditors;
  - issues a recommendation on the Statutory Auditors proposed for appointment or renewal at the shareholders' meeting; it also examines issues relating to the potential dismissal of the Statutory Auditors;
  - supervises the rules for using the Statutory Auditors for work other than the auditing of the financial statements, by ensuring observance of the principles guaranteeing the independence of the Statutory Auditors, by analyzing the risks constraining their independence, as well as the safeguard measures applied to reduce these risks;
  - gives prior approval to any duty entrusted to the Statutory Auditors outside of the legal audit of financial statements, insofar as these duties are not prohibited by the regulations;

- monitors the fulfillment by the Statutory Auditors of their mission, taking into account, where applicable, the findings and conclusions of the Haut Conseil du Commissariat aux Comptes (Audit Office Control Board) arising from checks that it may carry out;
- examines the additional report prepared for it by the Statutory Auditors;
- examines each year with the Statutory Auditors the audit fees paid by the Company and the Group to entities of the networks to which the Statutory Auditors belong, their audit schedule, the conclusions reached by the Statutory Auditors, their recommendations, and the follow-up to these recommendations;
- examines each year with the Statutory Auditors the amounts of fees relating to duties not arising from the legal audit paid by the Company and its Group to entities of the networks to which the Statutory Auditors belong;
- arbitrates, where necessary, on issues that may arise between the Statutory Auditors and General Management in the course of their work.

– As regards internal control and auditing of the Company, the Committee:

- monitors the efficiency and the quality of the Group's internal control and internal audit systems, with regard to the procedures relating to the preparation and handling of accounting and financial information without this infringing its independence;
- examines, with the heads of internal audit, the audit schedules and action plans involved in internal audit, the conclusions of these audits and actions, and the recommendations and their follow-up, without General Management necessarily being present;
- is informed by General Management, or by any other means, of any complaints from third parties or any internal information critical of the Company's accounting documents or internal control procedures, as well as the procedures put in place for this purpose and the remedies for such claims or criticisms;
- entrusts the internal audit with any assignment it deems necessary.

– As regards risks and commitments, the Committee:

- evaluates the efficiency and quality of the Group's systems and procedures for evaluating and managing risks;
- is regularly updated on the Group's financial and cash position and major commitments and risks;
- is regularly informed of the Group's main disputes.

Activity in 2020

The Audit and Financial Statements Committee met 11 times in 2020 (including once with the Strategy Committee), with an attendance rate of 98%. The Committee has regular discussions with Company executives who are responsible for matters within the Committee's scope of authority: Executive Senior Vice President in charge of Finance, General Secretary, Group Director of Internal Audit, Risk and Investment, Group General Counsel, Director and Deputy Director of Control, Director of Treasury and Capital Markets, Director of Financial Communications. The Statutory Auditors, barring exceptional circumstances, attend all Audit and Financial Statements Committee meetings.

The main issues the Committee addressed were as follows: review of the annual financial statements as of December 31, 2019, the half-year financial statements as of June 30, 2020, quarterly results and related press releases, a review of the 2020 budget, the financing and debt situation, financial aspects of the Shaping SUEZ 2030 strategic plan (including the financial impacts of the asset rotation plan and monitoring of the SPOT performance plan). In 2020, the Audit and Financial Statements Committee also paid close attention to changes in the Group's financial and cash position in the context of the Covid-19 health crisis: securing the liquidity situation, particularly through bond issues, and reviewing revenue prospects for 2020, which resulted in the suspension of forecasts announced at the beginning of the year and the publication of new forecasts when the half-year results were released. Moreover, the Audit and Financial Statements Committee met with the Strategy Committee to review the medium-term plan.

The Statutory Auditors presented to the Committee highlights of the Company's results, the main accounting options retained and Key Audit Matters of the financial statements audit for the year in accordance with the provisions relating to justifying their assessment.

In addition, the Committee was asked to discuss earnings forecasts, cash flow projections, and the estimated financial documents for the current fiscal year. An overview of the off-balance sheet commitments of the Group, for which a report is issued at closing of the consolidated half-year and annual financial statements, was also carried out by the Finance Department.

The Committee supervised the execution of the 2020 internal audit plan and the main conclusions of the most significant audits. The Committee also reviewed and monitored progress in the internal control plans defined in conjunction with the main Group entities. The Committee also reviewed the internal audit and internal control plans for 2021.

The Committee reviewed the risk mapping presentation prepared by the Executive Committee with support from the Risk and Investment Department (including labor and environmental risks), as well as the measures taken to manage identified risks, particularly in the context of the health crisis and a hostile takeover bid from Veolia. The Committee regularly took stock of the major litigation cases in progress. The Committee also examined the Group's policy with respect to insurance.

In 2020, the Committee approved the fees paid to the Statutory Auditors. The Committee also gave its approval to the tasks assigned to the Statutory Auditors outside their audit responsibilities. The Committee spoke with the Statutory Auditors without Company Management in attendance.

Appointments, Compensation and Governance Committee

12 meetings in 2020
98.2% attendance

100% Independent Directors

Composition

The Appointments, Compensation and Governance Committee is composed of four members: Brigitte Taittinger-Jouyet, Chairwoman, Agatta Constantini, Delphine Ernotte Cunci and Philippe Varin.

During fiscal year 2020, Brigitte Taittinger-Jouyet took over as Chairwoman of the Committee, replacing Guillaume Pepy, whose term of office as Director had ended. Furthermore, Isabelle Kocher, Nicolas Bazire and Guillaume Pepy also left the Committee when they left the Board. Philippe Varin joined the Committee.

With Brigitte Taittinger-Jouyet, Delphine Ernotte Cunci and Philippe Varin qualifying as independent, the proportion of Independent Directors is 100% of Committee members (excluding the Director representing employees), in line with the recommendations of the AFEP-MEDEF Code.

The Chief Executive Officer is not a member of the Appointments, Compensation and Governance Committee, in accordance with the AFEP-MEDEF Code. He participates in Committee meetings when the succession plan for the main executives of the Group is discussed. He is involved in the selection process for new Directors (with the Chairman of the Board of Directors), as well as other Committee work. In addition, he does not participate in discussions regarding his own position.

Missions

The Board of Directors tasks the Appointments, Compensation and Governance Committee with the following:

- regularly reviewing the principles and independence criteria relating to members of the Board of Directors considered to be Independent Directors;
- examining all applications for appointment to a seat on the Board of Directors or as a Board observer, where applicable, and formulating an opinion and/or recommendation to the Board of Directors on these applications;
- formulating all pertinent recommendations regarding the composition of Committees;
- preparing, in due course, recommendations for the successor to the Chief Executive Officer and, where necessary, the Chairman of the Board of Directors;
- preparing the discussions of the Board of Directors regarding the appointment of one or more Chief Operating Officers;
- periodically reviewing the succession plan for members of the Executive Committee and the main executives;
- ensuring that the Company applies rules in the area of governance, especially the recommendations of the AFEP-MEDEF Code;
- formulating recommendations on governance issues that fall under the competence of the Board of Directors, especially with regard to implementing differentiated rights for certain categories of shareholders;
- setting the Chief Executive Officer's targets each year, which will subsequently serve as a reference in assessing his performance and in determining the portion of his compensation that is performance-based, and to assess, in due course, the level at which these performance criteria were achieved;
- making recommendations to the Board of Directors on compensation, retirement and employee benefit schemes, benefits in kind, and other cash entitlements, including, when applicable, the allocation of long-term variable compensation in the form of stock options to subscribe or purchase shares of the Company, as well as the allocation of bonus shares or cash to the Chairman, Chief Executive Officer, and if applicable, the Chief Operating Officers;
- preparing the Board's work on issues related to employee shareholding and long-term incentive plans;
- making recommendations to the Board of Directors on the compensation of Directors and, if applicable, any Board observers.

The Committee is also consulted on appointments to positions on the Executive Committee. It is informed beforehand of the changes to managerial structures in the Group and of changes in its senior executives.

Lastly, the Committee is tasked by the Board of Directors with issuing an opinion on any new office that the Chief Executive Officer might consider holding in a listed French or foreign company. The Committee is also informed of any new office held by a Director in a listed French or foreign company (including on a Committee).

Activity in 2020

The Appointments, Compensation and Governance Committee met 12 times in 2020 with an attendance rate of 98.2%.

In 2020, the Appointments, Compensation and Governance Committee focused specifically on the composition of the Board of Directors: the succession of the Chairman of the Board of Directors, reducing the size of the Board of Directors, in line with the Board of Directors' assessment, and strengthening the composition of the Board during the second half of the year in the context of changes in the Company's share capital.

As a result, with regard to the succession of the Chairman of the Board of Directors, the Committee met very regularly to define the process for selecting candidates for Chairman, then to complete the different steps of this process in order to make a recommendation to the Board of Directors. With the support of external consultants, as part of the assessment mentioned above, the Committee began by collecting Directors' opinions on the profile to look for. It then reviewed candidates who matched the profile defined. It hosted the candidates selected to assess and analyze them and their vision for the Group. Lastly, after having heard a diverse array of opinions on the candidates, the Committee formulated a recommendation to the Board that resulted in the unanimous appointment of Philippe Varin as Chairman effective as of May 12, 2020.

With regard to the four new Directors who were coopted during the second half of 2020 and the first quarter of 2021, the Committee drew on a specialist firm to initiate a search for new candidates and to present it with the profiles of various independent Directors who could strengthen the Board. The criteria taken into account were therefore aimed at increasing the level of independence of the Board, strengthening certain skills within the Board (digital/R&D, finance, risk management, knowledge of SUEZ businesses, international experience), while continuing to rely on prominent figures with experience managing large groups, maintaining a good representation of Directors of foreign nationality and a good gender balance, in line with the diversity policy defined by the Board of Directors.

The Chairman of the Board's and the Chief Executive Officer's compensation (for 2020) as well as annual variable compensation (for 2020 and 2021) and long-term compensation (for the period 2020-2022) for the Chief Executive Officer and the Group's senior executives were reviewed. At this time, the Committee began in particular to think about strengthening the way in which CSR results are taken into account in such compensation. These considerations ended at the beginning of 2021 and facilitated the recommendations that led to the changes presented in detail in chapter 13.

Finally, the Committee worked on a new offer specifically for employees, which was deployed in the first quarter 2021 for France and which is likely to be rolled out internationally in the second half of 2021.

Strategy Committee

5 meetings in 2020 [a]
87.9% attendance
100% Independent Directors

(a) Including one joint meeting with the Audit and Financial Statements Committee.

Composition

The Strategy Committee is composed of five members: Miriem Bensalah-Chaqroun, Chairwoman, Agatta Constantini, Enric Amiguet i Rovira, Bertrand Meunier and Philippe Varin. During the 2020 fiscal year, Isabelle Kocher, Anne Lauvergeon, Francesco Caltagirone, Jean-Louis Chaussade, Isidro Fainé Casas and Guillaume Pepy left the Committee. Bertrand Meunier and Philippe Varin joined the Strategy Committee.

With Miriem Bensalah-Chaqroun, Bertrand Meunier and Philippe Varin qualifying as independent, the Committee is thus 100% composed of Independent Directors (excluding the Directors representing employees).

Missions

The Strategy Committee gives its opinion and submits a recommendation to the Board of Directors concerning:

- the strategic objectives set by the Board of Directors or proposed by the Chief Executive Officer; and
- all significant projects submitted to the Board of Directors involving internal and external growth, disposal, strategic agreements, alliances and partnerships.

Upon presentation of a report by the Chief Executive Officer, the Committee carries out a strategic review once a year, which it submits in due time to the Board of Directors.

Activity in 2020

In 2020, the Strategy Committee met five times (including once jointly with the Audit and Financial Statements Committee), with an attendance rate of 87.9%.

The Committee thoroughly monitored implementation of the Shaping SUEZ 2030 strategic plan, particularly in terms of its selective growth component (organic growth and asset rotation plan). As such, the Strategy Committee reviewed the various transactions expected as part of the asset rotation plan provided for in the Shaping SUEZ 2030 strategic plan and made recommendations to the Board on these acquisition and disposal transactions. Moreover, the Strategy Committee met with the Audit and Financial Statements Committee to review the medium-term plan. The Committee's work also involved preparing for the Board of Directors' strategy seminar.

All Directors met in November 2020 for a strategic seminar during which, because of the situation, they focused primarily on the various options that may be considered for the Group in the context of Veolia's intention to take control of the Company.

The CSR, Innovation, Ethics, Water and Sustainable Planet Committee

5 meetings in 2020
93.3% attendance
100% Independent Directors

Composition

The CSR, Innovation, Ethics, Water and Sustainable Planet Committee comprises five members: Anne Lauvergeon (Chairwoman), Martha Crawford, Brigitte Taittinger-Jouyet, Enric Xavier Amiguet i Rovira and Guillaume Thivolle. During the 2020 fiscal year, Pierre Mongin left the Committee, with his term of office as Director having ended. He had been replaced by Franck Bruel, whose term of office also ended.

With Anne Lauvergeon (Chairwoman), Martha Crawford and Brigitte Taittinger-Jouyet qualifying as independent, the proportion of Independent Directors is 100% of the Committee members (excluding the Director representing employees and the Director representing employee shareholders).

Missions

The CSR, Innovation, Ethics, Water and Sustainable Planet Committee ensures compliance with the individual and collective values on which the Group bases its actions and the rules of conduct that all staff members must follow.

These values include the Group's specific responsibilities with respect to environmental protection and improvement and sustainable development. The Group ensures that the necessary procedures are in place to:

- update the Group's current Ethics Charter and ensure that it is circulated and applied;
- ensure that French and foreign subsidiaries implement the Group's Ethics Charter, taking into account the domestic legal and regulatory framework of the country where they carry out their business;
- carry out training programs intended to support the circulation of the Group's Ethics Charter;
- obtain from the various Group companies information on the solutions they have selected for issues presented to their own Committee.

The CSR, Innovation, Ethics, Water and Sustainable Planet Committee reviews and assesses:

- the Group's sponsorship and philanthropic initiatives;
- the Health and Safety policies implemented, including their objectives and results;
- the risk management systems and policies involving corporate social and environmental responsibility and sustainable development.

This Committee's missions were extended until mid-May 2019. It now also reviews and assesses:

- the innovation policies the Group applies, including acquisitions in this area;
- the process of preparing non-financial information, and especially the non-financial performance statement as well as non-financial ratings awarded to the Group.

Activity in 2020

In 2020, the Committee met five times, with an attendance rate of 93.3%.

The Committee's activity in 2020 was characterized in particular by its work on SUEZ's purpose, which was presented at the shareholders' meeting on May 12, 2020. The Committee also reviewed the Group's Innovation Policy.

In addition, the main topics addressed by the Committee were the Health and Safety policy, with the 2019 review and the draft action plan to be implemented in 2020, the handling of the Covid-19 health crisis within the Company and the Environmental and Industrial Risk Management Policy.

The ethics policy and anti-corruption measures were also reviewed with the presentation of the 2019 Report on Ethics and the 2020 action plan. The Committee also reviewed the corruption risk mapping updated in 2020. The Committee reviewed the Group vigilance plan. Furthermore, the Committee examined the policy in terms of gender and salary equality, diversity and the actions to be implemented and also reviewed the Social Report as of December 31, 2019. Finally, the Committee reviewed the non-financial ratings assigned to the Group and the Group's strategy in this area for the coming years.

4. Compensation and benefits of all kinds granted to Corporate Officers

This point is addressed in detail in chapter 13 of the Universal Registration Document.

5. Corporate governance code

The Company follows the corporate governance recommendations defined by the French Association of Private Companies (AFEP) and the Movement for the Companies of France (MEDEF) in the AFEP-MEDEF corporate governance code for listed companies (the "AFEP-MEDEF Code"). The latest version of this code, dated January 2020, can be viewed on the website www.medef.fr.

The Company referred to the latest version of the AFEP-MEDEF Code published in January 2020 for the preparation of this Report on corporate governance.

The Company fully adheres to the recommendations of the AFEP-MEDEF Code, with the exception of one recommendation of the Code under the conditions defined below:

RECOMMENDATION OF THE AFEP-MEDEF CODE	SUEZ PRACTICES AND JUSTIFICATION
Recommendation 11.3 of the AFEP-MEDEF Code It is recommended that at least one meeting is held each year without Executive Corporate Officers being present.	Although not discarding this recommendation on a permanent basis, the Board focused in 2020 on managing the health crisis and Veolia's unsolicited takeover bid and, in this context, the discussions involved the presence of the Chief Executive Officer. The Board of Directors has committed to continuing this practice as of fiscal year 2021. Furthermore, as has always been the case, the Chief Executive Officer refrained from participating in the discussions of the Board and its Committees concerning the assessment of his performance.

6. Specific terms and conditions governing shareholder participation in Shareholders' Meetings

The terms and conditions governing shareholder participation in Shareholders' Meetings are set forth in the Company bylaws under section VI, Shareholders' Meetings, Articles 20-23, available at www.suez.com.

7. Factors likely to have an impact in the event of a takeover bid

Factors likely to have an impact in the event of a takeover bid, as listed in Article L. 22-10-11 of the French Commercial Code, are set forth in section 16.3.2 of this Universal Registration Document.

8. Authorizations and delegations of authority granted by the shareholders' meeting

The authorizations and delegations of authority in effect were approved by the Company's Shareholders' Meetings of May 14, 2019 and May 12, 2020.

Authorization/Delegation of authority	Period of validity	Authorized cap	Amount used	Balance
1 Authorization granted to the Company to trade in its own shares (2020 shareholders' meeting, Resolution 20)	18 months as from 05/12/2020	Up to a maximum holding of 10% of the share capital	0.03% as of 12/31/2020	9.97%
2 Cancellation of treasury shares (2020 shareholders' meeting, Resolution 21)	26 months as from 05/12/2020	10% of the share capital per 24-month period	Not used	Not used
3 Share capital increase, with shareholders' preferential subscription rights, by issuing common shares and/or any transferable securities granting access to the Company's equity securities or granting rights to the allocation of debt securities (2020 shareholders' meeting, Resolution 22)	26 months as from 05/12/2020	EUR 500 million [a]	Not used	Not used
4 Share capital increase, without shareholders' preferential subscription rights, by a public issue, with the exception of that exclusively intended for qualified investors and/or a restricted circle of investors, of the Company's common shares and/or any transferable securities granting access to the Company's equity securities or granting rights to the allocation of debt securities (2020 shareholders' meeting, Resolution 23)	26 months as from 05/12/2020	EUR 250 million [a] [b]	Not used	Not used

Authorization/Delegation of authority	Period of validity	Authorized cap	Amount used	Balance
5 Issue, by a public issue exclusively intended for qualified investors and/or a restricted circle of investors, of the Company's common shares and/or any transferable securities granting access to the Company's equity securities or granting rights to the allocation of debt securities, without shareholders' preferential subscription rights (2020 shareholders' meeting, Resolution 24)	26 months as from 05/12/2020	EUR 250 million [a] [b]	Not used	Not used
6 Increase, by up to 15% of the initial issue, in the number of shares to be issued in the event of a capital increase, with or without shareholders' preferential subscription rights (2020 shareholders' meeting, Resolution 25)	26 months as from 05/12/2020	Up to 15% of the original issue [a]	Not used	Not used
7 Share capital increase in consideration of contributions in kind consisting of equity securities or securities granting access to the capital (2020 shareholders' meeting, Resolution 26)	26 months as from 05/12/2020	EUR 250 million (up to 10% of capital) [a] [b]	Not used	Not used
8 Share capital increase in consideration for securities contributed as part of a public exchange offer initiated by the Company, without shareholders' preferential subscription rights (2020 shareholders' meeting, Resolution 27)	26 months as from 05/12/2020	EUR 250 million [a] [b]	Not used	Not used
9 Share capital increase through issues of shares or securities granting access to the share capital reserved for members of a company savings plan without shareholders' preferential subscription rights for those employees (2020 shareholders' meeting, Resolution 28)	26 months as from 05/12/2020	EUR 50 million [a]	10,976,645 shares issued [c]	EUR 6,093,420 [c]
11 Allocation of bonus shares in connection with an employee shareholding plan (2019 shareholders' meeting, Resolution 21)	26 months as from 05/14/2019	0.05% of the share capital	119,604 matching shares granted under company contributions as part of the Sharing 2019 plan	191,077 shares
12 Free allocation of performance shares (2020 shareholders' meeting, Resolution 29)	26 months as from 05/12/2020	0.5% of the share capital	Not used	Not used

(a) Resolution 30 of the 2020 shareholders' meeting set a limit on the total nominal amount of capital increases that may be carried out, immediately or in the future, pursuant to Resolutions 22 to 27 of the 2020 shareholders' meeting, of EUR 500 million for issues of shares and/or transferable securities representing debt or similar securities conferring entitlement to the Company's share capital and of EUR 3 billion for issues of transferable securities granting access to equity securities to be issued by the Company, or which grant entitlement to the allocation of debt securities.
(b) Common ceiling of a nominal amount of EUR 250 million, to which the total nominal ceiling set in Resolution 30 of the 2020 shareholders' meeting will be assigned.
(c) Issuance of 10,976,645 new shares under 28 Resolution, representing a capital increase of EUR 160,149,250.55 (of which EUR 43,906,580 in nominal value and EUR 116,242,670.55 in issue premium), performed within the Sharing 2021 employee shareholding plan.

14.5 Future changes to the governance and management bodies

On February 24, 2021, the Board of Directors decided to propose to the shareholders' meeting on June 22, 2021 the ratification of the cooptation of Anthony R. Coscia, Philippe Petitcolin, Bertrand Meunier and Jacques Richier as Directors.

The composition of the Committees would remain unchanged at the end of the shareholders' meeting of June 22, 2021.

The Board of Directors

15

Employees

15.1 Human Resources

15.1.1 A Human Resources Management policy supporting the SUEZ 2030 project

SUEZ's ambition for the Shaping SUEZ 2030 plan is to make us a world leader in environmental services. This plan requires a major top-down transformation for the Group from now through 2023.

2020 was a special year, due to the Covid-19 crisis, leading SUEZ to adapt working conditions dynamically and sometimes instantly: strengthened health measures, short-time working, remote working for all relevant positions, etc. The Group made employee protection its priority and our business activities have been maintained thanks to the mobilization and adaptability of all our employees, with the support of the Human Resources Department.

At the same time, the Group's transformation has continued, based on the Group values of Passion for the environment, Customer focus, Respect and Team spirit. This relies on the involvement, energy and expertise of our employees. Because of this, the "HR and culture" component is one of the four pillars of the "Shaping SUEZ 2030" plan.

The SUEZ human capital development plan is based on five objectives:

- rolling out a winning corporate culture, preparing new ways to work and developing our leadership;
- developing expertise in our businesses;
- supporting SUEZ's digital revolution;
- taking care of employees;
- providing competitive and effective HR services.

All policies and procedures that are described below per major area are geared towards meeting these objectives.

This support concerning the Human Resources Management of the Group's acceleration and transformation is provided in cooperation with all of the internal stakeholders, through continuous dialogue with the managers, the employees and the social partners.

15.1.2 Values and ethics

Ethics has always been a core part of SUEZ's strategy and development, and the Group makes ethics an essential component in improving performance and competitiveness.

The Group's ethics policies are derived from the fundamental principles that guide its conduct and are supported by the Ethics Charter:

- act in compliance with the law and regulations;
- build a deep-rooted culture of integrity;
- demonstrate loyalty and honesty;
- respect others.

The subject of ethics is an integral part of assessing employee contributions. The annual review process, which is now integrated into the HRIS tool deployed to 90% of the population, includes an assessment conducted between the employee and manager on how well the employee, their team or their business sector applies and adheres to SUEZ's ethical standards.

The Group strives to maintain quality human relationships: listening and accountability are the foundations of respect. In this context, it is the responsibility of management to enable all employees to perform their jobs in good physical and psychological conditions.

SUEZ has established four Values which make up the new foundation for its culture and its will to win: Passion for the environment, Customer focus, Respect and Team spirit. These Values are the founding principles of the corporate vision, "Shaping SUEZ 2030". They reflect the vision, inform the strategic decisions and guide the Group's action. The Group is now going to be more transparent in showing its customers, partners and all its stakeholders how committed the Group is to saving the planet through the way its employees show its values in their work.

PASSION FOR THE ENVIRONMENT

Contribute to preserve and restore the planet's natural capital

In all our actions, help reduce, re-use, recycle, recover water and resources, and aim to have a positive impact on climate

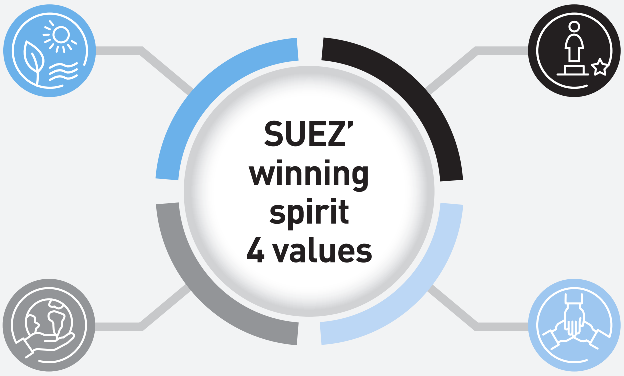
CUSTOMER FIRST

Be accountable for clients and make things happen

Be open-minded and innovative

Use the organisation's agility to be competitive

Develop a partnership culture to provide the best solutions for our clients



RESPECT

Care for the safety and well-being of everyone

Act ethically and with integrity

Respect the diversity of other people's skills, personalities and background

Care for the social impact of our actions and act to reduce inequality

TEAM SPIRIT

Collaborate at every level to team work

Trust others and learn from them

Share information and promote open communication

15.1.3 Our Human Resources strategy

Developing everyone's talents

SUEZ can count on the commitment of its 86,195 employees every day to solve its customers' problems.

In order to support the Group's growth and development, SUEZ's Talent & Development policy is based on three pillars: develop the skills of employees, support them in building enriching career paths, and lastly, enable the Group to grow and be agile in its transformation.

► **Talents**

Managers and Human Resources work together to ensure employee performance and development is supervised in an optimal and individualized way. The appropriation by managers of the tools available to them is a sign of progress and success. We are now tracking more than 80,000 employees *via* the Group's HRIS software.

In particular, the global adoption of HRIS facilitated the launch of a Group-wide *ad hoc* campaign of half-year reviews in 2020, in response to the health crisis. During these reviews, employees thus shared their feelings and feedback, identified possible levers for improvement within their teams, discussed the managerial relationship, and readjusted their objectives with their managers. Based on this employee review process *via* regular interview campaigns, the process to identify high-potential talents is being incorporated at the local management level. A People Reviews approach takes place on a cascade basis, which enables us to give every person at every level (local and central) an individualized and appropriate response.

This process, rolled out to all SUEZ Group entities, makes it possible to review the performance of all employees from each entity and to offer means of development to each of them. In fact, at all job levels in the organization, employees of the Group benefit from support that enables them to grow (training, internal mobility, career interviews, etc.). The purpose of this is to address the current and future development requirements of the Group.

The People Reviews are also an opportunity for all entities to carry out a comprehensive review of "Talents", whose careers are specifically monitored at Group level.

The Talents identified are divided into three categories: Global Talents (9% of talents), BU/BA Talents (43% of talents), and Emerging Talents (48% of talents).

In order to develop our Talents, SUEZ makes different development programs available to all our entities (French and international) through the SUEZ Academy, which strengthen the development actions carried out locally. The programs offered by the Group are the following:

- Development Center: a program that provides a comprehensive review of employees' strengths, and drafts a career action plan based on these strengths. This program was fully reviewed in 2020 and is now 100% digital. A group of facilitators has been trained in-house to allow entities to deploy level 1 of the program independently,
- Data for Leaders: a program to ensure thorough understanding of the issue of data in SUEZ's businesses and strategy,
- Mentoring Group: a program giving Talents the opportunity to be mentored by Top Executives over a year, enabling them to work on their leadership through regular interviews and exercises,
- Change Management: a program enabling SUEZ decision-makers to be instigators of change in connection with the SUEZ 2030 strategy, by developing the right techniques and tools, and appropriate leadership,
- Learning with stakeholders: a program aiming to open employees up to new perspectives by teaching them about different cultures and operating methods through international exposure,
- Executive Program: a program for future executives. It is designed to help participants understand business transformations in an international environment. This program is certified by the IESE Business School, SUEZ's partner for this program,
- Global Mind Opener: international program to discover the digital ecosystem,

- Local Mind Opener: a program for managers to help them learn about their local innovation ecosystem.

► **Experts**

The Group is continuing to roll out actions under its Experts policy to meet the challenge of transferring know-how and supporting new market growth. These actions enable the Group to better identify, develop and provide visibility and recognition to the Experts, as well as enabling them to network with each other.

1,400 experts were identified in 2020, broken down into three categories: Lead Expert, Key Expert and Expert. In each area of expertise, the Lead Expert represents the Group, promotes its expertise around the world, and conveys the vision of the technical developments taking place within SUEZ's businesses. Lead Experts disseminate their expertise at regional level, while Experts have a more local role.

Apart from the special attention paid to Lead Experts during annual compensation reviews, Lead Experts receive special Career Management support and dedicated development programs (personal development support and coaching for six months).

They are also tasked with sharing their knowledge *via* training sessions and technical assistance missions. To do this, the Group allocates several days per year to them to encourage them to share their expertise.

Lead Experts regularly share their knowledge and their vision of the challenges that must be faced in their area of expertise – *via* webinars between Lead Experts and Masterclasses dedicated to the Expert community. The first initiatives brought about high-level discussions on technical core business topics.

► **Generational transition**

SUEZ plans to hire more young graduates to help create age diversity and acquire new skills in line with changes in the business. In 2020, 2,300 young people worked in various Group entities through internships, part-time learning contracts or French international internships (VIE). The Group builds and develops partnerships with schools and training centers to make sure there are enough technical skills in the future.

In order to attract and develop these profiles, the Group offers Graduate Programs in various countries (France, United States, Asia, etc.) for talented young people who are passionate about environmental management. These Graduate Programs are true programs for excellence that aim to support students in higher education to management or expert-level positions, offering them opportunities to join, grow and advance within the Group.

► **Acquiring and developing new business skills, digital skills or new skills in line with the industrial markets**

In order to confront the challenges faced by the industrial markets, SUEZ is continuing to develop the skills of its sales people through dedicated training programs.

SUEZ also encourages cross-selling by setting up incentive measures as well as synergies between the various Group businesses and teams, thanks to its robust internal mobility policy.

SUEZ also prioritizes developing digital expertise to meet the challenges related to transformation, process and business automation and the emergence of new markets, which impact all of SUEZ's businesses.

In fact, SUEZ is actively preparing for transition by including new positions in its recruiting plan, such as Data Analyst and Data Scientist, whose role is to analyze data streams to optimize and monitor them in real time.

Supporting employees when their position goes digital is one of the Group's priorities. To do this, SUEZ has developed specific dedicated training for employees to teach them how their job is changing and equip them with the skills they will need.

Training is a fundamental concern

For SUEZ, developing people is key to the Group's transformation as well as to its social and societal responsibilities. The Group's ambition is to make "apprenticeship for all" a reality.

The "SUEZ Academy" is an international center of excellence that offers learning solutions for the Group's managers and employees. It promotes an adapted and harmonized corporate culture and strengthens employee engagement, innovation and performance throughout the Group.

Seven academies offer rich and innovative programs tailored to SUEZ's business:

- the Leadership academy;
- the Digital and Innovation academy;
- the Technical and Operational Excellence academy;
- the Sales and Marketing academy;
- the Health and Safety academy;
- the Cross-Disciplinary Functions academy;
- the SUEZ Culture academy.

2020 was marked by the **launch of strategic training programs** to support SUEZ's transformation as part of the Shaping SUEZ 2030 plan, as well as the adjustment of training courses in view of the health context, in order to **support employees and managers over this period**, with a very clear **strengthening of digital technology**.

EXAMPLES OF PRIORITY PROGRAMS IN CONNECTION WITH SHAPING SUEZ 2030

► **Environmental Collage**

This educational workshop aims to raise employees' awareness of environmental challenges and of the impact of SUEZ's businesses in addressing them, and to promote individual commitment to action.

Rolled out to all 250 of the Group's Top Executives in February, roll-out was subsequently deeply impacted by the global Covid-19 crisis. Despite this context, some 1,000 SUEZ employees and managers already followed the Collage training in 2020, with around 150 course facilitators trained. Facilitator training is ongoing digitally, prior to the resumption of field roll-outs in 2021.

► **Leadership**

Three new fully-virtual programs were launched in 2020 to support SUEZ leaders in their mission to engage and guide teams during SUEZ's transformation. These programs focus on digital transformation through Data, Change Management and embodying the Group's values in leadership.

Over 120 participants in 2020 followed the pilot programs. The aim is to train 300 leaders and new talents in 2021.

► **Digital acculturation**

The "Let's Talk Digital" program, launched in 2019, reached some 7,000 employees, generating 116,000 views of informative explanatory videos on the various aspects of digital technology, its implications in the corporate world, and in society.

In addition, an acceleration in Microsoft Office 365 training, particularly for the Teams app, was achieved, with some 10,000 employees trained in IT tools in 2020.

► **Health and Safety**

Health and Safety training is a priority, representing 40% of the Group's training hours in 2020.

The digital course on human and organizational risk factors, launched in 2019, helped to train nearly 500 people this year despite the health crisis. In addition, the "Health and Safety Leadership" program, a compulsory training course for all operational managers previously available in face-to-face format, was adapted to a virtual format.

To strengthen the impact of Safety training, virtual reality training modules were rolled out across the Group as a whole. Four modules on various risk situations are already available *via* the SUEZ catalog, and a training program for local trainers has been set up. 70 headsets will be rolled out across the Group in early 2021 to allow these training courses to take place. Four new Virtual Reality Health and Safety training modules will be added in 2021.

► **Commercial Excellence**

By identifying key commercial skills for the Group and by assessing 150 salespersons on these skills, it was possible to identify training priorities for all commercial staff. Several new virtual programs intended for sales staff were launched in 2020, specifically on Design Thinking and remote sales.

DIGITAL LEARNING TO SUPPORT SUEZ TEAMS DURING THE HEALTH CRISIS

Training has played an important role in supporting SUEZ employees and managers throughout the various phases of the Covid-19 crisis.

During the first wave, a weekly e-learning campaign was launched to disseminate best practice and remote working tools, to support employees and managers in helping to ensure the well-being and health of everyone, and to allow those experiencing a fall in activity to take the time to receive training.

Over the period from March to May, more than 8,100 employees made the most of this content, and more than 30,000 views of training content videos were recorded.

In addition, open webinars on personal development topics were organized, notching up over 800 participations in these webinars.

Subsequently, a range of workshops was offered to managers to support their teams in the post lockdown period.

During the second wave of the health crisis, new communications helped support the teams, once again providing concrete information, in particular to preserve the mental health of teams in a difficult context, and to offer engaging, positive content based around the value of "Customer Focus".

AN IN-DEPTH TRANSFORMATION OF TRAINING METHODS

The digitization rate for training (number of hours of digital training/ total number of hours of training) increased from 18% in 2019 to 42.3% in 2020.

This was due to the cancellation of a large number of these sessions due to various types of lockdown around the world, and by the substantial increase in the number of hours of digital training.

Several major trends helped improve the impact of digital training:

- 72% increase in the number of e-learning actions in Talent'Up (Group HRIS), thanks to a wealth of content offered in the SUEZ Academy catalog (personal development, management, Health and Safety, cybersecurity, ethics, environment, etc.) and the curating of external content (Articles, videos, etc.);
- very rapid organization of webinars to promote the transmission of knowledge and awareness on various subjects by internal or external experts (SUEZ businesses, customer trends, management, health, etc.) to a large number of participants;
- switch from face-to-face to virtual training, run by a remote trainer *via* Teams or other collaborative platforms. To achieve this, more than 40 training managers were trained in 2020 in the digitization of face-to-face training. This adaptation, initiated in 2020, is set to continue in 2021, allowing more remote training to be provided in the long run.

Encouraging internal mobility

In order to achieve its ambitions worldwide, the Group has to rely on employees who can adapt constantly, and who are flexible enough to use their skills wherever they are most useful.

While professional mobility is the key to meeting an activity's requirements with flexibility, it is also a lever of development for employees and a true source of personal enrichment for staff.

The Group encourages mobility by offering employees a particularly abundant and diversified area to build varied, motivating and educational career paths.

To better encourage and organize internal mobility and streamline Career Management for employees, the Group has set up a number of schemes:

- regarding international mobility:
  - a dedicated international mobility team that aims to increase the number of transfers between the Group's various entities and share the knowledge of the pools of employees interested in international mobility,
  - the "Explorer program", which encourages and increases international mobility by offering employees the opportunity to complete Group assignments abroad that last from a few weeks to a few months (six months maximum). Through this program, participants gain international experience, grow their network and make a name for themselves. It promotes the transfer of knowledge, know-how and resources and helps increase synergies between Business Units by encouraging discussion and exchanges between the countries,

  - combining our international mobility policy with Group talent development has been the entire focus and purpose of the "Explorer Program". The program's success (already more than 20 missions since its inception in 2018) was hampered by the health crisis, which forced the Group to temporarily halt it. It will resume as soon as the health situation allows;
- regarding mobility in France:
  - the "#mymobility" system was designed at the end of 2018 to meet the Group's strategic objectives of accelerating the Group's transformation by boosting internal mobility, which promotes better integration and meets our employees' expectations (as expressed in engagement surveys) by providing more personalized support in their projects and career. Therefore, the challenge is to change the mobility culture within the Group by moving from a hiring model where the job opening is the key focus of the process to a real Career Management model where the employee is the key focus of the process, by offering the employee a true "customer experience",
  - "#mymobility" offers a new personalized service that includes a toll-free number employees can call to get information from an employee relations manager or to arrange a meeting with a mobility counselor. In that case, the employee receives professional and personalized support from a dedicated mobility advisor who guides him throughout his process. The advisor helps the employee define his career path and supports him in his mobility, gives him access to an integrated HR network and thus an extensive knowledge of possible opportunities and careers within the Group, regardless of the business, business unit, or activity,
  - additionally, an intranet space dedicated to mobility called "#mymobility" helps employees with their mobility plans by guiding them through each essential phase of the mobility process, step by step, and by answering frequently asked questions. All of the tools necessary to move to a different position are available: internal job offers, mobility policy, a how-to guide, testimonials, etc,
  - an HR network capable of responding to mobility requests once the request has been logged by the telephone platform, and thus support employees in the process. In addition, the HR network relies on the Mobility Committees. These bodies enable subsidiary HR managers to discuss employees participating in the mobility program and the different positions available, improving their shared knowledge of the businesses and identifying gateways between them.

Overall, in 2020, total mobility held its own despite the Covid-19 crisis, with 4,076 employees able to benefit (compared to 4,047 in 2019), i.e. more than 4.5% of the total workforce.

A constructive social dialogue

Social dialogue within the Group is based on an information and consultation process overseen by the European Works Council (EWC) and the France Group Works Council (FGWC). With this in mind, the social partners and Group Management meet regularly to exchange viewpoints, negotiate, enter into agreements and ensure their implementation.

Beyond these geographic boundaries, SUEZ is working toward organizing and energizing the employee representative bodies as established by the regulations of local labor law. In 2020, 86.6% of Group employees were covered by a social dialogue system, either directly within their legal entity connection, or at a more comprehensive level.

Also note that stakeholders are committed to developing innovative social dialogue systems, such as:

- a European Business Observatory that helps identify highly-sought-after skilled professions and up-and-coming professions, and promote an open dialogue with the social partners;
- the launch of digital assignments in collaboration with social partners based on Artificial Intelligence, Virtual Reality and robotics;
- awareness raising of sexual harassment, with a pilot session that will be rolled out to the entire Group.

Additionally, as the topic of digital technology is essential for the Group, stakeholders created a joint working Group on Digital Innovation to anticipate and support the digital transformations inherent in the Group's business activities and in the nature of work, which, like other European working groups, meets twice per year. Lastly, the Group and the members of the Committee jointly launched training programs and multi-year missions to develop their expertise as well as their understanding of businesses and the business challenges the Group must overcome. Against this backdrop, a training session on the circular economy was held in 2019 for the European Works Council.

In 2020, in the context of an unprecedented health crisis, the Group and its social partners were able to maintain a high-quality, sustained social dialogue. For example, weekly *ad hoc* dematerialized meetings were set up to discuss the implementation of preventive measures with social partners (gloves, masks, hydroalcoholic gel, temperature measurement, screening campaigns, working from home, etc.) and adapting operating procedures (vehicle disinfection, alternative teams, staggered working hours, etc.) to guarantee the Health and Safety of Group employees. These *ad hoc* discussions brought together the five national labor union coordinators, the EWC & FGWC secretariats and management representatives (Group Health & Safety Director, Group HR Director, France Division HR Director and Employee Relations Director).

In addition, the Joint European Working Group on Health and Safety also met by conference call during the health crisis, to exchange views on the prevention plan and to discuss its application in the Group's various European subsidiaries.

As part of a continuous improvement approach, SUEZ also conducted a post-Covid-19 online survey among its employees to find out how they felt about the Group's management of the health crisis and to identify/anticipate changes in operating methods and cultural changes ushered in by this crisis, unprecedented in its scale.

In the same spirit, interviews were conducted with employee representative bodies (French labor unions, secretaries of the EWC and FGWC) to formulate feedback with them on the Group's management of the health crisis. This feedback was discussed with members of the *ad hoc* committee, which monitored the implementation of the Group prevention plan throughout the lockdown periods.

THE EUROPEAN WORKS COUNCIL (EWC)

The European Works Council covers a scope of 12 European countries (France, Germany, Belgium, the Netherlands, Spain, Hungary, Italy, Luxembourg, Poland, the Czech Republic, the United Kingdom and Sweden), representing 59,457 employees.

It is comprised of 28 members from these 12 countries. Its role is to inform and consult on policies and changes in the Group.

During 2020, the European Committee met several times (nine extraordinary meetings) as part of the implementation of the Shaping SUEZ 2030 strategic plan. In the interests of transparency and a better understanding of the Group's strategic challenges, the EWC was informed well in advance of plans to sell the waste activities in Northern Europe. Meetings between the future buyer and EWC representatives from the countries concerned were even organized prior to consulting the body. The quality of social dialogue resulted in mutual trust throughout the disposal process, leading to the delivery of opinions during the third and fourth quarters 2020.

This body met three times in plenary sessions throughout 2019. Furthermore, bi-monthly meetings with the European Works Council Secretariat allow for regular communications of this body regarding Group current events. The Group continued the Employee Relations training cycle so that all incumbent and deputy members of the EWC are trained on labor law mechanisms.

On September 12, 2019, the Group renewed its gender equality agreement, which was negotiated over seven meetings with the EPSU (European Federation of Public Service Unions) and the European trade unions within the Group. Major innovations in this agreement lie in:

- improving working conditions to encourage women to apply for operational jobs (PPE for women, changing rooms for women, etc.);
- combatting sexism and sexual harassment, with the implementation of a whistleblower procedure (protection of victims by the setting up of a counseling center, raising awareness among managers, setting up a point of contact in each business unit, and having a zero tolerance policy in this matter);
- developing support for parents (making maternity leave gender neutral in the wage policy, encouraging parents to take parental leave without fear of gender discrimination, and paying the same amount for paternity leave with the same conditions as maternity leave);
- promoting career changes and professional development in professions where a gender is under-represented.

Lastly, several partnership considerations with members of the European Works Council are in progress on the following topics:

- working together to create a Europe-wide survey regarding purchasing power in the Group in line with the Group's compensation and benefits policy. Stakeholders aim to complete this survey in 2021;
- leveraging the experience and expertise that members acquire through carrying out their term of office as a member of the European Works Council, with the goal of developing a professional skills matrix.

THE FRANCE GROUP WORKS COUNCIL (FGWC)

The France Group Works Council covers French companies in which the Group holds over 50% of the share capital. It represents 29,428 employees and comprises 28 members whose role is to provide information on the Group's strategy within its French businesses. In 2020, the Council held three plenary sessions despite the health crisis.

The main highlight in terms of employee matters for SUEZ Group in France was the signing of a Group agreement on the implementation of remote working for all entities in France.

This agreement generalizes and perpetuates remote working beyond the Covid-19 crisis, helping to enhance the quality of professional life. From January 2021, each employee in France who can work from home will be able to do so for an average of two days per week on a voluntary basis.

Finally, the Group has complied with French legislation relating to working conditions during the pandemic (orders dated April 1, April 22 and July 3, 2020) to pay an exceptional bonus on two occasions to highlight the involvement and mobilization of employees in modifying modes of operation and service continuity during this period of health crisis.

A modern, functionally enhanced Talent HRIS

Four years after launching the very first Performance and Development campaign for entities that joined the pilot, the Group's Talent HRIS expanded its scope, in terms of both features and people. Since the end of 2019, all the Group's Business Units have been added to the scope. After a pilot period, it was enhanced by compensation management functionalities (scorecard and salary reviews) that everyone can now adopt.

The Group's Talent HRIS is a comprehensive and integrated HR solution that meets HR-specific needs (Talent, Recruitment, Compensation Management and Training) at Business Unit and Group level for a common HR reference framework at the global level. This tool aims to improve and make more consistent the HR process for all employees (HR, managers and employees) as well as the SUEZ Group's operations.

One of the goals of the Talent HRIS was to build a single reference framework for the entire Group, to be used for social reporting and to have better knowledge of our Human Resources. To date, SUEZ has added 80,000 employees (more than 90% of SUEZ employees) from all Business Units, and we use this exact data to analyze, verify and safeguard the Group's Social Report (breakdown by business family, for instance). Thanks to this platform, SUEZ has consolidated and harmonized HR management indicators on the main processes, comprising talent management, recruitment, and training.

This program also aims to encourage internal mobility within all the businesses and entities, as well as employee development and training by making everyone more actively involved in their career.

The Group's Talent HRIS is the main medium for the provision of training content. All the Group's digital content has been made available to all entities that have the platform. The various entities have gradually integrated their training catalogs. Each therefore has access to catalogs of digital training courses and extensive and diverse classroom training.

Thanks to the collection of feedbacks, the classification of requests and the overseeing of priority improvements managed by business experts identified in each Business Unit, SUEZ is continuously improving the user experience on all modules (Learning, Recruitment, Performance, Development and Succession) so the tool corresponds to the different SUEZ Group entities' needs as best it can.

Most SUEZ employees have appropriated this new HRIS. At the same time, an active Yammer community allows this Talent HRIS to thrive throughout the Group. This space is open to all SUEZ employees and is intended to be a space to share best practices and innovations, and to centralize and roll out all communications on the tool and the program.

15.1.4 Inclusion and Diversity

At SUEZ Group, we are committed to promoting Inclusion and Diversity in our policy and we are implementing shared action plans for all our Regions and Business Units.

Fundamental principles of the Diversity policy

These principles are shared by all SUEZ entities -both in France and abroad- to guarantee an inclusive working environment for all employees.

They include:

► **Promoting an Inclusive Culture**

Every employee is different. We encourage and value these differences – be they visible or invisible, be they in gender, age, culture, health, physical condition, sexual orientation, etc. – and we promise to provide a working environment in which every employee is respected as an individual and can blossom.

SUEZ embodies this inclusive Culture and is creating more efficient teams to deliver better results for the Company and its customers.

► **Increase diversity and gender equality**

SUEZ has adopted a Roadmap dedicated to diversity, with established quantified targets common to all Group companies: reach 25% women in the Group by 2022, and 33% women in management by 2023.

In 2019, the Group also signed a European agreement on equality in the workplace with representatives from European trade union federations. Outside Europe, SUEZ decided to invite all its entities to automatically apply the principles and directives of this agreement in all the countries where the Group operates, without violating local laws.

Each of these two fundamental principles of Inclusion and Diversity have a dedicated action plan shared with all Group entities.

In February 2020, the Group launched a network of over 300 "Inclusion & Diversity" Ambassadors, whose main mission is to disseminate SUEZ's values in this area, sharing global and local best practices. These Ambassadors are mainly operational staff from each of the Group's Business Units.

Action programs

► **Our actions to promote an Inclusive Culture**

SUEZ promises an inclusive Culture through a set of awareness raising and communication initiatives:

- to mark the launch of the Ambassador network, the Group produced the film "SUEZ I&D" based on employee testimonials,
- the "Inclusion & Diversity" ambassador network conducts workshops to raise awareness of unconscious bias among their co-workers,
- an e-learning training course is available for all Group employees. This course contains training modules dedicated to topics such as discrimination, stereotypes, sexual orientation, disability, and so on.,
- communication campaigns are disseminated at Group level for International Women's Day and International Disability Day. The Group celebrated the World Day for Cultural Diversity by organizing a photo competition among all employees. These photos aimed to illustrate the diversity of their culture and business,
- lockdown was an ideal time to organize specific conferences; all employees are invited to join webinars, which are broadcast in the Group's three official languages (French, English and Spanish). Business Units' best practices are also presented there to help their sharing and duplication,
- the Group has signed the International Labour Organization's charter for the inclusion of disabled workers in the company.

In addition to the actions taken by the Group, each Business Unit has set up specific initiatives depending on local priorities.

For example:

- Australia defined an inclusion action plan for indigenous people in the company and every year celebrates Harmony Day by honoring all the different ethnicities in the company,
- France signed its 5th Disability Agreement.

► **Our Roadmap to increase diversity and gender equality**

By adopting a Roadmap dedicated to gender equality, SUEZ is putting in place a range of ambitious actions to progress from making commitments to delivering results.

In 2020:

- SUEZ's Executive Committee has 4 women out of 11 members,
- 22.3% of the workforce are women,
- 25% of executives (Topex) are women,
- 28.9% of management positions are held by women,
- 44% of the 1,309 Talents identified *via* the People Review process are women.

The Group organized the Gender Diversity Awards *via* a call for projects to all members of the SUEZ women's networks. 44 applications were submitted across four categories: operational businesses, management, digital technology, and careers. The 16 finalists were invited to present their projects to a jury composed of members of the SUEZ Executive Committee at the fully-digital awards ceremony.

Several levers were activated simultaneously to increase the number of women among our workforce and to grow our talent pools:

- **Attract more candidates**

  In 2020, 29.9% of new manager hires under permanent contracts were women, which explains the increase in the proportion of women in this category (from 27.6% at the end of 2018 to 28.2% at the end of 2019, and 28.9% in 2020).

  SUEZ is committed to continue stepping up the hiring of women *via* the following actions:
  - having at least one woman in the lists of candidate finalists,
  - paying special attention to job descriptions (non-sexist writing that is appealing to women, encouraging women to apply for technical jobs),
  - working on our employer brand and communicating about Equal Opportunities (e.g. funding a video promoting engineering studies for women *via* the apprenticeship tax, Campaign for increasing women truck drivers – video).
- **Create a women-friendly working environment**

  Continue initiatives to improve the level of well-being for women working at SUEZ:
  - encourage flexibility and women-friendly working conditions, such as providing safety equipment that will fit women and implementing an agreement on remote working,
  - develop the SUEZ women's network and other sharing initiatives. In 2020, almost 5,000 women were members of a SUEZ network of women.
- **Reduce wage gaps**

  Following on from the work carried out in 2019, which consisted in analyzing for the first time the gender pay gap between male and female managers (around 17,000) using a common analysis methodology for all Business Units, a new survey of the gaps and the various areas of analysis was undertaken in 2020. This second measure made it possible to analyze trends and changes in the executive population present over the two periods (2019 and 2020).

  The main finding is that the average salary for female managers increased more sharply than that of male managers (4.1% vs. 3.0%). This situation is the result of policies and action plans put in place across all business units, thus contributing to a reduction in the average gender pay gap. As such, between the end of 2019 and the end of 2020, the gap went from -20.7% to -18.7%.

  In France, after requiring companies to publish a gender equality index, on March 1, 2020 SUEZ published indices for its French entities with at least 50 employees. Overall, this publication concerns nearly 21,000 employees, or 70% of the Group's workforce in France, and shows a global index of 87.5 out of 100 (weighted calculation according to the workforce of the entities). Compared with the figures published in 2019 (covering some 19,000 employees in entities of 250 or more employees), the average index rose significantly (from 84 to 87.5). Moreover, none of the 24 entities for which indices were published in 2020 were less than 75 out of 100, the threshold under which a three-year period of time is given to implement appropriate corrective measures for compliance and to correct the pay gaps between men and women to obtain a result greater than or equal to 75. The Group believes that, although we can still improve, in particular *via* the action plans in progress, this result is the product of an active gender equality policy that has been in place for several years.
- **Promote**

  In order to accelerate the careers of women, dedicated People Reviews for women were conducted in each Group entity to identify individual development programs and accelerate their promotion to key positions.

  The Group also pays close attention to women in the talent management process (44% of talents are women).
- **Develop**

  The Group is continuing to increase the number of women coached or mentored and is working to open up additional career opportunities for women.
- **Transform culture through communication**

  In order to change mentalities about women in the workplace, we need to:
  - break down stereotypes and unconscious biases: to do this, a guide to fight ordinary sexism in the workplace has been prepared and circulated. This guide, translated into English and Spanish, helps employees understand different forms of sexism and their impact in hiring, career development and work organization,
  - strengthen social dialogue: SUEZ signed a European agreement on gender equality (with commitments regarding parental leave, combating sexism and sexual harassment, and promoting women to top management),
  - promote initiatives in favor of women's rights: International Women's Day, an anti-sexism campaign, increase the number of testimonials by women holding leadership roles, etc.; talk about these subjects, exchange views with women's networks including men.

LABELS AND CERTIFICATIONS IN FRANCE

► Top Employer

SUEZ has received the Top Employer certification in France for the ninth year in a row. This certification recognizes the quality of the Group's Human Resources policy: HR policies and practices and employee working conditions.

The certification verifies nine major HR subjects: talent management strategy; workforce planning; performance management; training and development; inclusion; leadership development; career and succession management; compensation and employee benefits; corporate culture.

These subjects were analyzed across entities according to five focus areas: strategy and policy; involvement of General Management; practices; measurements/assessment of practices; tech support (specific software).

For the 2020 certification, SUEZ obtained an overall score of 79% (77% in 2019) and demonstrated particular improvements in the areas of talent management, recruitment, and performance management.

Units dedicated to insertion and to the Social and Solidarity Economy in France

ROLE OF THE SUEZ SOCIAL INNOVATION DEPARTMENT

The Social Innovation Department of SUEZ in France offers inclusive, low-carbon circular economy solutions by developing collaboration with players in the fields of insertion, employment, and the social and solidarity economy (SSE).

Its role is to "make employment and the circular economy come together" in the regions where SUEZ operates by increasing collaboration with local players.

In concrete terms, the Social Innovation Department brings together, combines, and organizes the Group's expertise in social insertion and innovation and has established five action levers enabling SUEZ to strengthen its social impact:

- **develop a consulting and training offer** to support SUEZ teams in designing the "social aspect" of calls for tender and in training employees in the challenges of insertion and the social and solidarity economy.
  In 2020, more than 1.6 million hours of insertion were offered in France in our calls for tenders;
- **promote "inclusive recruitment"** by raising awareness of SUEZ's businesses among employment players and those with insertion issues, by promoting inclusive part-time learning, the recruitment of long-term job seekers, and by offering projects promoting insertion as a means to change the Group's culture and practices;
- **strengthen** partnerships with the world of **social insertion and social economy organizations**
  - *mobilize the Group's operators and tools for insertion*: Rebond Insertion and VAL Plus and identify relevant insertion partners in territories. More than 1,500 reintegrated employees work every year in the markets that SUEZ entrusts to firms providing jobs for the unemployed in France,
  - *build together with social entrepreneurs new circular economy services that create jobs* and are complementary to SUEZ businesses (re-employment, last mile collection, anti-food waste, etc.);
- **develop entrepreneurial programs** (incubators dedicated to job seekers) and intrapreneurial programs (with employee-entrepreneurs). 127 job seekers were supported in 2020 in creating their companies by *Maison pour Rebondir* Ile-de-France and *Maison pour Rebondir* Bordeaux;
- **enable employees to commit** to working with insertion structures and the circular economy, and respond to employees' desire for fulfillment, eager to find more meaning in their work.

STRUCTURE OF THE SOCIAL INNOVATION DEPARTMENT

The Social Innovation Department relies on:

- **a dedicated support team** that manages the national roll-out of the five levers of the Social Innovation Department: Consulting & Training, Inclusive Recruitment, Insertion & Social Economy Partnerships, Entrepreneurship and Employee Solidarity Commitment;
- "***Maison pour Rebondir***" hubs present in SUEZ's key territories (Ile-de-France, Auvergne Rhône-Alpes, Nouvelle-Aquitaine). The "*Maisons pour Rebondir*" initiatives connect the local ecosystems of the Social and Solidarity Economy with SUEZ subsidiaries, identifying opportunities and implementing impactful projects in the field. In Ile-de-France and Bordeaux, the "*Maisons pour Rebondir*" manage and run business incubators;
- **insertion operators** with "Rebond Insertion", a fully-owned SUEZ subsidiary, and VAL Plus, along with the Group's historical partners such as Vitamine T, ARES, Groupe ID'EES, ENVIE, to whom SUEZ entrusts subcontracted activities (sorting booths, cleaning of the CB21 tower at La Défense, waste collection, etc.).

EXAMPLES OF REPRESENTATIVE SOCIAL INNOVATION PROJECTS SUPPORTED BY SUEZ

Rebond Insertion

In 2003, SUEZ created Rebond Insertion, a wholly-owned subsidiary of R&R France and a major player in terms of insertion in the environmental sector in France.

Rebond Insertion, SUEZ R&R's natural service provider for sorting and temporary insertion activities, has diversified its businesses in recent years to also offer bulky waste collection services, caretaking of waste disposal centers, collection of cardboard boxes with scooters, cleaning of vehicle fleets and offices, de-archiving, and so on. Over the past 18 years, Rebond Insertion has helped over 9,000 people in difficulty and enabled over 5,000 of them to return to work.

With operations in Paris, Hauts-de-Seine, Poitiers, Reims, Bouches-du-Rhône and the PACA region, in 2019 Rebond Insertion opened a new business in Avignon and Marignane, launching a cardboard collection service for retailers in the Marseille Provence metropolitan area.

In 2020, more than 500 newly integrated people were supported, enabling over 70% of them to leave the program with a job or in qualification-earning training.

The HOPE project promoting the integration of refugees

In partnership with the OFII (French Office of Immigration and Integration), the OPCALIA and AFPA (Association for the Professional Training of Adults), SUEZ became involved with the HOPE program, which helps refugees find employment and gain autonomy.

The goal of the HOPE program is to offer them training in highly-sought-after skilled professions where companies lack skilled labor.

SUEZ thus trained a class of 12 refugees as truck drivers. The results are compelling: 10 regular driver's licenses and 6 professional HGV licenses obtained. Eight people have been in work since the end of their course, four of whom were given permanent contracts.

In January 2020, SUEZ also signed a charter with the French Office of Immigration and Integration. This charter commits SUEZ to facilitating the professional insertion of refugees across France. The OFII is committed to supporting SUEZ and accompanying it in this process.

SUEZ's commitment under the PAQTE, "La France une Chance", and the recovery plan #1jeune1solution

SUEZ was one of 100 companies gathered at the Elysée Palace on July 17, 2018 to have made voluntary commitments in favor of employment (plan 10,000 and PAQTE), thus affirming its desire to actively contribute to social cohesion. Contributing to the employment of residents of Urban Policy Neighborhoods is a priority. As a result, SUEZ has partnered with "*Tous en Stage*" to help in 2020 more than 500 junior high school students from REP+ (Priority Neighborhoods) middle schools, despite the health situation, to complete group work placements at our sites or virtually, and discover environmental activities. SUEZ has also started developing "inclusive part-time learning", increasing from 3% part-time learning contracts from priority neighborhoods in 2018 to more than 9% in 2020. Lastly, purchasing departments are encouraged to develop social subcontracting by entrusting contracts to entrepreneurs from Priority Neighborhoods or to integration organizations.

At the same time, more than 1,515 "*La France une chance, les entreprises s'engagent*" agreements were signed by SUEZ subsidiaries in the regions, and more than 80 people from the Priority Neighborhoods of the Urban Policy were recruited at SUEZ in 2020 as part of the "*Emplois Francs*" scheme.

"*J'Entreprends*" and "*#Economie circulaire*", support programs for job seekers dedicated to creating new businesses

Supported by the *Maison pour Rebondir* in the Hauts-de-Seine department (92) and in Bordeaux (33), "*J'entreprends*" is a six-month incubation program that includes individual coaching, 350 hours of training dedicated to entrepreneurship, and networking with professionals in the sector, until their company is registered. To date, the program has helped 191 entrepreneurs in the Gironde and Ile-de-France regions to launch their business projects and to develop new local services with a truly responsible dimension.

Over the past two years, SUEZ has set up a support program called *#Economie circulaire* that aims to help the emergence or spread of new circular economy services that create jobs. 20 projects are currently being supported in Bordeaux and the Ile-de-France region based around composting, raising awareness of waste sorting, reuse and deposit systems.

15.1.5 Health and Safety – quality of life in the workplace

Protecting the Health and Safety of employees, subcontractors and third parties is one of the major non-financial challenges identified, especially with regard to promoting human rights in the value chain of the Group's operations. This issue is included in our vigilance plan (see chapter 5.9 Non-financial performance statement).

15.1.5.1 Health and Safety policy and governance

A NEW POLICY

To revitalize the Health and Safety process and to be consistent with the Shaping SUEZ 2030 corporate vision, which has inspired the entire company, the new Chief Executive Officer of SUEZ reviewed and signed SUEZ's Health and Safety policy, which was rolled out at the beginning of 2020.

This policy aims to meet the "Zero serious and fatal accidents" goal, create a fair and inclusive Health & Safety culture and inspire employees to care more about everyone's well-being. Three areas of work will guide our initiatives and motivate our teams:

- control our major risks to protect health and life;
- make Health and Safety a key factor in decision-making;
- commit to Health and Safety individually and collectively.

Getting everyone involved in making improvements to prevent Health and Safety risks, while ensuring and improving workplace well-being, is a key factor of SUEZ's performance. It also gives meaning to our Respect value: "***Each and every employee cares about the safety and well-being of all**, acts ethically and with integrity, respects diversity and takes action to reduce inequality".*

Personal commitment by Management at every level: Group, Business Units, regions, entities, etc. helps us effectively roll out the Group's policy. This commitment is illustrated by the involvement of SUEZ's Chief Executive Officer and the Executive Committee in monitoring the "Ten Rules that Save Lives" and rolling out the "Fair Culture", analyzing fatal accidents, deciding to have Health and Safety managers report directly to the highest level in the Business Units' organizations, and by emphasizing the subject in performance reviews at all levels of the organization. Operational managers and operators are also supported by a network of approximately 880 Health and Safety professionals. The employee survey, conducted in July 2019 as part of the Shaping SUEZ 2030 strategic plan, also highlighted how much people think about safety and how well safety procedures are rolled out throughout the Company. The survey confirmed the results of the global engagement survey from May 2018: more than 80% of employees had a positive opinion of the Group's Health and Safety approach, i.e. 14 points higher than the benchmarks of other companies interviewed.

This policy and related initiatives were then implemented and managed by a comprehensive Group-wide process: objectives formalized annually with Chief Operating Officers, Health and Safety audits, management training and monitoring by the Health and Safety Department using both proactive and reactive performance indicators.

In 2020, Covid-19 crisis management enabled these principles to be rolled out in the field. In a particularly exposed context (public service continuity issues, hospital waste, etc.), the Group made employee protection a priority, rolling out unprecedented measures and coordination in terms of Health and Safety, HR and operational processes. At the end of April, the Group formalized the "SUEZ Ten Health Rules", rolled out worldwide and translated into 12 languages, which now complement its "Ten Rules that Save Lives", relating to the major risks of our business activities.

ACTION PLAN AND HEALTH & SAFETY CONTRACTS

The Group's action plan is prepared by the Health and Safety Department and its network, discussed in the Performance Management Committee and in the Health and Safety and Human Resources Steering Committees, then presented to the Board of Directors' CSR, Innovation, Ethics, Water and Sustainable Planet Committee. It is then distributed to all the Group's operational subsidiaries *via* an annual Health and Safety Contract.

In force for the past five years, these "**Health and Safety Objectives Contracts**" are a particularly structured and efficient system, as their roll-out aligns with corporate objectives. They are established with the management of each subsidiary at the beginning of the year and are signed with the Group Health and Safety Department. Points of contact in the Corporate Health and Safety team follow through on them throughout the year, followed by an in-depth review at the end of the year. Their roll-out is included in the scorecards, which significantly impact the variable portion of pay for all Executive Committee members (multiplying factor of 0.8 to 1.2 of the total bonus) and more broadly, for managers of the Company. The way SUEZ calculates the variable portion of the CEO's annual compensation was also revised in 2019 to make Health and Safety performance an even larger factor.

These contracts include both quantitative (FR and SR) as well as qualitative criteria, on the topics of our management rules that include specific targets to increase prevention and the Health and Safety culture. They insist on rolling out "Fair Culture" throughout the Company, on Health and Safety Management training, oversight of major risks (with consideration of each entity's specific situation) and certain operational methods and risk management methods, and of course include actions regarding employee health. At the end of 2019, this operational subsidiaries system was supplemented by Health and Safety objectives set for each of the headquarters' functional departments, so each contributes to the project in their area (innovation, knowledge management, compensation & benefits, purchasing, investments, etc.)

At SUEZ, we want to place Health and Safety along with workplace well-being at the heart of what we do and who we are as a company. That is why, when the Shaping SUEZ 2030 plan was created, the Health and Safety network partnered with managers, employees and social partners to analyze and formalize a new Roadmap for 2020-2023, along with a course for 2030. This Health and Safety Roadmap will be an extension of the 2017-2021 Roadmap. The 2020 objectives contracts have been amended accordingly, as have the underlying actions of SUEZ's Health and Safety team.

AUDIT MEASURES AND PROACTIVE INDICATORS

Each subsidiary implements its own system to verify and audit if its actions are effective and compliant, whether it is specifically certified in Health and Safety or not. For instance, in France, the main Recycling and Recovery BU sites underwent an assessment using a 100-question matrix focusing on health, safety, environment and industrial risks. More than 800 sites were assessed in 2018 and 2019. The pace was maintained but reduced in 2020 due to travel restrictions, with more than 200 sites reviewed in 2020.

The Health and Safety Department's audit program helps assess the level of maturity of the Health and Safety Management system and the level of control of Major Risks within the subsidiaries. These audits are based on a Group reference framework that has been established gradually over the course of some ten years' continuous effort. This reference framework applies when local regulations do not exist or fall short of the Group's standards. The results of these audits show an increase in management leadership relating to Health and Safety, a more competent Health and Safety sector, a more clear-cut definition of roles and responsibilities, improved skills on managing major risks and more employee representative involvement.

In 2020 the audit schedule was impacted following travel restrictions due to Covid-19. Two Health and Safety audits of the central team were conducted in the field in 2020 (*versus* 11 in 2019). Nevertheless, all the entities included in the 2020 audit plan, i.e. six additional subsidiaries, conducted a self-assessment in relation to the Group's reference framework, which was then shared with the central team and will be used for the field audit postponed to 2021.

It should be noted that these audits also make it possible to assess the progress of the action plans drafted subsequent to the Group's principal fatal accidents. This was the case for three of the four fatal accidents in 2018 and one in 2019.

Lastly, in 2018, the Health and Safety Department set up proactive performance indicators on top of existing reactive audits and indicators (frequency rate, FR and severity rate, SR) to assess the subsidiaries' level of maturity with regard to their safety culture, and in particular, experience acquired from analyzing accidents and near accidents, and especially events with high potential severity. These undergo an in-depth debriefing, discussions on best practices as well as managers' visible engagement through management safety visits. In 2020, more than 995 high-potential incidents or HIPOs were reported and analyzed, and more than 30,000 near-accidents or dangerous situations were reported by employees, due to the established climate of trust.

15.1.5.2 Major initiatives

ROLLING OUT A FAIR AND INCLUSIVE CULTURE WITH HIGH-QUALITY SOCIAL DIALOGUE

One of the priority focus areas is implementing a "Fair Culture" for all of our business activities around the world. Launched in 2015, the Group's "Fair Culture" policy and its three pillars (recognizing and sharing best practices, reporting "near accidents" and dangerous situations, and applying customized disciplinary measures when rules and procedures are not followed), underwent a self-assessment within each of our entities at the end of 2016. 2020 was the fourth year that actions to develop all three pillars and build a true "fair and balanced safety culture" were implemented across the Group, which must be done long-term. In 2019 and 2020, most Business Units rolled out surveys to employees and managers to establish their expectations as well as how well our Fair Culture policy has been implemented. Their perception of the policy demonstrates the progress the policy has made. Additionally, the Health and Safety Department is working with all entities on reporting near-accidents and HIPOs with the goal of implementing corrective and proactive actions, and preventing serious or fatal accidents.

These surveys help motivate everyone. To help the Group's safety culture take root, the Group organizes an international Health and Safety week. Throughout the month of April 2019, several important themes were addressed: Vigiminute, a procedure asking employees to take a step back before jumping into a situation, the ability to stop interventions, management visits and the HIPOs. In 2020, with the international week taking place during lockdown, face-to-face discussions were replaced by webinars.

A sweeping management training and mobilization plan has been rolled out in the area of risk prevention, in particular *via* regular Health and Safety Management (HSM) visits covering all sites, following up on corrective actions identified, sharing HIPOs and monitoring proactive indicators. Conducting these Health and Safety Management visits falls in line with the Group's "Fair Culture" mindset. Over 2020, 3,000 HSM visits were conducted, most of which were in the field, though due to the health situation, some were carried out remotely using digital tools.

Social partners are heavily involved and have been driving forces in the Health and Safety area, be they in the field at subsidiaries, at the headquarters of local bodies, as well as within Group bodies (France Group Works Council and European Works Council). There is also a European Task Force dedicated to Health and Safety from the European Works Council, which meets twice a year. In 2020, in addition to discussions on the Roadmap, results, fatal accidents and best practices, the working group contributed to the roll-out of Covid-19 measures then to feedback regarding crisis management.

Additionally, concrete actions such as actions to prevent road-related risks and the additional equipment required for waste collection, or the management of psychosocial risks, were specifically discussed.

Locally, interviews of union representatives from international entities such as Lydec in Morocco or SEAAL in Algeria are emphasizing how much they appreciate this policy: "employee working conditions have improved thanks to the dialogue. I'd like to mention the Health and Safety policy especially, which is a major challenge, but we have made a great deal of progress on it". In fact, on the Lydec contract in Casablanca, accidents with sick leave fell from 220 per year to 20 per year on average after 10 years of contract, and to 1 to 2 per year today!

Discussions on safety took place with field agents, as well as with customers, and particularly manufacturers, which have high expectations when the Group works within their sites. The Group shares best practices with each other on a regular basis, either in the field or at headquarters. In particular, measures and challenges relating to Covid-19 were shared with customers and subcontractors. Finally, in 2020, a SUEZ Onboarding Health and Safety film to promote the values and expectations of SUEZ Health & Safety was created, with one version for employees, one for visitors, and one for subcontractors. Widespread roll-out is scheduled in 2021 on each industrial site, and in employee induction programs.

COVID-19 CRISIS MANAGEMENT

As an essential services operator, SUEZ's management of the Covid-19 crisis had two objectives: to protect employees, and ensure continuity of water and waste public services.

As a result, operations were not halted in all countries, even during the first lockdown: 60% of employees remained mobilized in the field, 25% switched to remote working, and the others were either on sick leave (illness, fragile staff, childcare) or furloughed, particularly those operating on industrial customer sites or closed sites. For operations, Business Continuity Plans (BCPs) were rolled out to maintain only those tasks and staff critical to the department by implementing rotas. In order to work safely, new risk analyses of activities and workstations were conducted, along with the adaptation of working methods, and the reinforcement of Personal Protective Equipment.

The experience of the crisis in China meant that teams in other countries could plan in advance, and SUEZ already possessed tried-and-tested crisis management tools. A Group-wide crisis unit was set up at the end of January to request BCP updates, and on February 27, during an initial webinar, the teams in China explained the measures rolled out. The central crisis unit, headed by the COO and coordinated by the Health and Safety Director, operated in "hub and spoke" mode with 27 other crisis units in entities, and supported by businesses.

As regards the management of masks, the Group set up a global taskforce to manage supplies from China and South America, compliance analyses with the support of Apave and the dispatch, while facing government requisitions, customs checks, and flight reductions. A genuine mobilization and sense of solidarity between countries was noted within the Group to ensure masks were quickly available everywhere, with visibility.

Internationally, expatriates were kept in post to provide services that were more vital than ever around the world. Arrangements were put in place to help them remotely, given that our technical assistance missions were suspended, and to provide repatriation solutions should they fall ill, especially in those countries with more fragile medical infrastructures.

The widespread roll-out of remote working was extremely well supported. Employees were trained to use digital tools, while the HR and Security departments urgently drafted a guide to remote working during the Covid-19 period, with recommendations on home workstation ergonomics and on achieving a healthy work/life balance.

Priority was given to employee support, with strengthened internal and managerial communication. Managers had access to e-learning courses on managing remotely, stress management, and concerns for team well-being, in order to retain a benevolent managerial style, and to continue to give meaning to teams. The crisis allowed managers to provide exemplary support, more flexibility, and an acceleration of digital technology.

Provision of a psychological helpdesk, already present in many countries, was expanded to reach more than 80% coverage. The main concern was to protect those employees most at risk of Covid-19: over 2,500 people in the field were protected and exempted.

SUEZ adopted a continuously anticipative approach, with protective measures for employees. Health and Safety messages were strengthened for teams in the field. In mid-April, a cross-border working group was set up to prepare for the period following lockdown and to structure the crisis exit procedures. The purpose was to provide Health and Safety recommendations for new health paths, and to draft Business Resumption Plans. Multi-barrier systems were defined in close collaboration with social partners through weekly meetings with the Human Resources Department and the Health and Safety Director. In France, occupational physicians, to whom SUEZ presented the post-lockdown plan for its head office, praised the quality of work and preventive measures. Significant resources were rolled out (supply of two masks per day, four if using public transport, adjusted schedules, temperature measurements, PCR and antigen test campaigns). The return of remote workers to offices was deliberately very gradual (less than 20% in the first month, then 30% from mid-June onwards), on a voluntary basis, so as to take personal circumstances into account (childcare, transportation).

SUEZ has shared its Covid-19 best practices with its customers, to help them plan ahead. Two webinars were organized in April by the Agro-Paris Tech Chair with 36 countries, in 2 languages.

A feedback after the first phase of the crisis was conducted by the Audit Department in June-July. All crisis units were interviewed, along with support services, the Management Committee, and the main social partners.

An employee survey was conducted to find out how they felt: nearly 80% were satisfied with SUEZ's support during the crisis and, most importantly, very few (6%) expressed a negative opinion. This was borne out in verbatim statements: *"SUEZ rose admirably to the challenge of the crisis. Everything was done to ensure that everyone could continue their activities without taking health risks."* or *"The measures implemented in our offices are exemplary compared to other companies"*.

This survey also showed SUEZ employees' pride to be part of a company providing essential services, something that was even more visible during this crisis period.

To strengthen the sharing of crisis management across entities, and to maintain an interoperable organization, it was decided, for example, to build a network of "Crisis Process Owners", launched October 15. The purpose of this network is to strengthen each country's preparations for all types of crisis scenario, with more homogeneous processes and trained teams. Following the Covid-19 crisis, the Group's continuity plan template was upgraded to take account of feedback, and a "best crisis management practices" book was drafted.

CONTROLLING MAJOR SAFETY RISKS

Preventing serious and fatal accidents requires adhering to the "Rules that Save Lives", managing and controlling our major risks, and learning from all the dangerous events and situations reported from the field. Today, "Rules that Save Lives" apply both to our employees and to subcontractors working on our sites or on customers' sites. These ten rules implemented in both the Water and Recycling and Recovery businesses in 2013 stem from the analysis of serious and fatal accidents that the Group has experienced over the past ten years. A major effort to raise our staff's commitment is serving as an impetus for managers and operators in all countries in which the Group operates to strictly adhere to the ten "Rules that Save Lives". The Group also includes its subcontractors and partners in this process. This component forms part of every new entity's plan or contract won, and has been rolled out efficiently at WTS since 2018, and for the new lease contract in Senegal that started in 2020. In 2019, 14,120 participations of WTS employees in "Life Saving Rules Commitment meetings" took place to guarantee that these rules are adopted locally, supplemented by 24,000 participations in 2020 to complete all the rules.

In 2016, the Group developed a new approach to major risk oversight with a "Zero serious and fatal accident" ambition. The work began with pedestrian-vehicle collision risk at our sites, and concerns all the Group's business activities across the world. The first course of action is to indicate and organize access to "Restricted Access Areas" (ZARs) on our sites. These ZARs are areas on the sites that have a proven higher risk for pedestrians due to a constant or near-constant presence of moving vehicles. A set of technical, organizational and human measures are now taken to strictly control access to these areas to make them safer. The ZAR initiative resulted in an audit being launched for all the Group's Recycling & Recovery activities in 2018, and then a follow-up audit was launched in 2019. Lastly, in accordance with the commitments in the Sustainable Development Roadmap established at Group level, a monitoring indicator has been established for the zones placed under supervision. We have come a long way: out of more than 1,500 priority ZARs listed within the Group, 82% now have technical, organizational and human measures put in place at the end of 2020.

All subsidiaries in the Recycling & Recovery sector were also asked to focus on the risk of pedestrian-vehicle collisions outside our sites, and subsidiaries in the water sector were asked to improve working at heights and the two businesses were asked to work on the issue of lockouts/shut-offs (for electrical, mechanical, pneumatic and hydraulic systems, etc.), by sharing best practices.

In addition, the attention paid to the quality of trench shoring remains a major concern with regard to our subcontractors, especially in countries where local on-the-job safety requirements are not as stringent as the Group's rules. On water treatment sites, we will continue to rigorously monitor the gaseous chlorine risk to employees and persons living in the vicinity of our plants.

Serious accidents remain primarily collisions between collection trucks and pedestrians (third parties). Managing this collision risk remains our priority in 2019 and 2020 with a focus on human and organizational factors in collection operations, road safety training for truck drivers, installing digital tools to help our drivers better manage road risks and avoid fatal accidents, and reinforcing the PPE of waste collection agents. In 2020, feedback from all the approaches rolled out in Europe was used to select the best smart sensors to improve detection and visibility in shaded areas, and to define the equipment requirements for the entire fleet over three years. The instructions were given in October and the equipment represents a budget of some EUR 7 million. The scope of the Virtual Reality training business modules is widening: after the module on electrical lockout created in 2017, driving waste collection vehicles and attitudes to adopt within the ZARS in 2018, two additional modules were created: one on pre-departure inspection of a household waste collection truck, and another on risk hunting to identify our Ten Rules that Save Lives, open to all.

Also of note in 2020, following the explosion of a compressed gas cylinder that caused a triple fatal accident in India in 2019, the Group established and shared with all entities a new standard for compressed gas management (purchasing, transport, handling, storage, etc.). Subsidiaries instigated a supplier quality review and started a self-assessment procedure in terms of site compliance with the standard, so as to take corrective actions in 2021.

For the Group, an integrated safety culture that controls risks well is based on three pillars: human and organizational factors, the technical aspect of safety, and safety management systems. The technical aspect and safety management systems are integrated into the business areas and comply with the 15 management rules. The subsidiaries reviewed their management in the context of their gradual shift from OHSAS 18001 to ISO 45001 certification. The percentage of employees covered by a dedicated safety certification continues to grow. Outside France, SUEZ is continuing to increase cover for employees (57% at the end of 2020).

Note also that as part of our increased work on road-related risk, two entities (Middle East and Recycling & Recovery Morocco) have achieved ISO 39001 certification, dedicated to road risks, for their business activities in 2019 and 2020 respectively. These measures made significant progress on the three pillars on road-related risk. The Group therefore created an audit matrix based on this standard and our internal reference framework, and a first entity (R&R Belgium) was audited at the end of 2019.

STRONGER HEALTH AND QUALITY OF LIFE IN THE WORKPLACE MEASURES

The Group applies this same approach to controlling its health risks. In 2016 and 2017, the subsidiaries conducted a comprehensive review of preventative and protective measures for their major health risks. This ambitious work identified areas for improvement that then enabled the Health and Safety Department to review Group requirements in this area and make them more stringent. In 2018, the subsidiaries' mission was to start to implement effective management and control systems for their priority health risks. Half of the subsidiaries (Africa, the Middle East, Asia, Belgium and the WTS business unit, etc.) focused on chemical risks with training, protection or substitution of the most hazardous products. Other topics were covered, such as preventing musculoskeletal disorders (MSDs), and putting together a process to prevent and control psychoactive risks (drugs and alcohol). At R&R France, Internal Regulations have been changed to enhance systematic checks. The company defined operational methods and testers were standardized: more than 2,600 employees were tested in 2019, rising to over 5,400 employees in 2020. In addition, more than 1,000 temporary workers or subcontractors were also tested. New waste collection trucks are equipped with breathalyzers to be used prior to starting the ignition. Concerning MSDs, Water France has chosen to focus on the handling of water network structures, creating by the end of 2020, 60 training platforms and courses for employees to enhance both gestures and positions. All entities also coordinated their actions around biological risk in view of the Covid-19 crisis. At the end of 2020, priority action plans that were audited as part of the Health and Safety objectives contracts have made good progress, and the subsidiaries should continue their initiatives on new Health risks.

In 2020, a Health maturity grid was drafted for the purpose of dialogue and self-assessment by the Health and Safety, HR and occupational medicine departments (when carried out in-house), so as to tailor actions. As such, an overall view of health risks by homogenized typology and by maturity of the various countries and branches, on a scale of one to five, is currently subject to consolidation at Group level.

In France, SUEZ continued a national cardiovascular risk screening campaign throughout 2019. This initiative, rolled out first in the Paris area in 2018 with the participation of volunteer employees, aims to encourage well-being, promote healthy lifestyles and spread innovative health measures within the Company. At the end of 2020, 2,200 employees participated, and the initiative is set to continue in 2021. In 2020, flu vaccination campaigns were rolled out across all Group countries in connection with the Covid-19 crisis. Access to antigen, PCR and serological tests was also facilitated in connection with Covid-19, on a voluntary basis, while respecting confidentiality and organization by health experts.

In 2019, SUEZ finished harmonizing health mutual funds for all French employees. It includes most of the best coverage from the current plans and has additional benefits, including: new hospital coverage fully paid for by SUEZ, funeral coverage fully paid for by the employer, the possibility to pay for additional coverage for a few more euros, which covers specialist fee surcharges, and lastly integrated social action is optional to all the companies in the plan so that exceptional assistance can be provided to employees and their families if they experience financial hardship. This approach won RH&M's 2019 Compensation & Benefits award. In 2020, new associated services were put in place. For instance, the Deuxièmeavis.fr (second advice) service, which saw the launch of a dedicated communication campaign in late 2020, allows employees to quickly access a high level of medical expertise in the event of a major medical decision to be made, without the need to travel.

In 2020 psychological hotlines continued to be set up in various countries (Asia, India, South America) to complement those already in place. In France, new services were set up with a coaching line dedicated to managers, to help them manage all types of complex or conflict situation, specific psychological support for sick leave or long-term inability to work, and post-traumatic intervention with teams in the event of serious accidents.

In 2020, subsequent to the handful of Covid-19 deaths among employees, an in-depth analysis of insurance cover for families in different countries was conducted. The Group confirmed that an indemnity would be paid for any type of death (including Covid-19), even for those countries not covered by a life insurance plan.

Following the engagement survey in 2018, numerous initiatives were taken to make progress on various aspects contributing to employee well-being, and particularly in teams where the results were the lowest: improving working conditions (such as designing breakrooms, improving air conditioning in some buildings and vehicles, etc.), recognizing employees for their commitment to Health and Safety, organizing work socials and strengthening social relationships, improving provisions for work-life balance (flexible working hours, increasing digital tools for working remotely and collaborating, etc.), raising awareness about stress management among 1,500 managers during Health and Safety training, and continuing training on de-escalation techniques. SUEZ rolled out other cross-entity measures in 2019 and 2020, such as holding enhanced ethics and inter-cultural training (to make it easier to discuss things and understand one another), rolling out the HRIS to improve employee visibility and enhance annual performance reviews and the People Reviews process, launching the large anti-sexism campaign and the major communication on strategy during the Shaping SUEZ 2030 project to make it meaningful and visible: all these factors are contributing to SUEZ's approach to well-being at work.

In France, the main event impacting the quality of life in the workplace was the signing in November 2020 of a Group agreement on the implementation of remote working for all entities in France. This agreement generalizes and perpetuates remote working beyond the Covid-19 crisis, helping to enhance the quality of professional life. From January 2021, each employee in France who can work from home will be able to do so for an average of two days per week on a voluntary basis.

The Covid-19 crisis was the ideal time to accelerate work on mental health, and to strengthen support in this time of uncertainty, fear and isolation for some. In England, there have been many actions: over 30 weekly webinars were rolled out, along with videos and guides on well-being and resilience. A "mental health" training program reached more than 400 employees and will be rolled out to an additional 1,500 in 2021. An innovative approach was implemented for the 300 employees furloughed due to Covid-19 with regular discussions, and dedicated training to retain cohesion.

The results and best practices of France, Spain and England, where regulations support well-being and more thorough psychosocial risk management measures, were shared with all Group entities *via* webinar at the end of 2019. Some countries, like India and Brazil, started to adapt and roll out the Group's best practices in this area, regardless of non-existent local regulations, and sped up their roll-out in 2020. India, for instance, received an Award from the SUEZ Training Academy for its "Remote Wellness Program": with 51 programs, rolled out during Covid-19, open to employees and their families. 73% of employees took part, describing this approach as "innovative" (85%) and "engaging" (98%).

As such, 2020 saw a strengthening of the sharing of best practices with numerous webinars, both to provide managers with the tools to manage differently during remote working, to detect faint signals of ill-being while working from home, and to give the floor to employees post-lockdown through four discussion workshops. At the end of 2020, the design of a training program on well-being in the workplace and psychosocial risks was launched for worldwide roll-out over three years, starting in March 2021, with practical exercises tailored to our circumstances.

Lastly, the SUEZ Group again organized a World Health Day on September 29, 2020 on the theme "How to manage my health capital in order to effectively resist pandemics". Four different workshops were organized (heart, breathing, diabetes and excess weight), related to Covid-19 vulnerabilities.

MANAGEMENT OF SUBCONTRACTORS AND TEMPORARY WORKERS

Health and Safety requirements and support concern subcontractors and temporary workers. Our procurement procedures require their selection, orientation, support and assessment with strict Health and Safety criteria. In 2019, in line with the Group's vigilance plan, the Group made significant efforts mapping subcontractors to assess the most at-risk subcontractors according to country and business, and prioritizing our actions. Regular meetings take place so we can all improve. In 2020, coordinated action between the Purchasing and Health & Safety departments was stepped up in order to meet major subcontractors in the various fields, in addition to the initiatives already established to strengthen Health & Safety progress *via* more strategic exchanges.

As part of our construction operations, SUEZ pays very close attention to who we choose for local and international partners and/or subcontractors, by ensuring:

- their qualifications/certifications if they are not already in SUEZ's list of partners/subcontractors, based on criteria defined and reviewed regularly;
- they are supervised throughout the project to verify they comply with local regulations as well as SUEZ's rules and standards. This supervision is performed by Health and Safety teams *via* regular worksite visits or audit programs; it can also be carried out by the "Treatment & Infrastructure" team's Center for Construction Expertise, or by any person in the Group, as SUEZ employees are regularly trained and made aware of specific risks. At SUEZ, "We care about safety everywhere, all the time, with and for everyone";
- an overall service assessment is conducted at the end of a construction project to determine the general level of service in terms of Health and Safety, to be able to take advantage of feedback and share it with subcontractors so they can make Health and Safety improvements;
- beyond monitoring premises and worksites, additional attention is given to employees of subcontractors that live in large-scale site accommodation next to worksites (particularly in Africa, India and the Middle East) and living conditions are monitored at these sites. An audit matrix of such site accommodation has been created and rolled out since 2018, with each subject to monitoring by Health and Safety, Human Resources, Purchasing and operations teams. The improvements were significant, and particular attention was paid to Covid-19 issues in 2020.

In the Water France Business Unit, training for managers and buyers in how to manage third-party companies' Health and Safety practices was rolled out in 2018 and 2019 with nearly 600 people trained. A recertification process for subcontractors working on the networks was initiated in 2019 and continued in 2020 with initial results showing a 30% reduction in the pool of subcontractors, due to stricter business and Health and Safety requirements. Certain companies went through a specific support process.

In Poland, meetings are organized with the main subcontractors to both transmit the SUEZ Health and Safety requirements, and to obtain a complete picture of our service providers. The entity also conducted audits as well as safety role-playing visits on its sites. A standard for managing external companies has been written and communicated to subcontractors.

At Lydec, in Morocco, our very high level of maturity with regard to subcontractor management was recognized by the Moroccan Minister of Labor with an award for being a responsible company committed to promoting a culture of prevention in Morocco on April 13, 2019, during the International Preventica trade show. The energy with which SUEZ encourages subcontractors and citizens was noted by this recognition. The year 2019 was dedicated to overhauling the reference framework for assessing subcontractors, to better take into account duty of vigilance requirements with stricter verification of employment, Health and Safety obligations of service providers as well as requirements related to anti- corruption and prevention measures, which Lydec was certified for under ISO 37001 in December 2018. In 2020, this assessment campaign was repeated with a larger sample. Lydec also began a process to support its main subcontractors and partners on the principles of Fair Culture, to help bring about an in-depth transformation in terms of culture.

Regarding temporary workers, 2019 was characterized by the finalization of the call for tenders aiming to obtain a global offer with more limited partners selected specifically by taking account of our Health and Safety requirements. The Group is now able to regularly and precisely monitor frequency and severity rates of temporary staff achieved, and therefore progress, in the various countries where SUEZ operates, in a more consistent way. Temporary Staffing Company Health and Safety networks are at our disposal to locally support the Business Units in analyzing risks and improving their areas deemed critical.

TRAINING OF OPERATIONAL PERSONNEL & PROFESSIONALIZING THE HEALTH AND SAFETY FUNCTION

In 2020, 43.0% of the total number of training hours were dedicated to Quality, Safety and Environment (QSE). This rate is stable, after a big jump in 2019.

The objective of training all managers in "Health and Safety Leadership" has been achieved. More than 1,350 managers were trained, of which 320 in 2019 and 66 in 2020. This maturity enabled SUEZ to update a new training cycle by offering managers who had not received training in three years an updated e-Learning course covering various concepts. Nearly 200 managers took this module in 2019, and 216 in 2020. A course is also set up for field management in France and abroad. This training equips managers with approaches and tools to more effectively implement the Group's Health and Safety policy. The Health and Safety Academy, created at the end of 2017, has been managing the roll-out of these training sessions.

In order to take account of serious accidents related to violations of the rules, and in particular of our rules that save lives, the Group has worked more since 2018 on human and organizational factors and has continued its efforts in 2019 to better integrate these concepts into the core of its activities. New innovative and strategic training sessions were released in 2018 and 2019. At SUEZ, there is the "Leadership Influence" training in the Health and Safety field, the Virtual Reality training sessions, as well as the COOC digital training (interactive apprenticeship) on Human and Organizational Factors and Safety Culture. Major roll-out of this course, developed in late 2018 with ICSI (Institute for an Industrial Safety Culture), has begun on a massive scale. The goal is to train the main managers and actors and, of course, the Health and Safety departments in less than three years. Nearly 430 people were trained in 2019, and the trend has been reinforced with 488 people trained in 2020. This process will continue in 2021.

In virtual reality, four key modules are now available (Identification of the Ten Rules that Save Lives, pre-departure inspection of a household waste collection truck, electrical lockout, and machine/pedestrian co-activity on site). New modules are currently in development. The framework agreement on standard equipment to be rolled out and maintained in all countries has been finalized and the roll-out and change management plan has been initiated. This is a major first step, and will gradually cover other businesses.

In addition to training, throughout 2019, SUEZ rolled out a process to define key expertise and make an inventory of the network to obtain a more comprehensive global mapping of experts or potential experts, and roll out development and sharing initiatives. The update will be launched in 2021. To increase sharing within the network, the Group's Health and Safety team creates tools: SharePoint or document repository, the Yammer group to share best practices and momentum, or organizing regular webinars on Health and Safety topics for the entire network (and for employees who want to participate).

MONITORING AND INNOVATION SYSTEM

SUEZ also wants to make progress in Health and Safety using exciting innovation, as new technologies can reduce risks and harsh working conditions. These innovations are local at the subsidiary level, or led in a more structured way in SUEZ's Centers for Research and Innovation. One of the six categories of the SUEZ "Innovation Awards" concerns more specifically the attention paid to people (employees, customers, citizens) as well as Health and Safety challenges.

For instance, at LYRE (the SUEZ Center for Research and Innovation in Bordeaux, France), robotics, cobotics, exoskeletons and online assistance solutions for operators *via* augmented reality are being studied, as they have very promising prospects in enhancing intervention conditions and worker protection. Thus in 2020, many complex interventions could be performed *via* remote assistance in augmented reality.

The corporate innovation team continues to source start-ups and SMEs specializing in these ever-evolving technologies through Open Innovation ecosystems. One example of this in 2020 was the Station F FOCUS program in collaboration with Arts et Métiers, which identified different technologies to be tested in 2021.

CIRSEE (SUEZ's International Environmental and Water Research Center) located in Le Pecq-Croissy hosts an Environment and Health Department that conducts scientific monitoring on how health risks can affect all of SUEZ's businesses and their impact on employees, local residents or consumers. The center conducts studies and research to help anticipate, assess and control risks. This Environment & Health Department relies on two bodies to define its work priorities:

- a "Health Environment" steering committee consisting of internal experts and the relevant SUEZ Departments (Technical Departments, Health and Safety, Industrial Risks, Research and Innovation);
- a scientific committee comprising external experts from around the world meeting once a year in Cannes for an international "Water and Health" seminar, during which they award the SUEZ "Water and Health" prize to a young researcher.

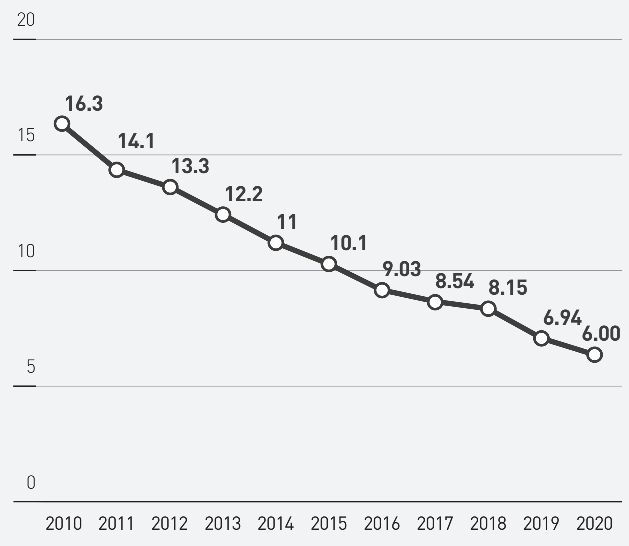
Research work has been conducted on assessing and managing risks related to Sars-CoV-2 in wastewater and sewage sludge, and dust, particles and bioaerosols (bacterial endotoxins, molds, and mycotoxins) in waste management operations. The results were highlighted at conferences and in peer-reviewed international scientific journals (*Waste Management*, *Détritus Journal*, *International Journal of Hygiene and Environmental Health*, etc.) to share with the entire industry and with the scientific community.

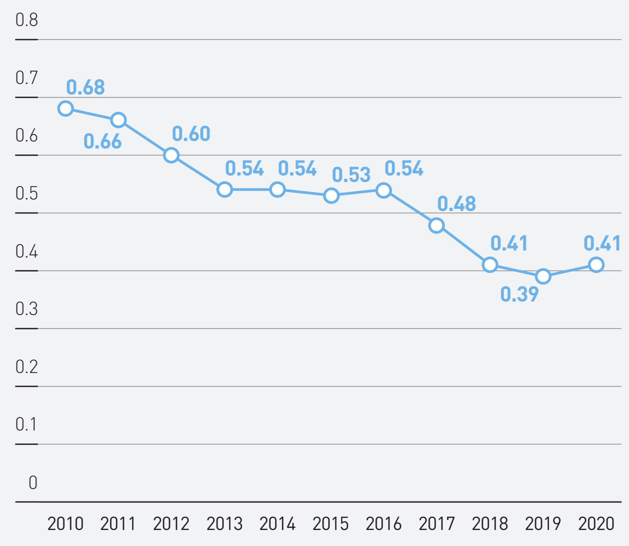
Note that SUEZ is represented within the AFNOR standards commission "Workplace atmosphere – Assessment of exposure to chemical and biological agents at the workplace – X43 C" and its group of "Bioaerosol" experts, as well as on the Board of Directors and in the policy committees of the French Agency for Food, Environmental and Occupational Health and Safety (ANSES).

15.1.5.3 Results

Since 2010, Frequency Rates for accidents with sick leave continue to drop, falling by 60% in 10 years. In 2020, the trend continued, with a near 13% reduction giving a FR of 6.00, corresponding to nearly 180 fewer accidents with sick leave. This fall concerns both businesses (15% for the Water businesses and 10.5% for the Recycling & Recovery businesses).

The Severity Rate, which has also fallen steadily in recent years, increased slightly, by 5%, in 2020. It was impacted by a lower base of hours worked (impact of Covid-19 lockdowns and associated furloughs) to cushion the blow of previous sick leave days due to accident, as well as greater difficulty in managing modified workstations, or resumptions within the usual deadlines, in conjunction with occupational medicine, during the Covid-19 period.





This improvement has continued, placing SUEZ Group among the highest performing companies in its industry in terms of Health and Safety today, according to benchmarks. At the end of 2019, ANSES for instance, published a report indicating 59 work-related accidents per 1,000 people in the waste industry and 33.8 accidents per 1,000 people, all sectors combined. At SUEZ France, in 2020, it was 22 accidents per 1,000 employees.

The frequency rate for subcontractors in the construction & infrastructure activity, a sector identified as particularly at risk, especially in our international sites (Sri Lanka, Bangladesh, Africa…) was 2.96 in 2019 and is 2.50 in 2020.

In 2020, there were three work-related fatalities among all persons working for the Group (employees, temporary workers, interns and part-time learning students): one employee in Poland in a car accident caused by a third party and two municipal waste collection employees who fell from their vehicles (one in Poland and one in the Czech Republic). It should also be noted that a subcontractor's employee died on a building site in Senegal during a lifting operation.

In terms of health, the number of new occupational health cases was 42 in 2020, *versus* 99 in 2019, and 79 in 2018.

15.2 Social information

15.2.1 Breakdown of employees

At the end of December 2020, the workforce of the Group totaled 86,195 employees. Compared with the end of 2019, the number of employees fell by 3,157 (-3.5%), due to the following:

- -1.6% due to changes in the scope of consolidation (-1,403 employees), mainly related to the disposal of Recycling and Recovery activities in Sweden (1,066 employees) and the Group's holding in Empresa de Servicios Sanitarios de Los Lagos S.A. ("ESSAL") in Chile (450 employees);
- -1.9% related to organic shrinkage (-1,754 employees), primarily due to contracts (specifically the waste management contract in Oujda, Morocco, concerning 453 employees) along with measures to adjust the workforce to the decline in business caused by the Covid-19 health crisis.

Breakdown of employees by geographical area

	2018 Number	2019 Number	2020 Number	2020 %
France (metropolitan and overseas territories)	30,842	30,114	29,428	34.1%
Europe (excluding France)	30,096	30,968	30,029	34.8%
North America	7,918	8,319	7,714	8.9%
South America	4,543	4,708	4,135	4.9%
Africa/Middle East	7,639	6,759	6,185	7.2%
Asia-Pacific	7,737	8,484	8,704	10.1%
Total XXX [(a)]	**88,775**	**89,352**	**86,195**	**100.0%**

(a) See meaning of (XXX) in section 15.2.6: "Methodological factors in the 2020 Social Report".

Breakdown of employees by professional category

	2018 Number	2019 Number	2020 Number	2020 %
Executives (XXX) [(a)]	16,805	17,615	17,217	20.0%
Senior technicians and supervisors (XXX) [(a)]	19,783	20,215	19,652	22.8%
Manual and non-manual workers and technicians (XXX) [(a)]	52,187	51,522	49,326	57.2%
Total	**88,775**	**89,352**	**86,195**	**100.0%**

(a) See meaning of (XXX) in section 15.2.6: "Methodological factors in the 2020 Social Report".

The proportion of managers continues to grow, reaching 20.0%, compared to 19.7% at the end of 2019.

The 29,428 employees in France can be broken down as follows: 6,154 executives (20.9%), 5,852 senior technicians and supervisors (19.9%), and 17,422 manual and non-manual workers and technicians (59.2%).

Breakdown of employees by gender

	2018	2019	2020
Proportion of women in total workforce (XXX) [(a)]	21.8%	22.2%	22.3%
Proportion of women in management (XXX) [(a)]	27.6%	28.2%	28.9%
Proportion of women in management excluding WTS (XXX) [(a)]	29.4%	29.7%	30.3%

(a) See meaning of (XXX) in section 15.2.6: "Methodological factors in the 2020 Social Report".

Within the total workforce, the percentage of women stood at 22.3% at the end of 2020, *versus* 22.2% at the end of 2019.

The percentage of women among managers rose to 28.9% at the end of 2020, *versus* 28.2% at the end of 2019. Excluding the impact from the acquisition of GE Water, the proportion of women executives reached 30.3%, marking an increase of the same order of magnitude compared to the end of 2019.

In France, the proportion of women reached 24.5% of the overall workforce and 34.3% among management. In 2019, these proportions were 24.5% and 34.0%, respectively.

Breakdown of employees by contract type

	2018	2019	2020
Permanent contracts	91.6%	91.4%	91.6%
Fixed-term contracts	6.3%	6.7%	6.7%
Part-time learning and social insertion contracts	2.1%	1.9%	1.7%

The proportion of employees with permanent contracts within the total workforce (91.6%) remained squarely in the majority.

Part-time learning contracts and social insertion contracts accounted for 1.7% of the workforce and break down as follows:

- 1.4% in line with part-time learning contracts (apprenticeships and professionalization contracts in France, and similar types of contracts in other countries, if they exist). These contracts concerned 1,230 employees at the end of December 2020;

- 0.3% in line with social insertion contracts through dedicated Recycling and Recovery France initiatives (primarily SUEZ R&R Rebond Insertion). They represented 295 employees at the end of December 2020.

In France, permanent contract employees total 27,552 (i.e. 93.6% of the total), fixed-term contract employees total 467 (1.6%), and employees in part-time learning and social insertion contracts total 1,409 (4.8%).

Breakdown of employees by age group (permanent employees only)

	2018	2019	2020
Under 25	2.4%	2.4%	2.3%
25-29 years	7.8%	7.6%	7.3%
30-34 years	11.8%	11.9%	11.6%
35-39 years	14.2%	14.0%	13.9%
40-44 years	14.6%	14.3%	14.3%
45-49 years	15.6%	15.4%	15.3%
50-54 years	15.2%	15.0%	15.2%
55-59 years	12.7%	13.1%	13.5%
60-64 years	4.7%	5.2%	5.5%
65 and over	1.0%	1.1%	1.1%

The average age of Group employees is 44.8 years old. The proportion of the workforce under the age of 30 is 9.6%, and employees aged 55 and over represent 20.1% of the workforce.

In France, the average age is 44.7 years old. The proportion of the workforce under the age of 30 is 9.0%, and employees aged 55 and over represent 18.6% of the workforce.

15.2.2 Employment and working conditions

Hiring

	2018	2019	2020
Number of external hires on permanent contracts	8,424	8,221	6,161
Number of external hires on fixed-term contracts	10,239	9,075	7,850
Hiring rate [a]	21.0%	19.5%	15.9%
Hiring rate for permanent contracts [b]	45.1%	47.5%	44.0%

(a) Hiring rate: number of hires under permanent and fixed-term contracts/average workforce.
(b) Hiring rate for permanent contracts: number of people hired under permanent contracts/number of people hired under permanent and fixed-term contracts.

The number of external hires on permanent contracts made in 2020 (6,161) declined by 25% (2,060 fewer new hires) compared to 2019. This shift is primarily due to the impact on business of the Covid-19 health crisis: after an almost stable first quarter (-2% *versus* 2019), the number of new hires plummeted over the 2nd and 3rd quarters (-45%) before bouncing back in the last quarter of 2020 (+9%).

These 6,161 new hires under permanent contracts break down as follows:

- by professional category: 1,155 executives (18.7%), 1,296 senior technicians and supervisors (21.0%), and 3,710 manual and non-manual workers and technicians (60.3%);
- by gender: 1,339 women (21.7%) and 4,822 men (78.3%). Among executives: 345 women (29.9%) and 810 men (70.1%);
- by age group: 736 employees under the age of 25 (11.9%) and 915 employees aged 50 and over (14.9%).

In France, the Group hired 4,565 new employees in 2020, of which 1,474 under permanent contracts and 1,814 under fixed-term contracts. The overall hiring rate was 11.1% and the hiring rate under permanent contracts was 32.3%.

Lastly, the Group also monitors the conversions from fixed-term contracts to permanent contracts. This year, 1,374 fixed-term contracts were converted into permanent contracts. Admittedly, this number is down on 2019 (-9%), but the fall is less marked than that seen among new external hires on permanent contracts (-33%).

Employee turnover

	2018	2019	2020
Number of layoffs	2,394	2,308	2,622
Number of resignations	4,242	4,450	3,708
Number of retirements	1,124	1,090	1,198
Turnover [a]	7.5%	7.6%	7.2%
Voluntary turnover [b] (XXX) [c]	4.8%	5.0%	4.2%

(a) Turnover: number of layoffs and resignations/average workforce.
(b) Voluntary turnover: number of resignations/average workforce.
(c) See meaning of (XXX) in section 15.2.6: "Methodological factors in the 2020 Social Report".

Compared to 2019, the global turnover rate fell to 7.2% in 2020.

In France, overall turnover was 5.0% and voluntary turnover was 2.5%. The figures were: 730 layoffs, 743 resignations and 418 retirements.

In the Group's database of indicators, contract terminations are counted as layoffs. In France, 38.9% of layoffs are, in reality, contract terminations.

Working hours

	2018	2019	2020
Average weekly number of hours worked per employee [a]	34.0	34.3	33.0
Overtime rate [b]	4.4%	4.5%	4.4%
Proportion of part-time workers among total workforce	4.4%	4.2%	4.1%

(a) On the basis of 52 weeks.
(b) Overtime rate: number of overtime hours/number of hours worked.

The total number of hours worked fell by 4.5% between 2019 and 2020, while the change in the average full-time equivalent (FTE) workforce was -0.6% over the same period.

The change in the average number of hours worked was impacted by the Covid-19 health crisis, and the fall in business recorded led to some entities resorting to short-time working. Overall, the number of hours of short-time working accounted for 1.1% of the hours worked in 2020.

In France, overtime represented 2.7% of the total number of hours worked, and part-time workers represented 3.5% of the workforce.

Absenteeism

	2018	2019	2020
Average number of days of absence/person	11.7	12.3	14.4
of which average number of days of sick leave (days/person)	*8.2*	*8.6*	*9.6*

Based on a theoretical eight-hour working day, average absenteeism per employee was 14.4 days in 2020. The Group generally believes that the absenteeism rate is not significant, because it comprises absences of all kinds, including suspended contracts. This rate is also dependent on the social systems and local situations (especially climate) in the countries where the Group operates.

A significant part of the change in absenteeism noted between 2019 and 2020 is due to the Covid-19 health crisis: in fact, during peaks in the epidemic, the proportion of sick leave due to Covid-19 was particularly high.

In France, the average length of absence per employee was 16.2 days, of which 11.1 days involved sick leave.

Employees with disabilities

	2018	2019	2020
Employees with disabilities as % of total workforce at end of period	1.8%	1.7%	1.8%
of which France	*3.1%*	*2.8%*	*3.0%*
of which Germany	*5.3%*	*5.1%*	*5.0%*

The number of disabled workers is a difficult indicator to track at the Group level, insofar as the notion of disabled worker is not clearly defined in every country in which the Group operates.

At the end of December 2020, the Group employed 1,532 disabled workers, 125 of whom had been hired that year. The majority (84.2%) of the disabled employees recorded work in France, Spain, Germany, the Czech Republic or the United States. These five countries, in which the Group's presence is significant, have had laws on hiring disabled persons for several years.

In France, a specific reporting system is used to measure the overall insertion rate. This rate is calculated by adding direct and indirect jobs. Indirect jobs include the number of invoiced contracts in the protected sector, under the terms defined in the mandatory disclosure on disability employment. It reached 3.6% for 2019 for direct jobs, purchases in the protected sector, hosting trainees. Taking into account the application of beneficiary units corresponding to reductions (efforts agreed to by the employer and for the ECAP), the rate reached 4.6% (compared to 4.4% in 2018).

Wages and salaries

(in thousands of euros)	2018	2019	2020
Gross payroll	3,331,263	3,507,300	3,438,805
Average gross compensation per employee (FTE)	38.5	40.5	39.9
Executives	76.6	79.4	76.7
Non-executives	29.7	31.0	30.7
Average rate of employer's contributions	33.5%	32.2%	31.6%

The change in average compensation is a result of impacts in the compensation policies as well as by the geographical change in the Group's employees (salary levels in absolute terms may differ significantly from one country to the next), from changes in exchange rates, from the breakdown by professional category, from the proportion of part-time employees, and from the "Noria" effect.

Temporary workers

	2018	2019	2020
Average temporary workforce (FTE)	6,887	8,826	6,785
As % of average contractual workforce expressed in full-time equivalents (FTE)	8.0%	10.2%	7.9%

In France, Group entities employed a total of 2,778 temporary workers, representing 9.7% of the average contractual workforce in FTE terms.

Workplace safety

	2018	2019	2020
Number of fatal accidents (employees excluding temporary workers and subcontractors) (XXX) [c]	4	2	3
Number of fatal accidents (temporary workers) (XXX) [c]	0	0	0
Frequency rate of workplace accidents [a] (XXX) [c]	8.15	6.94	6.00
Severity rate of workplace accidents [b] (XXX) [c]	0.41	0.39	0.41

(a) Frequency rate: number of accidents with sick leave x 1,000,000/number of hours worked.
(b) Severity rate: number of days of sick leave x 1,000/number of hours worked.
(c) See meaning of (XXX) in section 15.2.6: "Methodological factors in the Social Report". Note that the definition has been refined for 2019 but that the history is not affected.

The improvement noted in recent years in the Health and Safety key indicators has continued. The Frequency Rate (FR) fell 13%. The Severity Rate (SR) was impacted by the Covid-19 health crisis in 2020 because of the difficulty in rolling out adjusted workstations, vigilance on the part of physicians regarding a return to work, and lastly by a "mathematical" impact of a 4% drop in the basis for hours worked to cushion the blow of previous sick leave days.

The total gain in the FR and SR is the result of continuous efforts at our Water business (FR of 3.54 and SR of 0.17 at the end of 2020; FR of 4.14 and SR of 0.19 at the end of 2019) and our Recycling and Recovery business (FR of 9.19 and SR of 0.69 at the end of 2020; FR of 10.27 and SR of 0.62 at the end of 2019). Regarding occupational illnesses in the Group (excluding Australia where legislation does not define or require occupational illnesses to be tracked), the number of new known cases is 42 in 2020 (99 in 2019), 26 of which (80 in 2019) for Recycling and Recovery and 11 for Water (19 in 2019).

15.2.3 Training

	2018	2019	2020 [d]
Number of training hours *(in thousands)* **(XXX)** [a]	**1,556**	**1,623**	**1,157**
including number of hours of training via e-learning (in thousands)	*257*	*287*	*490*
Number of training hours per person trained *(h/pers.)*	**25.3**	**26.4**	**23.8**
Number of training hours per woman trained *(h/pers)*	24	26	23
Percentage of workforce trained (XXX) [a]	**69.3%**	**69.4%**	**55.1%**
Breakdown of workforce trained by gender			
Women	21.2%	21.1%	21.2%
Men	78.8%	78.9%	78.8%
Breakdown of workforce trained by category			
Executives	20.3%	19.3%	20.3%
TSM [b] + OET [c]	79.7%	80.7%	79.7%
Training expenditure per person trained *(euros/pers.)*	449	419	335
Breakdown of training hours by type of activity *(as a % of total hours excluding e-learning)*			
Business techniques	24.2%	20.0%	20.2%
Quality, environment, safety	41.4%	44.4%	43.0%
Languages	3.9%	4.1%	3.3%
Other	30.5%	18.0%	14.1%
Personal development		3.4%	4.9%
IT and office support system		3.5%	2.8%
Cross-entity and support functions		4.3%	2.7%
Digital and innovation		1.3%	8.4%
Project and contract management		1.0%	0.6%

(a) See meaning of (XXX) in section 15.2.6: "Methodological factors in the 2020 Social Report".
(b) Senior technicians and supervisors.
(c) Manual and non-manual workers and technicians.
(d) The data collected covers January 1, 2020 to December 31, 2020 for the entire Group.

In 2020, the health situation obliged the Group to cancel a large part of its face-to-face training sessions, for which the number of hours thus fell 50% compared to 2019. However, the significant development of digital training initiatives (from 287,000 hours in 2019 to 490,000 hours in 2020, i.e. +70%) made it possible to cushion the fall in the total number of training hours, which dropped from 1.62 million hours in 2019 to 1.16 million hours in 2020, i.e. -28%.

In this challenging climate, more than one in two employees (55.1%) received training in 2020.

The number of training hours *via* e-learning represented 42.3% of total training hours during the year (compared to 17.7% in 2019).

The distribution of workforce trained by gender and by category is close to the distribution of total headcount according to these same criteria.

Quality, environment and safety remains the primary training area, with 43% of training hours completed, followed by business techniques, accounting for 20.2%. It should also be noted that the "digital and innovation" theme accounted for 8.4% of the total number of training hours completed in 2020, up sharply on 2019 (1.3%).

In France, 45.2% of employees received training (62.8% in 2019). Training expenditure per person trained amounted to EUR 651 (EUR 770 in 2019) and the number of training hours per trained employee was 19.8 hours (24.7 hours in 2019).

15.2.4 Employee relations

	2018	2019	2020
Number of agreements with social partners	406	574	390
Proportion of workers with access to a representative body in their local legal entity	81%	86%	87%

The number of agreements signed decreased. The year over year variations can be explained by the pace of renewal of preexisting agreements which are not generally annual.

With regard to Health and Safety, the European agreement covers all the European entities. The first agreement transposed within SUEZ after setting up the European Works Council was signed in Barcelona on June 12, 2014. Outside of Europe, the Group applies the principles of the European agreement on Health and Safety to its HR policies. In the rest of the world, agreements on Health and Safety are included in the overall figure of the agreements signed with the social partners shown in the table.

Nearly 40% of agreements signed relate to compensation and social benefits.

15.2.5 Key indicators by geographical area

	France (metropolitan and overseas territories)	Europe (excluding France)	North America	South America	Africa/ Middle East	Asia/ Pacific	Total
Number of employees	29,428	30,029	7,714	4,135	6,185	8,704	86,195
Proportion of women in the total workforce *(%)*	24.5%	22.4%	20.9%	21.8%	9.9%	24.5%	22.3%
Proportion of executives in the total workforce *(%)*	20.9%	15.1%	29.9%	14.3%	16.5%	29.9%	20.0%
Proportion of permanent contracts *(%)*	93.6%	90.2%	95.2%	92.0%	94.9%	83.5%	91.6%
Average weekly number of hours worked/employee	28.5	32.0	37.8	39.1	39.4	39.6	33.0
Average number of days of absence/employee	16.2	19.0	7.3	10.9	5.1	7.0	14.4
Average number of days of sick leave/employee	11.1	13.0	4.4	7.4	2.8	3.2	9.6
Average gross compensation/FTE employee *(in thousands of euros)*	40.9	34.1	75.1	25.9	16.2	41.0	39.9
Percentage of workforce trained	45.2%	59.3%	75.3%	79.5%	46.8%	53.7%	55.1%
Hiring rate	11.1%	22.9%	13.2%	15.3%	8.7%	15.3%	15.9%
Turnover rate	5.0%	7.7%	11.7%	11.7%	3.7%	9.1%	7.2%

15.2.6 Methodological factors in the 2020 Social Report

Scope

The employment analyses carried out in this report correspond solely to fully consolidated (FC) entities, companies that SUEZ controls in terms of share capital and management. When a company is fully consolidated in the SUEZ Group's financial statements, 100% of its social data is included, regardless of the percentage of share capital held. Except as noted below, the reporting scope for 2020 showing coverage of the indicator in question as a percentage of Group workforce was nearly 100% for all indicators.

Tools and methods

Social reporting is based on:

- a network of some 200 individuals around the world who collect and monitor their own entities' indicators during each quarterly HR reporting campaign. Each quarter, the data from around 1,000 legal entities is collected and consolidated, grouped into 370 reporting packages and fed into the tool by the local Human Resources managers. This network is managed through quarterly meetings (physical meetings for correspondents at French entities and Skype meetings for international correspondents). These meetings provide an opportunity for top-down communication, for clarifying the definition of some indicators, sharing best practices and reviewing major points of concern. A collaborative space is also available to all correspondents;

- the "User Guide," which consolidates all definitions and procedures comprising the Group's common reference system, i.e. some 50 primary indicators with various collection criteria (age, gender, etc.) producing approximately 250 social indicators. This guide is available in French and English. It is distributed to all the contributors;
- SUEZ's financial consolidation software application which, based on a dedicated social indicators package, enables the collection, processing, and reporting of data entered by the local legal entities and subsidiaries of the Group. Each of these entities, including in the HR phase, is allocated the appropriate financial consolidation method: full consolidation (FC), proportional consolidation (PC), and equity method (EM). An e-learning module on HR reporting is available to contributors. This module allows new users to teach themselves how to navigate within the tool and acquire the social indicators requested (definitions, examples and hints). This training helps existing users to deepen their knowledge of the subject matter.

Consolidation and internal control

Once collected, the data is consolidated by the subsidiaries and the Group Human Resources Department (HRD), in accordance with clearly defined procedures and criteria. This data is controlled internally during the following stages:

- automated controls: the consolidation packages incorporate a certain number of automated controls that allow contributors to ensure the reliability of the information entered at the most detailed level. Contributors also have access to the comments sections, where they can explain significant changes or circumstances specific to their entity;
- checks at subsidiary level: the major subsidiaries carry out checks on the consistency of the data supplied by their entities;
- checks at Group HR level: the Group HR department carries out checks on the consistency of the data supplied by all entities. These checks consist specifically of analyzing changes in indicators over time. In the event of a significant change, the contributor in question is asked to provide a more in-depth analysis, which may result in a correction.

Methodology definitions and limits

We would like to highlight the following points in relation to the data published in this report:

- the breakdown of workforce by geographical area is in line with the reporting segments used in the Consolidated Financial Statements;
- given the deadlines, the data concerning training is not always finalized and might therefore be based on estimates;
- as regards training, while collecting training hours completed through e-learning is relatively easy in the entities, it is not always as easy to reconcile the number of trainees who received in-person training with the number of trainees who received e-learning training. The risk lies in overestimating the total number of trainees due to double-counting employees who have received training both in-person and *via* e-learning. Therefore, only two entities (SUEZ Spain and SUEZ Water Inc.) count "e-learning" trainees in their trained workforce, because their internal tracking systems enable them to avoid the risk of double-counting;
- note that the figures on occupational illness have been reported on a global basis since 2014. Nevertheless, the Group continues to improve the organization and quality of its reporting on this subject. In fact, the concept of employer recognition of occupational illness, which applies in France, is not found in most countries worldwide. As a result, there may be discrepancies in the way data on occupational illnesses is calculated owing to differences in local practices and regulations;
- the definition and scope of fatal accidents taken into account has been refined with the Statutory Auditors, as part of the 2019 review. As a result, fatal accidents accounted for are linked to SUEZ's businesses, excluding commutes, and relating to investigations known on the date this document was published.

They are monitored, on the one hand, for the scope of employees, interns, part-time learning students, and temporary workers and, on the other hand, for subcontractors involved in the production process or works (Group operator activity), that have a subordinate relationship with SUEZ, and for so-called "attributable" accidents (event whose main causes arise from the behavior and/or decisions/actions or failings of a SUEZ employee) (see section 15.1.5 and chapter 15.2). Note that this definition applies as from the 2019 data published.

External audit

As in previous years, the SUEZ Group hired the specialized services of the Statutory Auditors to verify 20 social indicators for 2020: 13 indicating reasonable assurance (indicated by the special characters "XXX") and seven indicating moderate assurance. More information regarding the work and findings of the Statutory Auditors can be found in section 5.9.7 of this Universal Registration Document.

15.3 Employee incentives and employee shareholding

15.3.1 Employee incentives and profit sharing (France)

Each subsidiary of the Group in France has implemented profit-sharing agreements (pursuant to the mandatory provisions of French law). Incentive agreements (optional in France) have also been implemented within the following companies: SUEZ International, some companies of Water France and around half the French subsidiaries of Recycling and Recovery France.

These arrangements for 2019 produced the following results in 2020:

- EUR 14.4 million was paid out under profit-sharing agreements, benefiting 14,421 employees at an average of EUR 1,000 per beneficiary;
- at the same time, EUR 26 million was paid out under incentive agreements, benefiting 23,609 employees at an average of EUR 1,100 per beneficiary.

In total, incentive and profit-sharing agreements represented EUR 40.4 million, or 3.3% of the gross payroll paid in France in 2020.

15.3.2 Group Salary and Pension Savings plan

Group savings plan (PEG)

The savings plan, set up in March 2011 and intended for all the employees of the Group companies in France, was replaced by the new PEG, for which an agreement was signed between the social partners on April 15, 2016. Since that date, employees have had access to a range of Socially Responsible Investment (SRI) funds.

As of December 31, 2020, 35,567 current or former Group employees have invested in the PEG and hold EUR 297 million in assets, i.e. an average of EUR 8,400 per saver.

GOVERNANCE OF THE EMPLOYEE SAVINGS PLAN

The application of the PEG agreement is managed by a joint monitoring committee made up of four members from the signatory trade union organization and four members from Management. This commission meets once per year.

The financial, accounting and administrative management of the funds is overseen by a Supervisory Board which meets at least once per year.

These funds, invested in SUEZ shares within the Group savings plan, are managed by specific Supervisory Boards, which are 50% composed of elected representatives of the employee unitholders and 50% of management representatives. In line with the provisions of the PACTE law, in 2020 the Group organized elections for all employee shareholding fund unitholders to ensure that those employees representing unitholders on the Supervisory Board of employee shareholding funds would henceforth be elected.

The Supervisory Board exercises the voting rights attached to shares held by the Company mutual fund.

Group Corporate Pension Savings plan (PER COL)

Pursuant to an amendment signed July 23, 2020 by the representative labor unions and the Group Human Resources Department, the Group Pension Savings Plan (PERCO), which is the result of an agreement signed December 10, 2013, was converted into a Group Corporate Pension Savings plan (PER COL). This change ensured that the system was brought into line with the PACTE law.

The new SUEZ Group Corporate Pension Savings plan (PER COL) has been in force since October 1, 2020. It offers employees of the Group in France the possibility of establishing long-term savings to supplement pension benefits at an attractive tax rate. Among the new features introduced by the 2020 conversion is the possibility for employees to deduct voluntary payments made to the PER COL from their tax basis.

The SUEZ PER COL offers a range of diversified investments and a choice of plan management adapted to the investment period and employees' life goals.

As of December 31, 2020, 21,525 current or former employees of the Group held assets in the PER COL scheme for a total amount of EUR 76 million, i.e. an average of EUR 3,500 per saver.

GOVERNANCE OF THE SAVINGS PLAN

Application of the PERCO agreement (now PER COL) is managed by a monitoring committee composed of members of the labor union organizations that signed the agreement and management representatives. It meets at least once a year.

A Supervisory Board for dedicated PER COL funds is organized once a year. It is comprised of equal numbers of employee and management representatives.

International Group savings plan (PEGI)

In 2011, SUEZ set up an International Group savings plan (PEGI) intended for all employees of the Group's companies around the world.

The PEGI was created to serve as a mechanism for acquiring shares of the Group *via* a company mutual fund and the allocation of free bonus shares.

15.3.3 Employee shareholding

Since its IPO in 2008, the Company has prioritized employee shareholding and has the dual objective of involving the Group's employees over the long term in its business development plans and having a significant portion of the share capital held by employees. In fall 2020, the Group confirmed its intention to increase employee shareholding over the next two years.

Employee shareholding programs in place

SUEZ has set up several programs to encourage employee shareholding:

- in 2009, the first worldwide bonus share allocation plan. 68,000 employee beneficiaries in over 40 countries received 30 shares;
- in 2011, an employee share issue, called "Sharing 2011", subscribed by 18,679 employees in 19 countries;
- in 2013, the second worldwide bonus share allocation plan. 79,000 employee beneficiaries in 32 countries received 38 shares;
- in 2014, a second employee share issue, called "Sharing 2014", subscribed by 16,519 employees in 22 countries;
- in 2017, a third employee share issue, called "Sharing 2017", subscribed by 21,845 employees in 20 countries;
- in 2019, a fourth employee share issue, called "Sharing 2019", subscribed by 17,317 employees in 25 countries.

Implementation of the fifth employee share issue, "Sharing 2021"

In January 2021, SUEZ launched Sharing 2021, its fifth employee shareholding plan reserved for employees in France.

This offer, covering 12.5 million shares in total, is a voluntary policy to encourage employee shareholding within the Group, as mentioned above, and was offered to more than 30,000 employees and former employees (retirees with assets in the Group Savings plan). It lets employees get more closely involved with the SUEZ 2030 strategic plan, and demonstrates a collective commitment to SUEZ's values and ambition.

As part of the Sharing 2021 offer, SUEZ offered its employees a single "Multiple Sharing" option *via* a swap with a lead bank, comprising an employer matching contribution, in which the subscriber receives at maturity at least the amount of its investment (personal contribution and matching contribution) plus either a guaranteed return, or a multiple of the performance of SUEZ shares, whichever is higher.

Sharing 2021 was subscribed by 15,263 employees, representing a subscription rate of almost 53% among active employees, an increase of more than 60% compared to the subscription rates recorded in France during the four previous offers. The operation was completed on March 18, 2021, with the issue of 10,976,645 new shares. Following this operation, SUEZ employee shareholding reached 5.6% of the capital, thus strengthening the position of employees as the Group's third largest shareholder.

Participation of employee shareholders

As of December 31, 2020, the total number of shares held by Group employees accounts for 3.96% of the share capital. As of the end of December 2019, this figure was 2.57% of the share capital; the increase arose from the completion of "Sharing 2019", the fourth employee shareholding plan, on January 16, 2020.

Since 2016, a Director representing employee shareholders sits on the Board of Directors.

15.4 Pensions and other employee benefit obligations

A description of the pensions and other employee benefit obligations appears in Note 19 to the Consolidated Financial Statements in chapter 18.1 of this Universal Registration Document.

16 Major shareholders

16.1 Breakdown of share capital as of December 31, 2020

As of December 31, 2020, the Company's share capital totaled EUR 2,513,450,316. It consisted of 628,362,579 shares with a par value of EUR 4 each, representing 628,362,579 voting rights.

As of December 31, 2020, the number of shares without voting rights (shares held by the Company for the share buyback program described in section 19.1.3 of this Universal Registration Document) totaled 187,161 shares, hence a total number of exercisable voting rights of 628,175,418.

The voting rights of the Company's major shareholders are no different from those of other shareholders.

Key events in 2020 with regard to the Company's share capital were:

- the capital increase that took place on January 16, 2020 by issuing 9,970,050 shares as part of the Sharing 2019 employee shareholding plan in accordance with resolutions 19 and 20 approved at the shareholders' meeting on May 14, 2019
- the capital reduction that took place on January 28, 2020 by cancelling 2,970,050 shares in accordance with resolution 18 approved at the shareholders' meeting on May 14, 2019.

The following table shows the number of shares and percentages of capital and voting rights held by the Company's major shareholders, based on information available on the date this Universal Registration Document was prepared.

	As of December 31, 2020			As of December 31, 2019			As of December 31, 2018		
Shareholders	Number of shares held	% of shares held	% of exercisable voting rights	Number of shares held	% of shares held	% of exercisable voting rights	Number of shares held	% of shares held	% of exercisable voting rights
Veolia [a]	187,810,000	29.89%	29.90%	-	-	-	-	-	-
Criteria Caixa	37,110,685	5.91%	5.91%	37,110,685	5.97%	6.00%	37,110,685	5.97%	6.01%
Employee shareholding [b]	24,888,799	3.96%	3.96%	15,939,469	2.57%	2.58%	23,182,132	3.73%	3.75%
ENGIE [c]	11,434,720	1.82%	1.82%	199,233,320	32.06%	32.23%	199,233,320	32.06%	32.25%
Caltagirone [d]	1,800,000	0.29%	0.29%	21,680,174	3.49%	3.51%	21,680,174	3.49%	3.51%
Treasury shares	187,161	0.03%	-	3,213,435	0.52%	-	3,534,950	0.57%	-
Other	365,131,214	58.10%	58.12%	321,802,300	51.79%	52.06%	336,621,318	54.17%	54.48%
of which free float	*365,131,214*	*58.10%*	*58.12%*	*321,802,300*	*51.79%*	*52.06%*	*336,621,318*	*54.17%*	*54.48%*
Total	**628,362,579**	**100%**	**100%**	**621,362,579**	**100%**	**100%**	**621,362,579**	**100%**	**100%**

(a) According to Veolia's legal threshold crossing declaration of October 7, 2020. Veolia's capacity to exercise the voting rights attached to its equity interests is suspended pending authorization of the merger by the European Commission and the UK Competition and Markets Authority (CMA), except where an exemption is expressly granted by the European Commission and the CMA for decisions designed to safeguard the full value of the investment relating to equity interests. However, the Competition Commission of India (CCI) also suspended Veolia's capacity to exercise its voting rights following its review of the merger as part of Indian merger control, with no exemptions available.
(b) Including the shares from the bonus share allocation plans and the performance shares held in registered accounts by employees of the Company and its subsidiaries.
(c) According to ENGIE's legal threshold crossing declaration of October 8, 2020.
(d) According to the declaration transmitted to the Company, on the understanding that as of September 2020 the shares held by Caltagirone Group companies were no longer subject to a lock-up commitment.

On October 5, 2020, Veolia Environnement crossed above the thresholds of 5%, 10%, 15%, 20% and 25% of the Company's share capital and voting rights after acquiring over-the-counter 187,800,000 shares from ENGIE at a price of EUR 18 per share. Settlement/delivery took place on October 6, 2020. At the end of this transaction, Veolia held 187,810,000 SUEZ shares (29.89% of the Company's share capital). Veolia Environnement also disclosed its intention to launch a takeover bid for the Company's remaining shares, under the conditions outlined in its press release of October 5, 2020 [1]. This declaration of intent was amended on February 8, 2021, and Veolia no longer requests that the offer be subject to the favorable ruling of the SUEZ Board of Directors [2].

On October 5, 2020, ENGIE dropped below the thresholds of 30%, 25%, 20%, 15%, 10% and 5% of the Company's share capital and voting rights. It now holds 11,434,720 SUEZ shares, representing the same number of voting rights (1.82% of the Company's share capital) [3].

Pursuant to Article L. 233-13 of the French Commercial Code and to the knowledge of SUEZ, as of December 31, 2020, there were no shareholders other than those mentioned in the above table holding 5% or more of the share capital or voting rights directly, indirectly or together.

In addition, as a reminder, Article 7 of the Company's bylaws states that companies are obligated to report when they cross legal shareholding thresholds. As a result, any individual or legal entity that either alone or in concert comes to hold or ceases to hold a fraction of the share capital or voting rights of 1% or more, and then, above this threshold, any multiple of 1% up to a threshold of 33% of the share capital or voting rights, is required to notify the Company, by registered letter with acknowledgment of receipt,

(1) AMF Notice D&I 220C4173.
(2) AMF Notice D&I 221C0311.
(3) AMF Notice D&I 220C4183.

within five business days of crossing one of these thresholds, stating the total number of shares they hold directly, indirectly or jointly. To determine these thresholds, account will also be taken of shares held indirectly and of quasi-shares as defined in the provisions of Articles L. 233-7 et seq. of the French Commercial Code. Article 7 of the Company bylaws also states that the individual or legal entity is obligated to make a declaration of intent to the Company. As a result, any individual or legal entity that either alone or in concert comes to hold a fraction of the share capital or voting rights of 10% and 20% or more is required to notify the Company, by registered letter with acknowledgment of receipt, within 10 business days of crossing one of these thresholds, stating the objectives that the individual or legal entity intends to pursue over the next 12 months in accordance with the provisions of Article L. 233-7 of the French Commercial Code. It should be noted that, to the extent permitted by the law, failure to observe the foregoing provisions is penalized by the removal of voting rights for all shares exceeding the undeclared fraction at any shareholders' meeting that is held after the crossing of the threshold for which the information has not been provided, and that this penalty will apply for a period of two years following the date of the notification being made in the proper manner mentioned above. However, this penalty will only be applied if requested by one or more shareholders holding at least 5% of the Company's share capital. This request shall be recorded in the minutes of the shareholders' meeting.

16.2 Major shareholders' voting rights

Each Company share entitles the holder to one voting right.

Information concerning Veolia Environnement's voting rights in the Company is provided in section 16.3.1 of this Universal Registration Document.

16.3 Control of the Company

16.3.1 Absence of control of the Company

No third party exercised control over the Company in 2020.

On August 30, 2020, Veolia Environnement announced (i) that it had submitted a firm offer to ENGIE for 29.9% of the Company's shares, at a price of EUR 15.50 per share and (ii) its intention, if the offer was accepted by ENGIE, to launch a takeover bid for the Company's remaining shares.

On September 10, 2020, the SUEZ Board of Directors stated that they considered Veolia's project incompatible with the Company's and stakeholders' best interests. It stressed the high value creation of the SUEZ 2030 strategic plan in its capacity as an independent company. In the context of this project, which was not requested by the SUEZ Board of Directors, on September 23, 2020 the Board of Directors, upon the recommendation of the Ad hoc Committee, put in place a protection mechanism by way of an independent foundation incorporated under Dutch law in order to preserve the integrity of the Water France activity within the SUEZ Group.

The following items are specified with regard to this mechanism:

- SUEZ has only transferred one ordinary share from each of its two main subsidiaries involved in SUEZ's Water France activity to an independent foundation under Dutch law (whose bylaws and conditions of administration are available on the SUEZ website), namely, SUEZ Eau France and – to avoid the disposal of SUEZ Eau France *via* the sale of its parent company – SUEZ Groupe;
- the Foundation is managed by three individuals who make up its Board of Directors: a former SUEZ employee, an employee who is a member of SUEZ's staff representative bodies, and a Dutch lawyer. Their decisions are made by a simple majority. The powers of the Foundation's Board of Directors are limited to opposing the disposal of the Water France division;
- the bylaws of the two companies which have each had a share transferred to the Foundation (SUEZ Eau France and SUEZ Groupe) have been made public and amended to ensure that for a period of four years any plan to transfer the Water France activity outside of the SUEZ Group, and any decision that could circumvent this obligation and result in SUEZ losing control over its Water France activity, will first require the unanimous approval of the partners (i.e. SUEZ Groupe and the Foundation at present);
- the mechanism in place does not prevent the filing of a takeover bid for SUEZ. It simply aims to ensure that said bid will not threaten the integrity of the Water France activity within the SUEZ Group.

On September 23, 2020, the SUEZ Board of Directors decided, subject to any subsequent developments, that it could only make the mechanism for protecting the integrity of the Water division irrevocable in the event of a change of control of SUEZ SA, providing that the definition of change of control is subject to its assessment, the SUEZ Board of Directors may take into account the provisions of Article L. 233-3 of the French Commercial Code, but also act to prevent a creeping takeover or de facto control, in accordance with the objective already stated several times.

On September 30, 2020, Veolia raised the price of its proposal to EUR 18 per share (coupon attached).

On October 5, 2020, following the approval of ENGIE's Board of Directors, Veolia Environnement acquired 187,800,000 Company shares at a price of EUR 18 per share. Settlement/delivery took place on October 6, 2020. At the end of this transaction, Veolia Environnement declared that it held 187,810,000 Company shares, i.e. 29.89% of the Company's share capital. In its press release and its declaration of intent filed with the AMF, Veolia also stated that its proposed bid would not be filed without the prior approval and favorable ruling of the SUEZ Board of Directors. Following this publication, the AMF published an opinion on the opening of a pre-offer period.

Veolia subsequently reaffirmed several times its intention to take control of SUEZ and to file a takeover bid for SUEZ's remaining shares, at a price of EUR 18 per share (coupon attached), still subject to the prior approval and favorable ruling of the SUEZ Board of Directors. Accordingly, on January 7, 2021 it sent a takeover bid proposal to the Company's Board of Directors.

On January 17, 2021, the Company's Board of Directors welcomed a letter of intent from Ardian and Global Infrastructure Partners (the investors). In the interest of amicability between SUEZ and Veolia, and avoiding the dismantlement of SUEZ in any event, the letter of intent paved the way toward a comprehensive solution with a number of different possible arrangements all with equivalent effect, including an offer from the investors to purchase SUEZ shares at a price of EUR 18 per share, coupon attached. This proposal was specifically subject to finalization of due diligence measures.

On February 7, 2021, Veolia announced its intention to file a takeover bid for those SUEZ shares that it did not already hold. The terms are as follows:

- the proposed price is EUR 18 per share, coupon attached;
- the takeover bid and the "Draft Offer Document" will remain subject to examination by the AMF, which will assess their compliance with the applicable legal and regulatory provisions;
- once open, the takeover bid may only be completed subject to the obtainment of merger control authorization from the European Commission. Veolia reserves the right to waive this condition, where applicable;
- the takeover bid is expected to be completed in May 2022 at the earliest.

Veolia sent a document entitled "Draft Offer Document" to the AMF on February 8, 2021. This document is available on the AMF's website. The AMF subsequently published a notice of filing.

On February 8, 2021, Veolia also amended its declaration of intent (by no longer requiring that its proposed offer be subject to the favorable response of the SUEZ Board of Directors).

After having met several times during the months of January and February to examine the specifics of Veolia's draft offer as proposed, the SUEZ Board of Directors indicated in a press release dated February 26, 2021 that it had unanimously decided, at its meeting held on February 24, 2021, that the conditions had not been met to respond favorably to Veolia's offer. In a press release dated March 11, 2021, Veolia proposed that SUEZ preserve its business activities in France within the same group by allowing SUEZ to retain its "Water" and "Waste" business activities in France within the same company.

On March 20, 2021, the Ardian-GIP Consortium submitted a firm and binding offer to the SUEZ Board of Directors for the creation of a new entity, the outlines of which are close to those proposed during mediation by the French State. The Consortium's proposal was received and unanimously accepted by the SUEZ Board of Directors, which found it to be respectful of the Group's stakeholders, its shareholders, its employees, and its customers, and supportive of Veolia's aims by enabling it to substantially strengthen its activities. The offer received provides for the acquisition by the Consortium of several business activities, including all the French "Water" and "Recycling and Recovery" business activities, as well as several "Water and Technology" business activities at the international level. The cash consideration proposed for of all the relevant activities amounts to an enterprise value of EUR 15.8 billion, equivalent to a value of EUR 20 per share.

In its press release dated March 21, 2021, the SUEZ Board of Directors proposed entering into tripartite negotiations on this basis, with the aim of finalizing them as soon as possible and no later than April 20, and is prepared to recommend an agreement that: (i) incorporates a solution based on the one contemplated with the Consortium, as described above; (ii) would enable Veolia to confirm its four-year social commitments; and (iii) would increase Veolia's offer price to a minimum of EUR 20 per share (coupon attached).

The SUEZ Board of Directors decided at its meeting held on March 20, 2021, in response to the threat that Veolia may take creeping control of SUEZ, and in order to safeguard SUEZ's corporate interests, to make irrevocable until September 2024 the safeguarding mechanism for retaining the Water France business activity within the SUEZ Group. At the same time, the SUEZ Board of Directors decided to amend the scope of the safeguarding mechanism to provide for its dissolution in either of the two following cases:

- if (i) at the latest on April 20, 2021, SUEZ SA finds an agreement on the main terms of a transaction comprising a potential tender offer on SUEZ SA; and then (ii) at the latest on May 20, 2021, SUEZ SA enters into a definitive agreement consistent with these main terms; and lastly (iii) the contemplated transaction is completed prior to September 30, 2022;
- if a qualifying public offer has occurred, i.e. a full-cash offer to acquire all the shares issued by SUEZ SA for an offer price not less than EUR 22.5 per SUEZ SA share (coupon attached), which is the subject matter of a public commitment of an offer no later than May 5, 2021, is approved by the AMF (*Autorité des marchés financiers* - French Financial Markets Authority) at the latest by June 29, 2021 and has a successful outcome at the latest by September 30, 2022.

The other terms and conditions of this mechanism remain unchanged.

In any event, the Foundation will be dissolved at the end of the four-year period mentioned above.

On April 12, 2021, Veolia and SUEZ announced that, on April 11, 2021, their respective Boards of Directors came to an initial agreement on the main terms and conditions of the merger between the two Groups.

The two Groups agreed a takeover bid from Veolia at a price of EUR 20.50 per SUEZ share (coupon attached) subject to the conclusion of the definitive merger agreement, which the parties expect to sign by May 14, 2021.

Subject to the receipt of a fairness opinion in accordance with the applicable regulations, the SUEZ Board of Directors is expected to recommend this offer when the final agreement is signed.

This initial agreement also provides for:

- the termination of agreements with Cleanaway in accordance with their terms regarding the sale of assets in Australia (except Sydney assets) and the suspension of any other significant disposal, thereby allowing Veolia to acquire all assets designated as strategic in the draft information memorandum filed on February 8 with the French Financial Markets Authority (*Autorité des Marchés Financiers* - AMF);

- the deactivation of the Dutch foundation in relation with SUEZ announcements;
- the suspension of ongoing legal proceedings and, upon signature of the final agreements, the withdrawal of SUEZ and Veolia from all ongoing litigation and the absence of any new proceedings between them;
- the full cooperation of SUEZ, Veolia and the shareholders of the new SUEZ in obtaining all necessary authorizations (competition, foreign investments, etc.) as quickly as possible and under the best possible conditions.

The agreement is expected to enable:

- the creation of a new SUEZ composed of assets forming a coherent and sustainable entity from an industrial and social perspective, with real growth potential and revenues of around EUR 7 billion;
- the implementation of Veolia's plan to create a global champion of ecological transformation, with revenues of around EUR 37 billion, through the SUEZ takeover bid, which is to include all strategic assets identified by Veolia;
- the reiteration of Veolia's Social commitments for four years after the agreement is finalized;
- commitments to be made by Veolia regarding the composition of the management teams at headquarters and in the countries, with a view to ensuring integration and balance.

The new SUEZ resulting from this agreement is expected to be owned by a group of shareholders including the employees and financial partners of the two Groups. The majority of the shareholders of the new SUEZ are expected to be French.

In order to guarantee suitable conditions for the long-term development of the new SUEZ, the following points were agreed:

- its shareholders shall undertake to uphold the social commitments for four years after the agreement is finalized;
- its shareholders shall undertake to retain their positions in the long term;
- its scope of operation will be the municipal water and solid waste business activities of SUEZ in France (including CIRSEE, the main research center in France), along with the business activities of SUEZ, in particular in water and in the following regions: Italy (including the stake in Acea), the Czech Republic, Africa (including Lydec), Central Asia, India, China and Australia, as well as the global digital and environmental business activities (SES).

Various legal proceedings are in progress in relation to Veolia's proposed takeover of the Company. These legal proceedings are described in chapter 18.6 of this Universal Registration Document.

It is specified that, pending the required merger authorizations and except where an exemption is expressly granted with a view to preserving the full value of its investment, Veolia's voting rights are suspended in principle under European merger law and pursuant to the initial enforcement order served by the CMA on February 1, 2021. Veolia's capacity to exercise its voting rights is also suspended through Veolia's commitment in India, made mandatory by the CCI on January 11, 2021, not to exercise its voting rights without the CCI's prior authorization of this transaction, an obligation which is not subject to exemption.

16.3.2 Factors likely to have an impact in the event of a takeover bid

The information below, dated December 31, 2020, is provided in compliance with the provisions of Article L. 22-10-11 of the French Commercial Code:

- the Company's ownership structure is described in chapter 16.1 of this Universal Registration Document;
- there are no restrictions in the bylaws on the exercise of voting rights or the transfer of shares or clauses of agreements notified to the Company pursuant to Article L. 233-11 of the French Commercial Code;
- direct or indirect shareholdings in the Company of which it is aware by virtue of Articles L. 233-7 (threshold crossing declaration) and L. 233-12 of the French Commercial Code are described in chapter 16.1 of this Universal Registration Document;
- there are no holders of shares with special control rights;
- the operating mechanisms built into the Company's employee shareholding program are described in chapter 15.3 of this Universal Registration Document;
- to the Company's knowledge, there are no agreements between shareholders that could lead to restrictions in the transfer of shares and in the exercise of the Company's voting rights;
- the rules applicable to the appointment and replacement of members of the Board of Directors are set out in Article 10 of the Company bylaws, which are available on the Company's website at www.suez.com;
- the powers of the Board of Directors for the issuance or buyback of shares are presented in chapter 19.1 of this Universal Registration Document;
- the Company may enter into agreements containing clauses which could, under certain conditions, lead to their early termination in the event of a change of control of the Company, some of which could, according to the Company, have an impact in the event of a takeover bid. These mainly include certain financing agreements, as mentioned in Notes 13 and 14 to the Consolidated Financial Statements in chapter 18.1 of this Document for the year ended December 31, 2020, including bonds issued under the EMTN program set up by the Company; the issues of Undated Deeply Subordinated Notes, known as "hybrids", carried out in 2015, 2017 and 2019; the syndicated loan set up in February 2010, renegotiated in 2011, 2014, and 2019, maturing in 2025 and with options to extend until 2026, amounting to EUR 2.5 billion, provided the change of control is accompanied by a downgrade of the Company's rating to below a certain threshold. In addition, some contracts, particularly those signed with public-sector customers, may include clauses giving the customer the option to terminate the contract early in the event of a change of control of SUEZ, subject to the payment of compensation to the Company;
- there is no agreement providing for the payment of severance pay to employees or Directors (except for the Chief Executive Officer) if they resign, are made redundant or are dismissed without real and serious cause, or if their duties end as a result of a takeover or swap bid. Situations under which severance is likely to be paid to the Chief Executive Officer if his term of office is terminated are provided in chapter 13 of this Universal Registration Document.

16.4 Agreement that may result in a change of control

None.

16.5 Summary of transactions made by the persons indicated in Article L. 621-18-2 of the French Monetary and Financial Code during the year ended December 31, 2020

Transactions in 2020 by the persons indicated in Article L. 621-18-2 of the French Monetary and Financial Code

Name of shareholder	Date of transaction	Nature of transaction	Amount *(in euros)*	Price/share *(in euros)*
Philippe Varin	06/22/2020	Acquisition of shares	20,830.00	10.42
Bertrand Camus	01/16/2020	Subscription of mutual fund units	64,060.89	10.86
Jean-Marc Boursier	01/16/2020	Subscription of mutual fund units	64,963.33	10.79
	03/17/2020	Acquisition of shares [a]	8,680.00	8.68
	03/17/2020	Acquisition of shares [a]	8,680.00	8.68
Franck Bruel	05/29/2020	Acquisition of shares	26,599.86	10.22
	05/29/2020	Acquisition of shares	4,043.16	10.21
Isabelle Calvez	01/16/2020	Subscription of mutual fund units	19,551.71	10.91
	03/16/2020	Acquisition of shares	13,783.20	9.19
Jean-Louis Chaussade	01/16/2020	Subscription of mutual fund units	50,415.89	10.52
Bertrand Meunier	11/11/2020	Acquisition of shares	32,270	16.13
Jacques Richier	12/03/2020	Acquisition of shares	32,000	16.00
Angel Simon	01/16/2020	Subscription of shares	49,991.04	10.52
Julian Waldron	01/16/2020	Subscription of mutual fund units	25,223.42	10.76
	03/20/2020	Acquisition of shares	25,999.80	10.20

(a) Information relating to individuals closely associated with Mr. Jean-Marc Boursier.

Number of shares held by members of the Board of Directors as of December 31, 2020

	Number of shares held as of December 31, 2020
Philippe Varin	2,000 shares
Bertrand Camus	12,287 shares and 10,131.41 units of the SUEZ Actionnariat France mutual fund [a]
Enric Xavier Amiguet i Rovira [b]	185 shares and 66.92 units of the SUEZ Shareholding international mutual fund [a]
Anthony R. Coscia	-
Miriem Bensalah-Chaqroun	2,000 shares
Agatta Constantini [b]	68 shares and 410.76 units of the SUEZ Actionnariat France mutual fund [b]
Martha Crawford	2,000 shares
Delphine Ernotte Cunci	2,000 shares
Anne Lauvergeon	2,570 shares
Bertrand Meunier	2,000 shares
Jacques Richier	2,000 shares
Brigitte Taittinger-Jouyet	2,000 shares
Guillaume Thivolle [b]	38 shares and 262.05 units of the SUEZ Actionnariat France mutual fund [a]

(a) Mutual fund units acquired as part of the SUEZ Group's Employee Shareholding plans.
(b) Directors representing employees and employee shareholders not subject to the statutory obligation of owning 2,000 shares.

This table was prepared on the basis of information provided to the Company by the Directors.

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Related-party transactions

17.1 Related-party transactions

Parties related to the Company include, among others, the Company's major shareholders, its non-consolidated subsidiaries, companies under joint control (proportionately consolidated companies or equity affiliates), associates (equity affiliates), and entities on which various Company officers exercise at least a significant influence.

A breakdown of transactions with these related-parties for fiscal years 2020 and 2019, particularly ENGIE and its subsidiaries, appears in chapter 18.1, Note 21 of this document. The transactions are not significant at the level of the SUEZ Group.

The special report of the Statutory Auditors on the related-party agreements listed below describes the notified transactions.

17.2 Statutory Auditors' Report on related party agreements

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

Annual General Meeting held to approve the financial statements for the year ended December 31, 2020

To the Annual General Meeting of SUEZ,

In our capacity as Statutory Auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)*, to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)* of the continuation of the implementation, during the year ended December 31, 2020, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

Agreements submitted for approval to the Annual General Meeting

We hereby inform you that we have not been notified of any agreements authorized and concluded during the year ended December 31, 2020, to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code *(Code de commerce)*.

Agreements previously approved by the Annual General Meeting

In accordance with Article R. 225-30 of the French Commercial Code (*Code de commerce*), we have been notified that the implementation of the following agreements, which were approved by the Annual General Meeting in prior years, continued during the year ended December 31, 2020.

With Société Générale and HSBC France

Persons concerned

Mr Gérard Mestrallet, Director of Société Générale and Director of your Company until May 12 2020; Mrs Brigitte Taittinger-Jouyet, Director of HSBC France and Director of your Company.

Nature and purpose

In its meeting on February 26, 2019, your Company's Board of Directors authorized the amendment to the syndicated loan agreement.

Conditions

The amendment to the syndicated loan agreement sets out the following terms:

- a corporate financing without granting of guarantees or securities;
- a loan's principal amount of EUR 2.5 billion;
- an interest rate at EURIBOR or LIBOR rate, when appropriate, plus a profit margin that may be adjusted depending on the credit rating of the Company, and the index grid based on social and environmental aggregates;
- the maturity date is set on April 2024, with extension options until April 2026.

With Criteria Caixa

Person concerned

Mr Jean-Louis Chaussade, Director of Criteria Caixa and Chairman of the Board and Director of your Company until May 12 2020, date on which the agreement lost its quality of agreement subject to the related party agreements procedure.

Nature and purpose

"Master Agreement" entered into between Agbar, Criteria Caixa and your Company.

Conditions

Your Company' s Board of Directors authorized during its meeting on July 17, 2014 that a framework agreement be entered into at that same date between your Company, Agbar and Criteria Caixa, which provides for the following terms:

- the transfer by Criteria Caixa of its 24.26% stake in Hisusa in counterpart to the issuance of 22 million new shares of your Company and a EUR 298.6 million cash amount, subsequent to the execution of a contribution agreement and the delivery of an independent auditor's report on the valuation of the contribution and the fairness of this value with the proposed remuneration (completed on September 17, 2014);
- the acquisition by Criteria Caixa from Agbar of a 15% stake in Aïgues de Barcelona, E.M. De Gestiò Del Cicle Integral de l'Aigua, S.A., 85% of which was held by Agbar at the time the agreement was entered into, and 15% of which is held by the Barcelona Metropolitan Area (completed in 2014);
- the acquisition by Criteria Caixa of a 14.50% stake in Aguas de Valencia, S.A. from your subsidiary SUEZ Groupe (completed in 2014);
- the cooptation by the Board of Directors of your Company of a Director designated by Criteria Caixa, as soon as the latter holds 5% of your Company's share capital. During its October 29, 2014 meeting, your Board of Directors coopted Mr Isidro Fainé Casas and appointed him as a member of the Strategy Committee;
- the commitment of Criteria Caixa to increase its interest in the share capital of your Company up to 7%;
- the obligation for Criteria Caixa to keep its shares during four years from the contribution completion.

Courbevoie and Paris-La Défense, February 25, 2021

The Statutory Auditors French original signed by

MAZARS	ERNST & YOUNG ET AUTRES
Achour Messas	Stéphane Pédron

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Financial information relating to the Company's assets, financial situation and results

18.1 Consolidated Financial Statements

18.1.1 Consolidated statements of financial position

(in millions of euros)	Note	December 31, 2020	December 31, 2019
Non-current assets			
Intangible assets, net	10	4,464.8	4,835.7
Goodwill	9	4,663.7	5,322.1
Property, plant and equipment net	11	7,756.0	8,891.0
Rights of use	15	1,168.0	1,405.8
Equity instruments	13	107.9	132.2
Loans and receivables carried at amortized cost	13	712.2	653.7
Derivative financial instruments	13	146.5	115.7
Investments in joint ventures	12.1	925.5	953.9
Investments in associates	12.2	1,063.4	1,070.2
Contracts assets	4.1.3	80.6	46.2
Other assets		159.7	184.8
Deferred tax assets	7	432.4	541.9
Total non-current assets		**21,680.7**	**24,153.2**
Current assets			
Loans and receivables carried at amortized cost	13	77.0	91.4
Derivative financial instruments	13	96.4	75.5
Trade and other receivables	13	4,324.3	4,670.9
Inventories		483.1	528.0
Contracts assets	4.1.3	498.4	733.8
Other assets		1,606.8	1,648.5
Financial assets measured at fair value through income	13	54.9	29.8
Cash and cash equivalents	13	5,319.6	3,703.0
Total current assets		**12,460.5**	**11,480.9**
Assets classified as held for sale	1.2.4	1,443.0	-
Total assets		**35,584.2**	**35,634.1**
Shareholders' equity, Group share		5,406.6	6,408.7
Non-controlling interests	17	2,642.8	2,824.8
Total shareholders' equity		**8,049.4**	**9,233.5**
Non-current liabilities			
Provisions	18	1,413.9	1,500.0
Long-term borrowings	13	10,990.0	9,914.0
Lease liabilities	15	975.5	1,159.4
Derivative financial instruments	13	4.9	6.7
Other financial liabilities	13	37.6	42.8
Contracts liabilities	4.1.3	196.3	267.3
Other liabilities		524.1	566.6
Deferred tax liabilities	7	596.2	791.1
Total non-current liabilities		**14,738.5**	**14,247.9**
Current liabilities			
Provisions	18	541.8	475.2
Short-term borrowings	13	2,956.6	2,609.1
Lease liabilities	15	255.6	314.9
Derivative financial instruments	13	36.2	57.3
Trade and other payables	13	3,263.2	3,534.3
Contracts liabilities	4.1.3	1,176.1	911.3
Other liabilities		3,980.4	4,250.6
Total current liabilities		**12,209.9**	**12,152.7**
Liabilities related to assets classified as held for sale	1.2.4	586.4	-
Total shareholders' equity and liabilities		**35,584.2**	**35,634.1**

NB: The values in the tables are generally expressed in millions of euros. Rounding may in some cases produce a non-material discrepancy in totals or variances.
As of December 31, 2019, the data has been restated to reflect the error correction described in Note 1.3.

18.1.2 Consolidated income statements

(in millions of euros)	Note	December 31, 2020	December 31, 2019
Revenues	4.1	17,209.0	18,015.3
Purchases		(3,436.7)	(3,720.7)
Personnel costs		(4,697.2)	(4,701.4)
Depreciation, amortization and provisions		(1,762.6)	(1,531.7)
Other operating expenses		(6,912.0)	(7,089.8)
Other operating income		236.4	236.7
Current operating income	4	**636.9**	**1,208.4**
Mark-to-Market on operating financial instruments		4.6	3.7
Impairment on property, plant and equipment, intangible and financial assets		(209.2)	(64.8)
Restructuring costs		(157.0)	(132.3)
Scope effects		198.8	8.4
Other gains and losses on disposals and non-recurring items		(50.6)	26.6
Other significant non-recurring transactions		(47.6)	214.9
Income from operating activities	5	**375.9**	**1,264.9**
Share in net income of equity-accounted companies considered as core business		144.8	198.3
of which: share in net income (loss) of joint ventures	12.1	*39.7*	*71.4*
of which: share in net income (loss) of associates	12.2	*105.1*	*126.9*
Income from operating activities after share in net income of equity-accounted companies considered as core business		**520.7**	**1,463.2**
Financial expenses		(523.2)	(603.8)
Financial income		82.5	89.8
Net financial income (loss)	6	**(440.7)**	**(514.0)**
Income tax expense	7	(154.4)	(340.0)
Net income		**(74.4)**	**609.2**
of which: Group share		(228.2)	351.7
Non-controlling interests		153.8	257.5
Net income (Group share) per share *(in euros)*	8	**(0.43)**	**0.49**
Net diluted income (Group share) per share *(in euros)*	8	**(0.43)**	**0.48**

NB: The values in the tables are generally expressed in millions of euros. Rounding may in some cases produce a non-material discrepancy in totals or variances.

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18.1.3 Consolidated statements of comprehensive income

(in millions of euros)	December 31, 2020	December 31, 2020 of which Group share	December 31, 2020 of which non controlling interests	December 31, 2019	December 31, 2019 of which Group share	December 31, 2019 of which non controlling interests
Net income	**(74.4)**	**(228.2)**	**153.8**	**609.2**	**351.7**	**257.5**
Net investment hedges	1.2	1.2	-	-	-	-
Cash flow hedges (excluding commodities)	(11.0)	(11.0)	-	(20.1)	(19.7)	(0.4)
Commodity cash-flow hedges	(8.6)	(6.9)	(1.7)	10.3	9.2	1.1
Deferred taxes on items above	5.1	4.6	0.5	(2.3)	(2.1)	(0.2)
Translation adjustments [a]	(501.7)	(364.6)	(137.1)	(15.6)	36.0	(51.6)
Total reclassifiable items	**(515.0)**	**(376.7)**	**(138.3)**	**(27.7)**	**23.4**	**(51.1)**
of which share of joint ventures in reclassifiable items, net of taxes	*(3.7)*	*(3.7)*	-	*9.0*	*9.0*	-
of which share of associates in reclassifiable items, net of taxes	*(13.2)*	*(13.2)*	-	*(7.7)*	*(7.7)*	-
Actuarial gains and losses	(33.2)	(16.7)	(16.5)	(90.6)	(65.4)	(25.2)
Deferred taxes on actuarial gains and losses	13.1	9.6	3.5	(16.0)	(22.0)	6.0
Equity instruments	(3.5)	(3.5)	-	6.3	6.3	-
Deferred taxes on equity instruments	(0.1)	(0.1)	-	(0.1)	(0.1)	-
Total non-reclassifiable items	**(23.7)**	**(10.7)**	**(13.0)**	**(100.4)**	**(81.2)**	**(19.2)**
of which share of joint ventures in non-reclassifiable items, net of taxes	*5.8*	*5.8*	-	-	-	-
of which share of associates in non-reclassifiable items, net of taxes	*0.5*	*0.5*	-	-	-	-
Other comprehensive income	**(538.7)**	**(387.4)**	**(151.3)**	**(128.1)**	**(57.8)**	**(70.3)**
Comprehensive income	**(613.1)**	**(615.6)**	**2.5**	**481.1**	**293.9**	**187.2**

(a) Out of a total of -EUR 501.7 million, -EUR 324.3 million are related to the variation of the US dollar and -EUR 66.2 million to the variation of the Hong Kong dollar.

NB: The values in the tables are generally expressed in millions of euros. Rounding may in some cases produce a non-material discrepancy in totals or variances.

18.1.4 Statements of changes in consolidated shareholders' equity

(in millions of euros)	Number of shares	Share Capital	Premiums	Consolidated reserves	Change in fair value and other	Translation adjustments	Treasury shares	Undated deeply subordinated notes [a]	Shareholders' equity, Group share	Non-controlling interests	Total
Shareholders' equity at December 31, 2018	**621,362,579**	**2,485.4**	**5,215.2**	**(2,480.9)**	**(328.4)**	**(28.3)**	**(51.8)**	**1,580.6**	**6,391.8**	**2,600.8**	**8,992.6**
IFRIC 23 restatement [b]				(88.5)					(88.5)	(19.9)	(108.4)
Application of IAS 8 for error correction on SUEZ Water Advanced Solutions [g]				(54.7)					(54.7)		(54.7)
Shareholders' equity at January 1, 2019	**621,362,579**	**2,485.4**	**5,215.2**	**(2,624.1)**	**(328.4)**	**(28.3)**	**(51.8)**	**1,580.6**	**6,248.6**	**2,580.9**	**8,829.5**
Net income				351.7					351.7	257.5	609.2
Other comprehensive income [f]				(12.6)	(81.2)	36.0			(57.8)	(70.3)	(128.1)
Comprehensive income				**339.1**	**(81.2)**	**36.0**			**293.9**	**187.2**	**481.1**
Share-based payment				17.5					17.5		17.5
Dividends distributed in cash				(401.8)					(401.8)	(259.7)	(661.5)
Issue of new undated deeply subordinated notes net of issuance fees [c]								497.8	497.8	-	497.8
Partial redemption of undated deeply subordinated notes (including redemption premium) [c]				(9.1)				(354.6)	(363.7)	-	(363.7)
Interests of undated deeply subordinated notes issue				(47.1)					(47.1)	-	(47.1)
Purchase/sale of treasury shares				(1.4)			4.3		2.9	-	2.9
Transactions between shareholders [d]				209.1					209.1	292.0	501.1
Business combinations [e]				(9.7)					(9.7)	18.0	8.3
Write-off of deferred taxes recognized through equity [f]				(32.2)					(32.2)	-	(32.2)
Other changes				(6.6)					(6.6)	6.4	(0.2)
Shareholders' equity at December 31, 2019	**621,362,579**	**2,485.4**	**5,215.2**	**(2,566.3)**	**(409.6)**	**7.7**	**(47.5)**	**1,723.8**	**6,408.7**	**2,824.8**	**9,233.5**

(a) Undated deeply subordinated notes net of issuance fees.
(b) Impact of the first application of IFRIC 23 according to the partially retrospective method.
(c) At September 12, 2019, SUEZ carried out a new issue of undated deeply subordinated notes (hybrid bond) for an amount of EUR 500 million. The funds raised were used for the partial redemption of the undated deeply subordinated note issued in June 2014.
(d) Mainly related to the sale without loss of control of 20% of the regulated water business in the United States.
(e) Related to the takeover of Mina Publica in Spain in the column "Non-controlling interests".
(f) Write-off of opening deferred tax assets through income statement for -EUR 48.4 million and through equity within reserves and other comprehensive income for -EUR 56.7 million.
(g) See Note 1.3.

(in millions of euros)	Number of shares	Share Capital	Premiums	Consolidated reserves	Change in fair value and other	Translation adjustments	Treasury shares	Undated deeply subordinated notes [a]	Shareholders' equity, Group share	Non-controlling interests	Total
Shareholders' equity at December 31, 2019	**621,362,579**	**2,485.4**	**5,215.2**	**(2,566.3)**	**(409.6)**	**7.7**	**(47.5)**	**1,723.8**	**6,408.7**	**2,824.8**	**9,233.5**
Net income				(228.2)					(228.2)	153.8	(74.4)
Other comprehensive income				(12.1)	(10.7)	(364.6)			(387.4)	(151.3)	(538.7)
Comprehensive income				**(240.3)**	**(10.7)**	**(364.6)**			**(615.6)**	**2.5**	**(613.1)**
Share-based payment				1.9					1.9	-	1.9
Dividends distributed in cash				(282.7)					(282.7)	(150.3)	(433.0)
Interests of undated deeply subordinated notes issue				(42.3)					(42.3)	-	(42.3)
Purchase/sale of treasury shares				0.2			0.5		0.7	-	0.7
Conversion of OCEANE bonds by cancellation of treasury shares following delivery							0.2		0.2	-	0.2
Redemption of undated deeply subordinated notes 2014								(147.9)	(147.9)	-	(147.9)
Employee share issue [b]	9,970,050	39.9	68.3	4.0					112.2	-	112.2
Capital reduction [c]	(2,970,050)	(11.9)	(31.4)	(1.2)			44.5		-	-	-
Capital increase/(decrease) in non controlling interests									-	12.5	12.5
Transactions between shareholders				(2.1)					(2.1)	1.4	(0.7)
Business combinations									-	1.3	1.3
Other changes [d]				(26.5)					(26.5)	(49.4)	(75.9)
Shareholders' equity at December 31, 2020	**628,362,579**	**2,513.4**	**5,252.1**	**(3,155.3)**	**(420.3)**	**(356.9)**	**(2.3)**	**1,575.9**	**5,406.6**	**2,642.8**	**8,049.4**

(a) Undated deeply subordinated notes net of issuance fees.
(b) Capital increase due to the subscription of 9,970,050 new shares as part of the SUEZ Group "Sharing 2019" employee share issue.
(c) Capital reduction due to the cancellation of 2,970,050 treasury shares.
(d) Other changes are explained by the impacts of disposals: in shareholders' equity Group share for -EUR 19.1 million for the reclassification of actuarial gains and losses of the entity sold Recycling and Recovery Sweden (see Note 2.5.3) and for -EUR 50.1 million for non-controlling interests following the disposal of Essal by SUEZ, through its subsidiary Aguas Andinas S.A (see Note 2.5.2).
NB: The values in the tables are generally expressed in millions of euros. Rounding may in some cases produce a non-material discrepancy in totals or variances.

18.1.5 Consolidated statements of cash flows

(in millions of euros)	Note	December 31, 2020	December 31, 2019
Net income		**(74.4)**	**609.2**
Share in net income (loss) of joint ventures	12.1	(39.7)	(71.4)
Share in net income (loss) of associates	12.2	(105.1)	(126.9)
Dividends received from joint ventures and associates		121.4	131.8
Depreciation, amortization and provisions		1,742.7	1,474.8
Scope effects, other gains and losses on disposal		(156.3)	(36.6)
Other items with no cash impact		0.7	17.8
Lease contracts impact		5.2	4.1
Income tax expense	7	154.4	340.0
Financial income	6	440.7	514.0
Cash flows from operations before financial income/(expense) and income tax		**2,089.6**	**2,856.8**
Tax paid including withholding tax on royalties		(174.9)	(253.3)
Change in working capital requirements		**202.0**	**(153.1)**
Cash flows from operating activities		**2,116.7**	**2,450.4**
Investments in property, plant and equipment and intangible assets	3.4.3	(1,323.5)	(1,417.3)
Takeover of subsidiaries net of cash and cash equivalents acquired	3.4.3	13.7	(49.6)
Acquisitions of interests in associates and joint-ventures	3.4.3	(61.9)	(23.1)
Acquisitions of equity instruments	3.4.3	(7.8)	(15.9)
Disposals of property, plant and equipment and intangible assets		40.6	85.6
Disposals of interests in associates and joint-ventures [a]		63.1	15.8
Disposals of equity instruments		0.4	8.7
Loss of controlling interests in subsidiaries net of cash and cash equivalents sold [b]		295.4	27.6
Other net interests on financial assets		9.5	(23.4)
Dividends received on non-current financial assets		3.0	3.6
Change in loans and financial receivables		92.0	(66.7)
Cash flows from investing activities		**(875.5)**	**(1,454.6)**
Capital increase/reduction of the parent company [c]		112.2	-
Purchase/sale of treasury shares		0.9	2.9
Capital increase/reduction of non controlling interests		10.4	5.2
Change in share of interests in controlled entities [d]	3.4.3	-	501.7
Dividends paid to shareholders of the parent company [e]		(325.0)	(448.8)
Dividends paid to non-controlling interests [e]		(195.1)	(266.8)
Issue of undated deeply subordinated notes net of costs	13.3.2	-	497.8
Repayment of undated deeply subordinated notes net of costs	13.3.2	(147.9)	(363.7)
Increase in loans and financial debt [f]	13.2.1	2,437.1	1,401.2
Repayment of lease liabilities	15	(331.5)	(325.1)
Repayment of borrowings and financial debts	13.2.1	(867.9)	(1,448.0)
Change in financial assets at fair value through income		(23.8)	(0.6)
Financial interest on lease liabilities	15	(28.8)	(29.3)
Other financial interest paid		(317.8)	(363.5)
Financial interest received		22.2	11.2
Flows on financial derivatives qualifying net investment hedges and compensation payments on financial derivatives		79.0	(34.9)
Cash flows from financing activities		**424.0**	**(860.7)**
Impact of changes in exchange rates and other		(113.7)	20.6
Total cash flows for the period		**1,551.5**	**155.7**
Opening cash and cash equivalents		**2,865.9**	**2,710.2**
Closing cash and cash equivalents		**4,417.4**	**2,865.9**

(a) This flow is mainly related to the disposal of 4.8% of Aquasure for EUR 47 million.
(b) This flow is mainly related to the disposal of 100% of the Group's Recycling and Recovery activities in Sweden and the disposal of 53.51% of Essal in Chile, held by Aguas Andinas (see Note 2.5).
(c) This flow is the capital increase net of issuance costs as part of the employee shareholding plan (Sharing 2019), realized in January 2020.
(d) Including the sale without loss of control of 20% of the regulated water activities in the United States for EUR 510.2 million in 2019.
(e) Including withholding taxes and coupons of undated deeply subordinated notes paid by the parent company.
(f) In accordance with IAS 7.8, bank overdrafts due on demand included in financial liabilities in the consolidated statement of financial position are reclassified as cash and cash equivalents in the consolidated statement of cash flows; EUR 902.1 million of this reclassification relates to the financial year 2020. For 2019 closing, the amount was EUR 837.1 million.

NB: The values in the tables are generally expressed in millions of euros. Rounding may in some cases produce a non-material discrepancy in totals or variances.

18.1.6 Notes to the Consolidated Financial Statements

Note 1 Basis of presentation, principles and accounting policies

1.1 Basis of presentation

The SUEZ Group is a global player in water and waste cycle management.

SUEZ, the Parent Company of the Group, is a French *société anonyme* subject to the provisions of Book II of the French Commercial Code, as well as to all other legal provisions applying to French commercial corporations. It was incorporated in November 2000. The Group's headquarter is in the CB21 tower – 16, place de l'Iris – 92 040 Paris-La Défense – France.

SUEZ has been listed on the Euronext Paris (Compartment A) and Euronext Brussels markets since July 22, 2008.

On February 24, 2021, its Board of Directors approved and authorized the publication of the Group's Consolidated Financial Statements for the fiscal year ended December 31, 2020.

1.2 Accounting standards

Pursuant to European Commission Regulation (EC) 809/2004 on Prospectus dated April 29, 2004, the financial information concerning the assets, liabilities, financial position, and profit and loss of SUEZ have been provided for the last two fiscal years ended December 31, 2019 and 2020, and was prepared in accordance with European Regulation (EC) 1606-2002 of July 19, 2002 relating to the application of international accounting standards (IFRS). The Group's Consolidated Financial Statements for the year ended December 31, 2020 were prepared in accordance with IFRS as issued by the IASB and endorsed by the European Union [1].

The accounting standards applied in preparing the financial statements at December 31, 2020 are consistent with those applied in preparing the financial statements of December 31, 2019, with the exception of the items mentioned below in Note 1.2.1.

1.2.1 Standards, amendments and interpretations applied for annual periods beginning on January 1, 2020

The standards applied by the Group for the first-time starting January 1, 2020 are the following:

- Amendments to IFRS 3 – Definition of a Business;
- Amendments to IAS 1 et IAS 8 – Definition of materiality;
- Amendments to IFRS 16 – Covid-19 – Related Rent Concessions;
- Amendments to References to the Conceptual Framework in IFRS Standards.

These amendments do not have a material impact on the December 31, 2020 Consolidated Financial Statements.

- Amendments to IAS 39, IFRS 7 et IFRS 9 – Interest rate benchmark reform – phase 1.

As of December 31, 2020, SUEZ Group has set up IBOR-linked interest rate hedges. As of December 31, 2020, EUR 1.96 billion in fixed-rate debt was converted to floating-rate debt using interest rate swaps. The nominal value of these swaps on this date broke down respectively as follows, by type of benchmark rate:

Reference rate	Amount *(in millions of euros)*
Euribor 1 month	114.7
Euribor 3 months	1,650.0
Euribor 6 months	198.2
Total	**1,962.9**

Benchmark IBOR transactions remained sufficiently numerous in 2020 to reliably quantify the amount of the revaluation of the fixed-rate debt hedged.

As of December 31, 2020, SUEZ has not set up any major hedging instrument to convert floating-rate debt to fixed-rate debt.

SUEZ will only make contractual changes in 2021 to ensure the transition to the new rates that will replace the IBOR reference rates.

In 2020, there were no items likely to impact the hedging relationships for instruments indexed to IBOR rates. In this context, the amendments to IAS 39, IFRS 7 and IFRS 9 phase 1 did not have a material impact on the Consolidated Financial Statements.

1.2.2 IFRS Standards and amendements applicable after 2020 that the group has decided not to anticipate

Standards, Amendments and interpretations published by the IASB and adopted by the European Union

- Amendments to IFRS 7 and IFRS 9 – Interest Rate Benchmark Reform, phase 2.

These amendments will be mandatory as of January 1, 2021. They will allow interest rate hedging relationships to be maintained once the contractual amendments have been made to replace IBOR rates with new reference rates under the same economic conditions as before.

Standards, amendments and interpretations published by the IASB and not yet adopted by the European Union

- Amendment to IAS 37 – Onerous contracts – Cost of Fulfilling a Contract;
- Amendment to IAS 1 – Classification of Liabilities as Current or Non-current.

The analysis of the potential impact of these amendments is in progress.

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(1) Repository available on the European Commission's website http://ec.europa.eu/finance/company-reporting/standards-interpretations/index_en.htm.

1.2.3 Reminder of IFRS 1 transition options

The Group used some of the options available under IFRS 1 for its transition to IFRS in 2005. The options that continue to have an impact on the Consolidated Financial Statements are:

- translation adjustments: the Group elected to reclassify cumulative translation adjustments within equity in the consolidated reserves on January 1, 2004;
- business combinations: the Group elected not to restate business combinations that took place prior to January 1, 2004 in accordance with IFRS 3.

1.2.4 Impacts of the first application of IFRS 5 – Non-current assets held for sale and discontinued operations

In accordance with IFRS 5 – Non-current assets held for sale and discontinued operations, assets or groups of assets held for sale are presented on a separate line in the statement of financial position and are measured and recognized at the lower of their carrying amount and market value less sell costs. As a result, any impairment would be recognized in the income statement.

An asset is classified as held for sale only if the sale is highly probable within 12 months, if the asset is available for immediate sale in its present condition and if a sales plan has been initiated by management with a sufficient degree of completion. To assess whether the sale is highly probable, the Group considers the expressions of interest and offers received from potential buyers, as well as the execution risks specific to certain transactions.

In addition, assets or groups of assets held for sale are presented as discontinued operations:

- when they represent a separate major line of business of operations within the meaning of IFRS 5; or
- when they are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations at the Group level.

Following the signature of the assignment agreement for the disposal of a peripheral business line of SUEZ Recycling and Recovery activities in France and four other Northern European countries (see Note 2.6), which has not yet been finalized as of December 31, 2020, SUEZ presents these items held for sale in 2021 in accordance with IFRS 5.

These assets held for sale do not meet the definition of discontinued operations under IFRS 5 as they are not part of a single coordinated plan to dispose off a main line of business or main geographical area distinct from SUEZ, taking into account the retention of a significant portion of the business at the level of the main business lines and main geographical areas concerned.

The impacts of the application of this standard result in a reclassification of assets and liabilities held for sale on two separate lines of the statement of financial position and are as follows:

(in millions of euros)	December 31, 2020 before reclassification of items held for sale	Impact of reclassification of items held for sale	December 31, 2020 published
Non-current assets			
Intangible assets, net	4,472.8	(8.0)	4,464.8
Goodwill	5,004.8	(341.1)	4,663.7
Property, plant and equipment net	8,310.0	(554.0)	7,756.0
Rights of use	1,348.5	(180.5)	1,168.0
Equity instruments	109.2	(1.3)	107.9
Loans and receivables carried at amortized cost	727.4	(15.2)	712.2
Derivative financial instruments	146.5	-	146.5
Investments in joint ventures	938.6	(13.1)	925.5
Investments in associates	1,079.5	(16.1)	1,063.4
Contracts assets	80.6	-	80.6
Other assets	159.7	-	159.7
Deferred tax assets	445.6	(13.2)	432.4
Total non-current assets	**22,823.2**	**(1,142.5)**	**21,680.7**
Current assets			
Loans and receivables carried at amorized cost	82.0	(5.0)	77.0
Derivative financial instruments	103.4	(7.0)	96.4
Trade and other receivables	4,510.7	(186.4)	4,324.3
Inventories	502.2	(19.1)	483.1
Contracts assets	498.4	-	498.4
Other assets	1,644.7	(37.9)	1,606.8
Financial assets measured at fair value through income	54.9	-	54.9
Cash and cash equivalents	5,364.7	(45.1)	5,319.6
Total current assets	**12,761.0**	**(300.5)**	**12,460.5**
Assets classified as held for sale [a]		1,443.0	1,443.0
Total Assets	**35,584.2**	**-**	**35,584.2**
Shareholders' equity, Group share	5,406.6	-	5,406.6
Non-controlling interests	2,642.8	-	2,642.8
Total shareholders' equity	**8,049.4**	**-**	**8,049.4**
Non-current liabilities			
Provisions	1,478.9	(65.0)	1,413.9
Long-term borrowings	10,991.4	(1.4)	10,990.0
Lease liabilities	1,113.4	(137.9)	975.5
Derivative financial instruments	4.9	-	4.9
Other financial liabilities	37.6	-	37.6
Contracts liabilities	196.3	-	196.3
Other liabilities	524.5	(0.4)	524.1
Deffered tax liabilities	608.4	(12.2)	596.2
Total non-current liabilities	**14,955.4**	**(216.9)**	**14,738.5**
Current liabilities			
Provisions	562.5	(20.7)	541.8
Short-term borrowings	2,963.1	(6.5)	2,956.6
Lease liabilities	292.7	(37.1)	255.6
Derivative financial instruments	43.2	(7.0)	36.2
Trade and other payables	3,429.6	(166.4)	3,263.2
Contracts liabilities	1,176.1	-	1,176.1
Other liabilities	4,112.2	(131.8)	3,980.4
Total current liabilities	**12,579.4**	**(369.5)**	**12,209.9**
Liabilities related to assets classified as held for sale [b]	-	586.4	586.4
Total liabilities	**35,584.2**	**-**	**35,584.2**

(a) Of which Recycling and Recovery Northern Europe for EUR 1.3 billion and Osis for EUR 0.2 billion.
(b) Of which Recycling and Recovery Northern Europe for EUR 0.5 billion and Osis for EUR 0.1 billion.

1.3 Application of IAS 8 for error correction

The Group carried out during 2020 a detailed review of the model used in recognizing the margins within the fully consolidated SUEZ Water Advanced Solutions group, service provider through multi-year maintenance contracts for the maintenance of more than 5,000 water towers in the United States.

The Group concluded that the model was incomplete and that the used calculation parameters led to the recognition of erroneous margins. The Group has therefore quantified the cumulative impact of these errors and, in particular, has revised accordingly the percentage of completion for long-term maintenance contracts, resulting in an adjustment to equity in 2019 for an amount of -EUR 54.7 million against the assets and liabilities concerned. This restatement had no impact on the income statement as of December 31, 2019.

The amounts invoiced by SUEZ Water Advanced Solutions were in no way affected by this error.

Corrective measures have been put in place to strengthen the reliability of the SUEZ Water Advanced Solutions Group's margin determination and monitoring model in 2020.

1.4 Measurement basis for preparation of the Consolidated Financial Statements

The Consolidated Financial Statements have been prepared using the historical cost convention, except for financial instruments that are accounted according to the financial instrument categories defined by IFRS 9.

1.5 Use of judgment and estimates

The scale of the Covid-19 pandemic led the Group to strenghten its risk management procedures of its financial instruments and operating assets. The significant market volatility caused by the crisis is taken into account by the Group in the estimates made such as for its business plans and in the various discount rates used in impairment testing and computing provisions (see Note 2.1).

1.5.1 Estimates

The preparation of the Consolidated Financial Statements requires the use of estimates and assumptions to determine the value of assets and liabilities, the disclosure of contingent assets and liabilities at the reporting date, as well as the revenues and expenses reported during the period.

Due to uncertainties inherent in the estimation process, the Group regularly revises its estimates in light of currently available information. Final outcomes could differ from those estimates.

The key estimates used by the Group in preparing the Consolidated Financial Statements relate mainly to:

- the measurement of the fair value of assets acquired and liabilities assumed in a business combination;
- the measurement of the recoverable amount of goodwill, property, plant and equipment and intangible assets (see Notes 1.6.4.1 and 1.6.5);
- the measurement of financial instruments (see Note 1.6.9);
- the measurement of provisions, particularly for legal and arbitration proceeding and for pensions and other employee benefits (see Note 1.6.12);
- the measurement of unmetered revenue (see Note 1.6.13.1);
- the measurement of margin at termination relating to construction contracts (see Note 1.6.13.3);
- the measurement of replacement liabilities (see Note 1.6.13.4);
- the measurement of capitalized tax loss carry-forward (see Note 1.6.18).

1.5.1.1 Measurement of the fair value of assets acquired and liabilities assumed in a business combination

The fair value of the assets acquired and liabilities assumed is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows as well as the discount rate to apply. The values used reflect management's best estimates.

1.5.1.2 Recoverable amount of goodwill, property, plant and equipment and intangible assets (see Notes 9, 10 and 11)

The recoverable amount of goodwill, intangible assets and property, plant and equipment is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the assets and the discount rate to apply. Any change in these assumptions may have a material impact on the measurement of the recoverable amount and could result in adjustments to the impairment losses to be booked.

1.5.1.3 Estimates of provisions (see Note 18)

Parameters with a significant influence on the amount of provisions include the timing of expenditure and the discount rate applied to cash flows, as well as the actual level of expenditure. These parameters are based on information and estimates deemed to be appropriate by the Group at the current time.

To the Group's best knowledge, there is no information suggesting that the parameters used taken as a whole are not appropriate. Furthermore, the Group is not aware of any developments that are likely to have a material impact on the provisions booked.

1.5.1.4 Pensions and other employee benefit obligations (see Note 19)

Pension obligations are measured on the basis of actuarial calculations. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any change in these assumptions may have a material impact on the resulting calculations.

1.5.1.5 Capital renewal and replacement liabilities (see Note 4.1.3)

This item includes concession operators' liabilities for renewing and replacing equipment and for restoring sites. The liabilities are determined by estimating the cost of renewing or replacing equipment and restoring the sites under concession (as defined by IFRIC 12), discounted each year at rates linked to inflation. The related expense is calculated on a contract-by-contract basis with probable capital renewal and site restoration costs allocated over the life of each contract.

1.5.1.6 Financial instruments (see Note 14)

To determine the fair value of financial instruments that are not listed on an active market, the Group uses valuation techniques that are based on certain assumptions. Any change in these assumptions could have a material impact on the resulting calculations.

1.5.1.7 Revenues Water (see Notes 3.2 and 4.1.1)

Revenues generated from customers whose consumption is metered during the accounting period are estimated at the reporting date based on historical data, consumption statistics and estimated selling prices. The Group has developed measuring and modelling tools that allow it to estimate revenues with satisfactory degree of accuracy and subsequently ensure that risks of error associated with estimating quantities sold and the resulting revenues can be considered as not material. This estimated unmetered revenue is mainly due to the operating segment Water.

1.5.1.8 Margin at termination relating to construction contracts (see Note 4.1.3)

The determination of total expected revenue and costs at termination involves significant estimates related to technical solutions, duration of project and contractual issues.

Management reassesses those estimates for the preparation of Consolidated Financial Statements on a quarterly basis or more frequently if required by significant new developments in the course of the projects. Any significant change in expected revenue or expected costs implies an immediate adjustment of the margin already recognized for the portion of the project already performed and impacts future margin for works still to be performed (See Note 1.6.13.3).

1.5.1.9 Measurement of capitalized tax loss carry-forwards (see Note 7)

Deferred tax assets are recognized on tax loss carry-forwards when it is probable that future taxable profit will be available to the Group against which the tax loss carry-forwards can be utilized. The likelihood of future taxable profits is estimated taking into account the existence of temporary taxable differences from the same tax entity and is passed on to the same deadlines towards the tax authority as well as the estimates of future taxable profits. Estimates of taxable profit and utilizations of tax loss carry-forwards were prepared on the basis of profit and loss forecasts as included in the medium-term business plan and, if necessary, on the basis of additional forecasts.

1.5.2 Judgment

In addition to relying on estimates, Group management also makes judgments to define the appropriate accounting policies to apply to certain activities and transactions, particularly when the effective IFRS standards and interpretations do not specifically deal with related accounting issues.

In particular, the Group exercised its judgment in determining:

- the accounting treatment applicable to concession contracts;
- the classification of non-current assets held for sale and discontinued operations in particular to determine whether their disposal is highly probable at the closing date;
- the classification of arrangements which contain a lease (lessor side);
- the groupings of operating segments to be made for the presentation of reportable segments with respect to their economic characteristics.

In compliance with IAS 1, the Group's current and non-current assets and liabilities are shown separately on the consolidated statement of financial position. For most of the Group's activities, the breakdown into current and non-current items is based on when assets are expected to be realized, or liabilities extinguished. Assets expected to be realized or liabilities extinguished within 12 months of the statement of financial position date are classified as current, while all other items are classified as non-current.

1.6 Accounting policies

1.6.1 Scope and methods of consolidation

The consolidation methods used by the Group are the following:

- subsidiaries (over which the Group exercises exclusive control) are fully consolidated;
- joint operations over which the Group exercises joint control are consolidated in proportion to the direct rights to the assets and direct obligations for the liabilities of the entity;
- the equity method is used for:
  - joint ventures over which the Group exercises a joint control but has only rights to the net assets of the entity,
  - associate companies over which the Group exercises significant influence. In accordance with this method, the Group recognizes its proportionate share of the investee's net income or loss on a separate line of the consolidated income statement under "Share in net income of associates". The accounting policies applied by these companies comply with IFRS and are consistent with the accounting policies of the Group.

The Group analyses what type of control exists on a case-by-case basis, taking into account the situations illustrated in IFRS 10, IFRS 11 and IAS 28 revised.

All intercompany balances and transactions are eliminated in the Consolidated Financial Statements.

A list of the main fully consolidated companies as well as the main investments accounted for by the equity method, is presented in Note 25 "List of the main consolidated companies at December 31, 2020 and 2019".

1.6.2 Foreign currency translation methods

1.6.2.1 Presentation currency of the Consolidated Financial Statements

The Group's Consolidated Financial Statements are presented in euros (EUR).

1.6.2.2 Functional currency

Functional currency is the currency of the primary economic environment in which an entity operates. In most cases, the functional currency corresponds to the local currency. However, certain entities may have a different functional currency from the local currency when that other currency is used for an entity's main transactions and better reflects its economic environment.

1.6.2.3 Foreign currency transactions

Foreign currency transactions are recorded in the functional currency at the exchange rate prevailing at the date of the transaction. At each reporting date:

- monetary assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. The related translation gains and losses are recorded in the income statement for the year to which they relate;
- non-monetary assets and liabilities denominated in foreign currencies are recognized at the historical cost applicable at the date of the transaction.

1.6.2.4 Translation of the financial statements of consolidated companies with a functional currency other than the euro

The statement of financial position is translated into euros at year-end exchange rates. Income statement and statement of cash flow items are translated using the average exchange rate for the year. Any differences arising from the translation of the financial statements of consolidated companies are recorded under "Cumulative translation adjustment" as Other comprehensive income.

Goodwill and fair value adjustments arising from the acquisition of foreign entities are classified as assets and liabilities of those foreign entities. Therefore, they are denominated in the functional currencies of the entities and translated at the year-end exchange rate.

1.6.3 Business combinations

Business combinations accomplished before January 1, 2010 have been recognized in accordance with IFRS 3 prior to the revision. In accordance with IFRS 3 revised, these business combinations have not been restated.

Since January 1, 2010, the Group applies the purchase method as defined in IFRS 3 revised, which consists of recognizing at the acquisition date the identifiable assets acquired and liabilities assumed at their fair values, including any non-controlling interests in the acquired company. Non-controlling interests are measured either at fair value or at proportionate interest in the net identifiable assets. The Group determines on a case-by-case basis which measurement option is to be used to recognize non-controlling interests.

1.6.4 Intangible assets

Intangible assets are recognized at cost less any accumulated amortization and any accumulated impairment losses.

1.6.4.1 Goodwills

a) Recognition of goodwill

In accordance with IFRS 3 revised, goodwill is measured as being the amount by which the total of;

i. the consideration transferred;

ii. the amount of any non-controlling interest in the acquired company; and

iii. in a business combination achieved in stages, the fair value at acquisition-date of the previously held interests in the acquired company.

exceeds the accounting net balance of identifiable assets acquired and assumed liabilities.

The amount of goodwill recognized at the acquisition date cannot be adjusted after the end of the measurement period.

Goodwill relating to associates and joint ventures are recorded respectively under "Investments in associates" and "Investments in joint ventures".

b) Measurement of goodwill

Goodwill is not amortized but is tested for impairment once a year, or more frequently when an indication of impairment is identified. Impairment tests are carried out at the level of cash-generating units (CGUs), which constitute groups of assets generating cash inflows that are largely independent of the cash inflows from other cash-generating units.

The methods used to carry out these impairment tests are described in Note 1.6.6 "Impairment of property, plant and equipment and intangible assets".

Impairment losses in relation to goodwill cannot be reversed and are shown under "Impairment" in the income statement.

Impairment losses on goodwill relating to associates and joint ventures are respectively reported under "Share in net income (loss) of associates" and "Share in net income (loss) of joint ventures".

1.6.4.2 Other intangible assets

a) Development costs

Research costs are expensed as incurred.

Development costs are capitalized when the asset recognition criteria set out in IAS 38 are met. Capitalized development costs are amortized over the useful life of the intangible asset recognized. In view of the Group's activities, capitalized development costs are not material.

b) Other internally generated or acquired intangible assets

Other intangible assets include mainly:

- amounts paid or payable as consideration for rights relating to concession arrangements or public service contracts;
- customer portfolios acquired on business combinations;
- surface and underground water drawing rights, which are not amortized as they are granted indefinitely;
- concession assets;
- exclusive rights to distribute drinking water in a defined geographic area in perpetuity;
- softwares.

Intangible assets are amortized on the basis of the expected pattern of consumption of the expected future economic benefits embodied in the asset. If this cannot be reliably calculated, the straight-line method is used, as a function of the useful lives presented in the table below:

Useful life *(in years)*	**Minimum**	**Maximum**
Concession rights – duration of contracts	10	50
Customer portfolios	10	25
Other intangible assets	1	40

Some intangible assets (water rights, etc.) with an indefinite useful life are not amortized but are subject to an annual impairment test.

1.6.5 Property, plant and equipment

1.6.5.1 Property, plant and equipment – initial measurement and subsequent measurement

Items of property, plant and equipment are recognized at their historical cost of acquisition, production or entry to the Group, less any accumulated depreciation and any accumulated impairment losses.

The carrying amount of these items is not revalued as the Group has elected not to apply the allowed alternative method, which consists of regularly revaluing one or more categories of property, plant and equipment.

Investment subsidies are deducted from the gross value of the assets concerned under the heading they were received.

In accordance with IAS 16, the initial cost of the item of property, plant and equipment includes an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has a present legal or constructive obligation to dismantle the item or restore the site. In counterpart, a provision is recorded for the same amount.

The Group applies IAS 23, which consists in capitalizing borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

1.6.5.2 Depreciation

In accordance with the components approach, the Group uses different depreciation terms for each significant component of a sole tangible asset when one of these significant components has a different useful life from that of the main tangible asset to which it relates.

Depreciation is calculated on a straight-line basis over normal useful lives.

The range of useful lives is due to the diversity of the assets and contractual terms in each category. The shortest periods relate to smaller equipment and furniture, while the longest useful lives concern network infrastructure.

Standard useful lives are as follows:

Main depreciation periods *(in years)*

Constructions [a]	3 to 100
Plant and equipment	2 to 70
Transport equipment	3 to 14

(a) Including fittings.

With respect to the assets accounted for as counterpart for the site restoration provisions, they are amortized according to the method set forth in Note 18.4.

1.6.6 Impairment of property, plant and equipment, intangible assets and goodwill

In accordance with IAS 36, impairment tests are carried out on property plant and equipment, intangible assets and on goodwill whenever there is an indication that the assets may be impaired. Such indications may be based on events or changes in the market environment, or on internal sources of information. Intangible assets that are not amortized are tested for impairment annually.

Impairment indicators

This impairment test is only carried out for property, plant and equipment and intangible assets for the defined useful lives when there are signs of an alteration in their value. In general, this arises as a result of significant changes in the operational environment of the assets or from a poorer than expected economic performance.

The main indications of impairment used by the Group are:

- external sources of information:
  - significant changes in the economic, technological, political or market environment in which the entity operates or to which the asset is dedicated,
  - fall in demand;
- internal sources of information:
  - evidence of obsolescence or physical damage not budgeted for in the depreciation/amortization schedule,
  - worse-than-expected performance.

Impairment

Items of property, plant and equipment or intangible assets are tested for impairment at the level of the individual asset or cash-generating unit as appropriate, determined in accordance with IAS 36. If the recoverable amount of an asset is lower than its carrying amount, the carrying amount is reduced to the recoverable amount by recording an impairment loss. Upon recognition of an impairment loss, the depreciable amount – and possibly the useful life – of the asset concerned is revised.

Impairment losses recorded in relation to property, plant and equipment or intangible assets may be subsequently reversed if the recoverable amount of the assets is once again higher than their carrying value. The increased carrying amount of an item of property, plant or equipment attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined (net of depreciation/amortization) if no impairment loss had been recognized in prior periods.

Measurement of recoverable amount

In order to review the recoverable amount of property, plant and equipment, intangible assets and goodwill, the assets are, where appropriate, grouped into cash-generating units (CGUs) and the carrying amount of each unit is compared with its recoverable amount.

For operating entities which the Group intends to hold on a long-term and going concern basis, the recoverable amount of a CGU corresponds to the higher of its fair value less costs to sell and its value in use. Value in use is primarily determined based on the present value of future operating cash flows and a terminal value. Standard valuation techniques are used based on the following main economic data:

- discount rates based on the specific characteristics of the operating entities concerned;
- terminal values in line with the available market data specific to the operating segments concerned and growth rates associated with these terminal values, not to exceed inflation.

Discount rates are determined on a post-tax basis and applied to post-tax cash flows. The recoverable amounts calculated on the basis of these discount rates are the same as the amounts obtained by applying the pre-tax discount rates to cash flows estimated on a pre-tax basis, as required by IAS 36.

For operating entities which the Group has decided to sell as defined by IFRS 5, the related carrying amount of the assets concerned is written down to the estimated market value less costs of disposal. When negotiations are ongoing, this is determined based on the best estimate of their outcome as of the reporting date. (See Note 1.6.16).

In the event of a decline in value, the impairment loss is recorded in the consolidated income statement under "Impairment"

1.6.7 Leases

1.6.7.1 SUEZ 's accounting methods as a lessee

Leases that the Group signed as the lessee mainly pertain to real estate assets, vehicles and construction machinery. The duration of the contracts is highly variable depending on the nature of the leased assets.

The lessee applies a single accounting model which consists of recording the following items on the date a given lease takes effect:

- a lease liability under liabilities in the statement of financial position;
- a right to use the leased assets under assets;
- depreciation of the right of use in the income statement;
- interest in the income statement and principal payments under lease liability, with the sum of these payments corresponding to lease payments made to the lessor.

Lease liability equals the present value of future rent to be paid.

Lease payments included in this liability calculation include fixed lease payments, in-substance fixed lease payments or unavoidable payments, variable lease payments that fluctuate solely due to an index or rate, the exercise price of a purchase option if the Group is reasonably certain to exercise it, or early termination penalties if the remaining duration of the lease takes into account this event.

Variable lease payments, which fluctuate depending on how much the leased assets are used, are recognized in operating expenses during the period that the event or condition that triggered the obligation occurred. Their total amount for the year 2020 is shown in Note 15.

IFRS 16 recommends that future lease payments to be paid be discounted using the interest rate implicit in the lease (IRIL) if it is possible to easily determine this rate, or if not, using the incremental borrowing rate (IBR) of the entity that has the concerned leases.

The Group cannot easily determine the interest rate implicit in the leases. As a result, SUEZ used incremental borrowing rates from the different entities with leases to calculate the Group's lease liability. The interest rates used are those for amortizables debts.

After the leases take effect, the lease liabilities will increase due to interest but decrease by the amount of lease payments made.

The book values of the liabilities are re-estimated each time a lease contract is amended or events or circumstances significantly change, leading to a change in:

- the remaining duration of the lease;
- the number or type of assets leased;
- the amount of lease payments;
- the estimate of exercising a purchase option on a leased asset.

The Group recognizes rights of use at their initial cost on the date the leases take effect.

The initial cost of rights of use primarily include the lease liability amount, initial direct incremental costs that have been paid to obtain the leases and pre-paid lease payments, less incentives received from lessors at the beginning of the leases.

After the rights of use take effect, they are amortized on a straight-line basis over the remaining duration of the leases. As an exception to this rule, a right of use is amortized over the useful life of the leased asset when the SUEZ Group is reasonably certain it will exercise a purchase option on the asset.

The book value of the rights of use is adjusted when the lease liability is remeasured.

The rights of use are impaired when there is indication that their Cash Generating Unit has undergone a loss of value in accordance with the same criteria as those applied to other depreciable fixed assets.

Exemptions

The Group has opted to take the exemptions set forth in IFRS 16, meaning it will not apply the single accounting model for the following types of leases:

- lease payments for leases of less than or equal to 12 months if these leases do not include purchase options on the leased assets;
- lease payments on leases that pertain to assets with a unit replacement value of less than EUR 5,000;
- SUEZ has recorded a right of use and a lease liability for all transportation equipment leases signed by the Group as lessee, including maintenance expenses and vehicles maintenance. However, as the Group has not applied this simplification to leases on other types of leased assets, only the rental components of these agreements have been restated.

Lease payments that fall under these exemptions remain accounted for under operating expenses as of December 31, 2020. They are presented in Note 15.

Judgment used to determine the remaining duration of leases

The remaining duration of leases according to IFRS 16 corresponds to their lease term plus:

- the lease's renewal period if the agreement includes a renewal option for the lessee and the lessee is reasonably certain to use it;
- the period that the lessee can opt to terminate the agreement if the lessee is reasonably certain it will not use this option.

The SUEZ Group has the right to opt for renewal or termination on certain leases it has signed as lessee and uses its judgment to determine if there are strong economic incentives to exercise them.

After a lease takes effect, the Group reassesses its remaining lease term if a significant change in circumstances takes place and it is;

- under SUEZ's control;
- and which leads the Group to now be reasonably certain it will exercise an option that had not been considered when the remaining lease term was initially determined; or which leads the Group to no longer be reasonably certain it will exercise an option that it had initially considered.

In 2020, SUEZ complied with the IFRIC decision of November 2019.

The enforceable period of a contract ends when the lessee and the lessor each have the right to terminate the lease without the permission of the other party and without incurring more than a negligible penalty.

As specified by the IFRIC, the penalties to be taken into account in determining the term of a contract include economic penalties, notably the net book value of fixtures and fittings inseparable from the leased assets, which SUEZ has paid, and which would be lost if SUEZ were to terminate the lease in question. SUEZ therefore includes the existence of fixtures and fittings that are not fully depreciated and that would have to be abandoned if the lease were to be terminated in the assessment of the lease term.

The retroactive application of the IFRIC decision did not have a material impact on the Consolidated Financial Statements of the SUEZ Group.

1.6.7.2 SUEZ's accounting methods as a lessor

Leases signed by SUEZ as the lessor mainly pertain to seawater desalination facilities and water filtration equipments.

The lessor analyzes its leases to determine if they are operating leases or finance leases. For finance leases, the lessor transfers almost all risks and benefits related to owning the leased assets to the lessee. All leases that do not fall under this definition of a finance lease are operating leases.

Examples of situations that individually or jointly lead the lessor to classify a lease as a finance lease are as follows:

- the lease results in transferring ownership of the leased asset at the end of the term;
- the lessee has the option to buy the leased asset at a price that should be sufficiently less than its fair value on the date the option becomes exercisable so that when the lease ends, the Group will be reasonably certain the purchase option will be carried out;
- the term of the lease covers most of the useful life of the leased asset;
- as of the signing date of the lease, the present value of future lease payments to be received amounts to at least almost all of the fair value of the leased asset.

Based on these criteria, all contracts signed by the SUEZ Group as lessor are operating leases.

The Group recognizes rental income on a straight-line basis under operating income.

Leased assets are segregated within the Group's property, plant and equipment and depreciated over their useful life. They are subject to impairment tests in the event of an indicator of impairment within the Cash Generating Unit concerned.

Contracts are signed with industrial or public-sector clients for assets financed by the Group. Contracts that do not take the legal form of a lease, but which give the Group's customers control over the use of a given asset throughout their term, in return for payment of a consideration, are treated as leases in accordance with IFRS 16.

The leases concerned generally include clauses that oblige the customer to pay SUEZ for maintenance services on the assets leased by the customer. These services reduce the risk of a rapid decline in the residual value of the assets. In the less frequent cases where SUEZ does not perform these services, the customer is contractually obliged to perform maintenance or to have a third party perform maintenance throughout the duration of the contracts.

1.6.8 Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value corresponds to the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories is determined based on the first-in, first-out method or the weighted average cost formula.

1.6.9 Financial instruments

Financial instruments are recognized and measured in accordance with IFRS 9.

1.6.9.1 Classification, valuation and impairment of financial assets

Financial assets mainly comprise cash and cash equivalent instruments, or rights to receive cash, or equity instruments of other entities.

They are listed as follows:

- assets whose cash flows are not interests and principal repayments (equity interests in non-consolidated entities, derivative instruments);
- assets whose cash flows are interests and principal repayments (primarily loans and receivables);
- cash and cash equivalent instruments.

Financial assets are broken down into current and non-current assets in the statement of financial position.

a) Equity interests in non-consolidated entities

SUEZ Group's investments in non-consolidated companies are classified as either:

- equity instruments measured at fair value through income. This category mainly includes listed securities held in companies in which the SUEZ Group does not hold a significant influence; or
- equity instruments measured at fair value through Other comprehensive income following an irrevocable option taken by the SUEZ Group, security by security, and from the first recognition. This category mainly includes unlisted securities held in companies in which the Group does not have significant influence.

In accordance with IFRS 9, equity instruments are recognized:

- at their initial cost plus transaction costs when they are measured at fair value through other items of comprehensive income;
- at their initial cost when they are measured at fair value through income. Transaction costs are then recorded on the income statement at the acquisition date.

At each closing, the Group's equity investments in non-consolidated companies are measured and recognized at their fair value. For listed companies, fair value is determined based on the quoted market price at the relevant closing date. For unlisted securities, fair value is measured using valuation models based primarily on the latest market transactions, discounted dividends, cash flows, or failing that, using net book value.

In accordance with IFRS 9:

- all impacts related to instruments measured at fair value through income generated after their vesting date are recognized in the income statement: dividends, positive or negative differences between the fair value and acquisition price throughout the entire time the securities are held, gains or losses on disposals;
- by contrast, impacts related to instruments measured at fair value through other items of comprehensive income are never recycled in the income statement. The positive or negative differences between fair value and acquisition price are recorded in other items of comprehensive income as long as the instruments are held. Gains and losses on disposals are classified in other items of comprehensive income, then the cumulative total of other items of comprehensive income related to the line of sold securities is reclassified to consolidated reserves. Only dividends received impact the Group's revenue;
- there is no impairment recognition for of the Group's investments in non-consolidated companies.

b) Derivative instruments

Derivative instruments are measured and recognized at their fair value; compensation for changes in fair value is recognized in the income statement, unless the derivative instruments are used as cash flow hedges or net investment hedges (see Note 1.6.9.3).

c) Loans and receivables carried at amortized cost

The category mainly includes loans and receivables attached to investments, advances granted to associates or non-consolidated companies, guarantee deposits, long-term receivables from customers for concession contracts (see Note 1.6.13.4) as well as trade and other receivables less than one year.

On initial recognition, these loans and receivables are recorded at fair value plus transaction costs, which generally corresponds to their nominal value. Then, at each reporting date, these assets are measured at amortized cost using the effective interest rate method.

In accordance with the terms and conditions of IFRS 9, SUEZ Group entities have started using an impairment approach per type of asset for counterparty risk.

Regarding trade receivables and lease receivables, they have constituted non-recovery risk matrices for each homogeneous category of customer, adapted to their local realities, in light of the default rates observed in the recent past on receivables with a similar credit risk profile. They update their matrices at least once a year or more in response to unpredictable events with significant consequences (in 2020, effect of the Covid-19 pandemic). They use these matrices to calculate impairments now based on the expected default rates on each of the homogeneous categories of customers.

For loans related to investments, current account advances to associates and deposits and guarantees, impairment losses are calculated on the basis of expected losses on assets taken individually.

These assets are classified into three categories:

- situation 1: Assets whose credit risk has not significantly deteriorated and debtors pay on time or with delays of less than 60 days;
- situation 2: Assets that have suffered material credit risk deterioration with overdue payments of between 60 and 180 days;
- situation 3: Assets that have deteriorated to the point where the loss has occurred, with overdue payments exceeding 180 days.

Assets classified under situation 1 are subject to impairment for expected losses up to 12 months. Assets classified under situation 2 or 3 are subject to impairment for expected losses for their entire useful life. The amount of impairment is calculated based on:

- the likelihood of default of the debtor;
- the estimated loss rate if the counterparty defaults applied to the total value of the asset.

Impairment on loans related to investments, current account advances to associates and deposits and guarantees are calculated on the basis of expected losses on assets taken individually.

Receivables arising from concession contracts, when SUEZ Group has obtained an unconditional right to receive cash, contain a financing component within the meaning of IFRS 15 since customers pay over several years for a service already provided by the Group. As authorized by IFRS 9, the impairment method used to calculate impairment losses on loans and advances on current accounts and described above has been applied to these loans and receivables.

Gross values of receivables are transferred to unrecoverable losses on receivables on the income statement when all avenues offered to the SUEZ Group to recover the assets have been exhausted. Accumulated impairment less receivables concerned are then also transferred to the income statement.

Contracts assets concluded with customers include amounts due from customers under construction contracts. The calculation method used is described in Note 1.6.13.3. These assets are subject to an impairment test using the same rules as trade receivables.

d) Cash and cash equivalents

The cash and cash equivalents line item includes cash as well as short-term investments that are considered to be readily convertible into a known amount of cash and where the risk of a change in their value is deemed to be negligible based on the criteria set out in IAS 7 and held in order to meet short-term cash commitments.

Bank overdrafts are not included in the calculation of cash and cash equivalents and are recorded under short-term borrowings on the statement of financial position.

1.6.9.2 Classification, valuation of financial liabilities

Financial liabilities include borrowings (of which bank overdrafts), trade and other payables, derivative financial instruments, and other financial liabilities.

Financial liabilities are broken down into current and non-current liabilities in the statement of financial position. Current financial liabilities primarily comprise:

- financial liabilities with a settlement or maturity date within 12 months of the closing date;
- derivative financial instruments qualifying as fair value hedges;
- all derivative financial instruments not qualifying as hedges.

Borrowings and other financial liabilities are measured at amortized cost using the effective interest rate method.

On initial recognition, any issuing premiums/discounts, redemption premiums/discounts and issuing costs are added to/deducted from the nominal value of the borrowings concerned. These items are taken into account when calculating the effective interest rate and are therefore recorded in the consolidated income statement over the life of the borrowings using the amortized cost method.

SUEZ Group treats restructurings of financial debts that do not take place between identical lenders and borrowers as an extinction of the initial debt and an acknowledgement of the new debt.

Similarly, a renegotiated debt whose value of cash flows under the new conditions (including fees paid to the counterparty bank, discounted using the initial effective interest rate) differs by more than 10% from the present value of the remaining cash flows of the initial financial liability is also considered to be an extinguishment of debt and the recognition of new debt, since the contractual amendment is substantive under IFRS 9. At this time, the initial debt is considered as extinguished and therefore derecognized and all fees related to the former and not yet amortized debt are transferred to the income statement.

When the change is not substantive under IFRS 9, the initial debt remains recognized in the statements of financial position, including any related fees not yet amortized. However, the Group reassess the carrying amount of the debt with the new future cash flows expected over its remaining period in order to comply with the standard. The effect of the reassessment is recognized in the income statement.

1.6.9.3 Derivatives and hedge accounting

The Group uses financial instruments to manage and reduce its exposure to market risks arising from fluctuations in interest rates, foreign currency exchange rates and commodity prices. Use of derivative instruments is governed by a Group policy for managing interest rate, currency and commodity risks.

a) Definition and scope of derivative financial instruments

Derivative financial instruments are contracts whose value changes in response to the change in one or more observable variables that do not require any material initial net investment and that are settled at a future date.

Derivative instruments therefore include swaps, options and futures.

b) Derivative hedging instruments: recognition and presentation

Derivative instruments qualifying as hedging instruments are recognized in the statement of financial position and measured at fair value. However, their accounting treatment varies according to whether they are classified as:

- a fair value hedge of an asset or liability;
- a cash flow hedge;
- a hedge of a net investment in a foreign operation.

Fair value hedges

A fair value hedge is defined as a hedge of the exposure to changes in fair value of a recognized asset or liability, such as a fixed-rate loan or borrowing, or of assets, liabilities or an unrecognized firm commitment denominated in a foreign currency.

The gain or loss from re-measuring the hedging instrument at fair value is recognized in income. The gain or loss on the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognized in income even if the hedged item is in a category in respect of which changes in fair value are recognized through Other comprehensive income, or if it is normally recognized at amortized cost in the absence of hedging. These two adjustments are presented net in the income statement, with the net effect corresponding to the ineffective portion of the hedge.

Cash flow hedges

A cash flow hedge is a hedge of the exposure to variability in cash flows that could affect the Group's consolidated income. The hedged cash flows may be attributable to a particular risk associated with a recognized financial or non-financial asset or a highly probable forecast transaction.

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in Other comprehensive income, net of tax, while the ineffective portion is recognized in income. The gains or losses accumulated in shareholders' equity are reclassified to the income statement, under the same caption as the loss or gain on the hedged item – i.e. current operating income for operating cash flows and financial income/expense for other cash flows – in the same periods in which the hedged cash flows affect income.

If the hedging relationship is discontinued, in particular because the hedge is no longer considered effective, the cumulative gain or loss on the hedging instrument remains separately recognized in shareholders' equity until the forecast transaction occurs. However, if a forecast transaction is no longer highly probable, the cumulative gain or loss on the hedging instrument is recognized in income.

Hedging of a net investment in a foreign entity

In the same way as for a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge of the currency risk is recognized directly in Other comprehensive income, net of tax, while the ineffective portion is recognized in income. The gains or losses accumulated in Other comprehensive income are transferred to the consolidated income statement when the investment is sold or liquidated.

c) Identification and documentation of hedging relationships

The Group identifies the hedging instrument and the hedged item at the inception of the hedge and formally documents the hedging relationship by identifying the hedging strategy, the hedged risk and the method used to assess the effectiveness of the hedge. Only derivatives traded with counterparties outside of the Group are considered eligible for hedge accounting.

This methodology complies with IFRS 9.

From the outset and on an ongoing basis during all periods for which hedging has been designated, the Group demonstrates and documents the effectiveness of the hedging relationship.

In accordance with IFRS 9, hedges are considered effective when:

- there is an economic relationship between the hedged item and the hedging item. This relationship exists when the characteristics of the hedging instrument (notional amount, maturity date) are highly correlated with the hedged item, and/or when the change in the value of the hedging instrument itself strongly correlates to the change in value of the item hedged;
- the hedging ratio is consistent with the risk management strategy of the company that is hedging the hedged item;
- the value of the hedging instrument is largely unrelated to the debtor's credit risk.

The hedge effectiveness has been demonstrated both prospectively and retrospectively using various methods, based mainly on a comparison between changes in fair value or in cash flows between the hedging instrument and the hedged item. Methods based on an analysis of statistical correlations between historical price data are also used by the Group.

d) Derivative instruments not qualifying for hedge accounting: recognition and presentation

These items mainly concern derivative financial instruments used in economic hedges that have not been – or are no longer – documented as hedging relationships for accounting purposes.

When a derivative financial instrument does not qualify or no longer qualifies for hedge accounting, changes in fair value are recognized directly in income, under "Mark-to-Market on commodity contracts other than trading instruments", in current operating income for derivative instruments with non-financial assets as the underlying, and in financial income or expenses for currency, interest rate and equity derivatives.

Derivative expiring in less than 12 months are recognized in the consolidated statement of financial position in current assets and liabilities, while derivatives expiring after this period are classified as non-current items.

e) Measurement of fair value

The fair value of listed instruments on an active market is determined based on the market price. In this case, these instruments are presented at Level 1 of the fair value measurement.

The fair value of non-listed financial instruments for which there is observable market data is determined by using valuation techniques such as the valuation models applied for options, or by using the discounted cash flows method. The counterparty risk is taken into account when valuing derivative contracts.

The models used to value these instruments include assumptions based on market data in accordance with IFRS 13:

- the fair value of interest rate swaps is calculated based on discounted future cash flows;
- the fair value of forward exchange contracts and currency swaps is calculated based on current prices for contracts with similar maturity profiles by discounting the differential of future cash flows (the difference between the forward price of the contract and the recalculated forward price based on new market conditions applied to the nominal amount);
- commodity derivatives are valued as a function of market quotes based on discounted future cash flows (firm contracts: commodity swaps or commodity forwards), and option valuation models (optional contracts) for which it may be necessary to observe market price volatility. For contracts with maturity exceeding the depth of transactions for which prices are observable, or that are particularly complex, valuations may be based on internal assumptions;
- for complex contracts entered into with independent financial institutions, the Group uses valuations carried out by counterparties, on an exceptional basis.

These instruments are presented in Level 2 of the fair value measurement hierarchy, unless their valuation depends significantly on non-observable parameters. In this case, they are presented at Level 3 of the fair value measurement hierarchy. These largely involve derivative financial instruments with maturities exceeding the observable horizon for the forward prices of the underlying asset, or for which certain parameters, such as underlying volatility, are not observable.

1.6.10 Treasury shares

Treasury shares are recognized at cost and deducted from equity. Gains and losses on disposal of treasury shares are directly recorded in equity and do not therefore impact income for the period.

1.6.11 Share-based payments

IFRS 2 requires the recognition of an expense corresponding to services compensated by benefits granted to employees in the form of share-based payments. These services are measured at the fair value of the instruments granted.

This compensation may take the form of either share-settled or cash-settled instruments.

1.6.11.1 Equity-settled instruments

Allotment of bonus shares

The fair value of bonus share plans is estimated based on the share price on the allotment date, taking into account the absence of dividend payments over the vesting period, the turnover rate for the relevant staff in each plan and the likelihood of the Group's performance. The estimation of the fair value of the plans also takes into account the non-transferability period associated with these instruments. The cost is expensed over the vesting period of the rights and offset against equity. For performance shares that are allotted on a discretionary basis and include external performance conditions, a Monte Carlo model is used.

Employee share purchase plans

Employee share purchase plans enable employees to subscribe to Company shares at a lower-than-market price. The fair value of the instruments awarded under employee share purchase plans is estimated on the allotment date based on the value of this discount awarded to employees and non-transferability period applicable to the share subscribed. As it is treated as a service rendered, the cost is recognized in full and offset against equity.

1.6.11.2 Cash-settled instruments

In specific cases where local legislation prohibits employee share purchase plans, Share Appreciation Rights (SAR) are granted instead. When these instruments are settled in cash, their fair value is recognized in expenses over the vesting period, with an offsetting entry recorded in employee-related liabilities. Changes in the fair value of the liability are taken to income for each fiscal year.

The long-term incentive plan, which will result in a cash payment to the beneficiary, is valued at its fair value and an expense is recognized on a straight-line basis over the term of the plan.

1.6.12 Provisions

1.6.12.1 Provisions for post-employment benefit obligations and other long-term benefits

Depending on the laws and practices in force in the countries where SUEZ operates, Group companies have obligations in terms of pensions, early retirement payments, retirement bonuses and other benefit plans. Such obligations generally apply to all of the employees within the companies concerned.

The Group's obligations in relation to pensions and other employee benefits are recognized and measured in accordance with IAS 19 revised. Accordingly:

- the cost of defined contribution plans is expensed based on the amount of contributions payable in the period;
- the Group's obligations concerning pensions and other employee benefits payable under defined benefit plans are assessed on an actuarial basis. These calculations are based on assumptions relating to mortality, staff turnover and estimated future salary increases, as well as the economic conditions specific to each country or subsidiary of the Group. Discount rates are determined by reference to the yield, at the measurement date, on high-quality corporate bonds in the related geographical area (or on government bonds in countries where no representative market for such corporate bonds exists). A discount rate curve was used for each currency zone and was applied to the debt as well as to the components of the current expense (Service Cost and Net Interest).

Provisions are recorded when commitments under these plans less the unrecognized past service cost exceed the fair value of plan assets. When the value of plan assets (capped where appropriate) is greater than the related commitments, the surplus is recorded as an asset under "Other current assets" or "Other non-current assets".

As regards post-employment benefit obligations, the Group recognizes actuarial gains and losses resulting from changes in actuarial assumptions and experience adjustments directly to Other comprehensive income (equity) items. Where appropriate, adjustments resulting from applying the asset ceiling to net assets relating to overfunded plans are treated in a similar way.

However, actuarial gains and losses on other long-term benefits such as long-service awards, continue to be recognized immediately in income.

The net interest expense (income) in respect of pensions is presented as a "financial result".

1.6.12.2 Other provisions

The Group records a provision where it has a present obligation (legal or constructive), the settlement of which is expected to result in an outflow of resources embodying economic benefits with no corresponding consideration in return.

A provision for restructuring costs is recorded when the general criteria for setting up a provision are met, i.e., when the Group has a detailed formal plan relating to the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Provisions with a maturity of over 12 months are discounted when the effect of discounting is material. The Group's main long-term provisions, excluding the provisions for post-employment benefit obligations, are provisions for site restoration costs (relating to the Waste Services business). The discount rate (or rates) used reflect current market measurements of the time value of money and the risks specific to the liability concerned. Expenses corresponding to the reversal of discounting adjustments to long-term provisions are recorded under other financial income and expenses.

A provision is recognized when the Group has a present legal or constructive obligation to restore a site. The counterpart for this provision is included in the carrying amount of the asset concerned. Adjustments to the provision due to subsequent changes in the expected outflow of resources, the site restoration date or the discount rate are deducted from or added to the cost of the corresponding asset in a symmetrical manner. The impacts of unwinding the discount are recognized in expenses for the fiscal year.

1.6.13 Revenues

Revenues correspond to proceeds from contracts signed with customers. They are calculated and recognized using IFRS 15 principles.

SUEZ determines performance obligations included in the contracts signed with customers. Most contracts only include one performance obligation.

When contracts include both a construction activity and facility operation activity, two performance obligations are distinguished. Total revenues related to the contract are then divided up between the construction and operations activities in accordance with IFRS 15.

The SUEZ Group only recognizes the variable portion of revenue, depending on the degree of achievement of contractual objectives (bonuses or penalties), if it is highly unlikely that there will be a material downward adjustment in future accounting periods.

The SUEZ Group recognizes its revenues when transferring control of goods or services promised to the customer, which happens either at delivery (i.e. when control is transferred to the buyer) or on an ongoing basis (services and construction activities recognized as the project progresses) often under long-term contracts.

SUEZ only recognizes revenues generated by its co-contracting parties as main operator if:

- the Group bears the main responsibility in managing and completing the overall service;
- the Group made a significant effort to integrate various work carried out by co-contracting parties; and
- the Group made significant efforts in technical supervision so the Group could take total control of the goods or services carried out before transferring control over to the customer.

The Group's revenue includes products related to the following business lines:

- Water;
- Recycling and Recovery;
- Engineering and construction contracts and other services.

1.6.13.1 Water

As of December 31, 2020, as during previous fiscal years, revenues are based on volumes delivered to the customer in the water distribution business, whether these volumes resulted in specific invoicing ("statement") or are estimated based on the output of the supply networks. As authorized by IFRS 15 and by simplification, revenues correspond to volumes delivered multiplied by a price per m^3 (see Note 1.5.1.7).

With regard to the wastewater services and wastewater treatment, the price of the service is either included in the water distribution bill or is invoiced specifically to the local authority or industrial customer.

The revenue recognition rules for concession contracts are detailed in Note 1.6.13.4.

1.6.13.2 Recycling and Recovery

As of December 31, 2020, as during previous fiscal years, revenues are recorded:

- depending on the tonnages collected and the service provided by the SUEZ Group, in the waste collection activity;
- depending on the volumes of waste treated and the additional income from waste recovery, in incineration (sale of heat and power in particular) and sorting (sale of raw materials – paper, cardboard, glass, metals, plastics).

As authorised by IFRS 15 and by simplification, revenues correspond to the tonnages of waste treated multiplied by a price per metric tonne.

The revenue recognition rules for concession contracts are detailed in Note 1.6.13.4.

1.6.13.3 Engineering, construction contracts and other services

As of December 31, 2020, as during previous fiscal years, revenues are recognized using the percentage of completion method for engineering, construction and equipment sales activities.

When it is probable that total direct unavoidable contract costs will exceed the total economic benefits expected to be received from the contract, the Group recognizes expected loss at termination as an expense immediately. Potential losses at completion are calculated at the contract level in accordance with IAS 37 and not for each performance obligation.

Partial payments received under construction contracts before the corresponding work has been carried out are recorded on the liabilities side of the statement of financial position as advances received under contracts liabilities (see also Note 1.6.15).

The difference between the cumulative amount of revenues recognized and intermediary billing is measured. If this difference is positive, it is recognized under "Amount due from customers under construction contracts" within contracts assets (see Note 1.6.15). If this difference is negative, it is recognized under "Amount due to customers under construction contracts" within contracts liabilities.

1.6.13.4 Concession contracts

A significant part of the business activities in the Water and Waste businesses is conducted under concession contracts, especially for operating drinking water production and distribution facilities, wastewater treatment facilities or waste incineration facilities.

SIC 29 – Service Concession Arrangements: Disclosures deals with information about concession agreements to be disclosed in the Notes to the financial statements.

IFRIC 12 is the interpretation that specifies the common characteristics of concession agreements:

- the grantor, usually a public authority, is required to provide a public service that it delegates to the SUEZ concessionaire (determining criterion);
- the concession operator, SUEZ, is responsible for managing the related infrastructure and performing the actual public service and is not just a simple agent acting on orders;
- the concession operator, SUEZ, is entrusted with specific infrastructure expansion or upgrading obligations while maintaining the infrastructure in proper condition;
- the price and the conditions (regulation) for price revision are set at the origin of the contract.

For a concession contract to be included in the scope of IFRIC 12, the infrastructure must be controlled by the grantor. Control of the infrastructure by the grantor is ensured when the following two conditions are met:

- the grantor controls or regulates the public service, i.e. it controls or regulates the services to be provided through the infrastructure subject to the concession and determines to whom and at what price they should be provided; and
- the grantor controls all residual interest in the infrastructure at the end of the contract. This control is usually reflected through the grantor's right to take over the infrastructure at the end of the contract.

The IFRIC 12 interpretation applies under IFRS 15. Most of the time, concession contracts include two performance obligations – construction and operations:

- the construction performance obligation includes the creation of new infrastructure, the extension or improvement of existing infrastructure, financed by the concession operator SUEZ, which makes it possible to create future economic benefits. Revenues from construction performance are in all cases recognized using the percentage of completion method, since the infrastructure is built on the customer's site. The customer takes control of the infrastructure as it is completed. The accounting counterpart of revenue is a contract asset (see Note 1.6.15), while construction is in progress. On the date of entry into service, the contract asset is reclassified, depending on how the SUEZ Group is remunerated for the service.

Thus:

- the asset becomes a receivable, therefore a financial asset, when the operator has an unconditional right to receive a predetermined amount of cash, either directly from the grantor or indirectly through the guarantees given by the grantor on the amount of cash receipts from public service users (e.g. *via* a contractually guaranteed internal rate of return). The receivable contains a financing component within the meaning of IFRS 15 since the customer pays for a service the Group already performed over a period of several years. This accounting scheme applies in particular to BOT (Build, Operate and Transfer) contracts signed with local authorities and relating to public services such as wastewater treatment and household waste incineration,
- when the concession operator does not receive an unconditional right to receive a predetermined amount of cash, the asset becomes an intangible asset: the concession operator is entitled to bill the users of the public service, the concession operator is paid in substance by the user. Most of the SUEZ Group's concession contracts fall under this model,
- lastly, when the concession operator only obtains this unconditional right to receive cash only for part of its construction obligation performance, the revenue counterpart is a financial asset for that part, and an intangible asset for the residual amount;

- the operation performance obligation includes current operations of infrastructure, carrying out operations service for the customer (distribution of drinking water; waste treatment, etc.) and incurring identical renewal expenses to maintain the facilities in proper condition.

The amounts received from the customer on the concession contract are divided up between compensation for construction services on the one hand and compensation for operations services on the other, in accordance with the terms and conditions of IFRS 15 and IFRIC 12:

- when the asset created is a receivable, the amounts received from the customer as compensation for the construction performance obligation are partly recognized as interest income in revenues and partially as repayment of principal of the receivable. The amount received in compensation for the operations performance obligation is recorded as revenues;
- when the asset created is an intangible asset, it is amortized over the term of the concession contract. All amounts received from the customer are fully recognized in revenue.

Property, plant and equipment received at no cost from the grantor as infrastructure, to which the concession operator is granted access for the purposes of the service agreement, that may not be transferred as these will be returned to the grantor at no cost at the end of the contract, are not recorded in the statement of financial position.

The SUEZ Group may have to transfer cash to the grantor in certain cases. If these payments are not for the right to use an asset that is separate from the concession contract, according to IFRIC 12, then, these payments constitute:

- a reduction in the infrastructure's sales price, recognized as operating expenses when the consideration for the construction performance obligation is a financial asset;
- an increase in the intangible asset when the consideration for the construction performance obligation is an intangible asset and the payments to the grantor are fixed; the amount of this increase in intangible assets corresponds to the present value of future fixed payments;
- an operating expense when the consideration for the construction performance obligation is an intangible asset and the payments to the grantor are variable.

Renewal expenses correspond to obligations provided for in contracts whose terms and conditions may differ (contractual rehabilitation obligation, contractual renewal plan, contractual monitoring account, etc.).

They are recognized either as assets in the statements of financial position as intangible assets or financial assets in accordance with the model applicable to the contract if they generate future economic benefits (improving renewal), or as expenses in the opposite case (identical renewal).

Expenditure on identical renewals is recognized as an asset or a liability as concession renewal work when, at a given date, there is a time shift between the contractual commitment and its fulfilment.

The concession renewal work liability recorded in respect of the general obligation to restore the site amounted to EUR 211.4 million at the end of the financial year, compared with EUR 166.9 million at December 31, 2019. This item is classified as "current contracts liabilities".

Amounts are calculated contract by contract based on the obligations of each contract.

1.6.14 Costs to obtain and execute contracts

IFRS 15 also establishes the principles for recognizing the costs of obtaining and executing contracts signed with customers.

SUEZ recognizes under assets on the statement of financial position all significant marginal costs to obtain contracts signed with customers where costs were incurred after the date on which the Group was almost certain to be granted contracts. These marginal costs are the costs that SUEZ incurs to obtain a contract with a customer and that the Group would not have incurred if it had not obtained the contract (e.g. commissions paid to sales professionals when new contracts are being entered into).

SUEZ also recognizes contract costs under assets on the statement of financial position when these costs:

- are directly related to a specific contract (direct labor costs, costs that can be rebilled to the customer as per the contract, raw material costs);
- provide the Group new or increased resources which will be used to meet or to continue to meet a performance obligation in the future;
- the Group expects to recover these costs.

Assets thus recognized on the costs of obtaining and executing contracts are then transferred to the income statement as and when the services are provided to the client.

1.6.15 Contracts assets and liabilities

As of December 31, 2020, as during previous fiscal years, the SUEZ Group presents separately, as assets in the statement of financial position, trade receivables corresponding to the unconditional right to receive cash, in exchange for the contractual obligations that SUEZ has already fulfilled.

There are also situations in which SUEZ has fulfilled some of its obligations under contracts signed with customers but has not yet obtained an unconditional right to receive cash because, for example, a technical milestone has not been achieved as of the reporting date. These situations require the Group to present the assets concerned on two separate lines on the statement of financial position: "Non-current Contracts Assets" and "Current Contracts Assets". Contracts assets are impaired as soon as impairments on these assets are expected, by applying the same principles as those described in Note 1.6.9 for impairments on trade receivables.

In addition, there are contracts liabilities with customers which are incurred because customers have already paid for services that SUEZ has not yet performed (advances received on services not yet performed, deferred income). They are separated into two line items: "Non-current Contracts Liabilities" and "Current Contracts Liabilities".

1.6.16 Current operating income (COI)

Current operating income is an indicator used by the Group to present "a level of operational performance that can be used as part of an approach to forecast recurring performance" (in accordance with ANC Recommendation 2013-03 in the financial statements of companies applying IFRS). COI is a sub-total which helps management to better understand the Group's performance because it excludes elements which are inherently difficult to predict due to their unusual, irregular or non-recurring nature. For the Group, these elements relate to the Mark-to-Market (MtM) value on operating financial instruments, asset impairments, restructuring costs, scope effects, other gains and losses on disposals, and non-recurring items. They are defined as follows:

- MtM on operating financial instruments: This corresponds to changes in the fair value (Mark-to-Market) of financial instruments relating to currency hedging, commodities and gas which do not qualify as either trading or hedging instruments. These contracts are used in economic hedges of operating transactions;
- impairment on property, plant and equipment, intangible and financial assets: this includes impairment losses on goodwill, intangible and tangible assets, investments in associates and equity instruments;
- restructuring costs: These relate to costs of a restructuring program planned and controlled by management that materially changes either the scope of a business undertaken by an entity, or the manner in which that business is conducted, based on the criteria set out in IAS 37;
- scope effects. This line includes:
  - direct costs related to acquisitions of controlling interests,
  - in the event of a business combination achieved in stages, impacts of the remeasurement of the previously held interests at acquisition-date fair value,
  - subsequent changes in the fair value of contingent consideration,
  - gains or losses from disposals of interests which result in a change in consolidation method, as well as any impact of the remeasurement of retained interests;
- other gains and losses on disposals and non-recurring items: this includes mainly capital gains and losses on disposals of non-current assets and equity instruments;
- other significant non-recurring transactions. This line item includes costs incurred in the changes in SUEZ SA's shareholding structure during the second half of 2020, following the sale by ENGIE of almost all of its stake in SUEZ SA to Veolia.

1.6.17 Statements of cash flows

The Group consolidated statement of cash flows is prepared based on net income, using the indirect method.

"Interest received on non-current financial assets" is classified within investing activities because it represents a return on investments. "Interest received on cash and cash equivalents" is shown as a component of financing activities because the interest can be used to reduce borrowing costs.

Impairment losses on current assets are identified as definitive losses, and therefore any change in current assets is shown net of impairment.

Cash flows related to payment of taxes are treated separately.

Pursuant to IAS 7 amendment "Disclosure initiative for statement of cash flows", financial debt variations by flows are analyzed by type of transactions: cash flows, forex effect, scope effect, change in fair value and amortized cost, other. This breakdown is presented in Note 13.2.1 for the 2020 financial year.

In accordance with the terms and conditions of IAS 7 – Statement of Cash Flows, the Cash and cash equivalents line in the statements of cash flows includes bank overdrafts when the bank counterparty may require repayment of the negative balance and when the balance of the accounts concerned changes drastically from a negative to positive position on a regular basis. In this case, the "Consolidated statements of cash flows" includes explanations on reconciling items with the cash and cash equivalents line item on the statements of financial position.

1.6.18 Income tax expense

The Group computes taxes in accordance with the prevailing tax legislation in the countries where income is taxable.

In accordance with IAS 12, deferred taxes are recognized according to the liability method on temporary differences between the book values of assets and liabilities in the Consolidated Financial Statements and their tax bases, using tax rates that have been enacted or substantively enacted by the reporting date.

However, under the provisions of IAS 12, no deferred taxes are recognized for temporary differences arising from goodwill for which impairment losses are not deductible for tax purposes, or from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction.

In particular, the SUEZ Group applies the exemption provided by IAS 12, which allows deferred tax not to be recognized at the date of first recognition of lease contracts, since at that date the accounting entries have no impact on the income statement. Deferred taxes are recognized, on the other hand, after the effective date of the contracts to the extent of the differences between carrying amounts and tax values.

In addition, a deferred tax asset is recognized only if it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

A deferred tax liability is recognized for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures, except if the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Net balances of deferred tax are calculated based on the tax position of each company or on the total income of the companies included within the consolidated tax Group and the net position of each fiscal entity is recorded on the statement of financial position under assets or liabilities, as appropriate.

Deferred taxes are reviewed at each reporting date to take into account factors including the impact of changes in tax laws and the prospects of recovering deferred tax assets arising from deductible temporary differences.

Deferred tax assets and liabilities are not discounted.

1.6.19 Earnings per share

Net income per share is calculated by dividing the adjusted net income Group share for the fiscal year attributable to ordinary shares by the weighted average number of shares outstanding during the fiscal year. The adjusted net income Group share takes into account the cost of the coupon attributable to holders of undated deeply subordinated notes issued by SUEZ. The average number of shares outstanding during the fiscal year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares bought back or issued during the course of the year.

For the calculation of diluted earnings per share, the weighted average number of shares and earnings per share are adjusted to take into account the impact of the conversion or exercise of any dilutive potential ordinary shares (free allocation of performance shares mainly).

Note 2 Major transactions

2.1 Impacts of the Covid-19 pandemic

The Covid-19 pandemic, which the World Health Organization declared a public health emergency on January 30, 2020, had a significant impact on the economies of the countries where SUEZ operates during the year, and especially during the second quarter. However, it is sometimes impossible to isolate the direct impacts of the pandemic from its indirect consequences on business volumes in certain markets. Consequently, estimates are limited to the costs that can be directly tied to the pandemic.

Essential and vital public service missions have been fulfilled in all regions. The Group has set up the necessary measures to enable all of its teams and subcontractors to work without jeopardizing their safety or their clients' safety. These measures and associated costs are presented in Notes 2.1.1 and 2.1.2.

For the entire Group, lockdown measures reduced tourist activity and related water consumption, caused decreasing of industrial and commercial waste for treatment, temporarily halted infrastructure construction activities and made it impossible for SUEZ teams to access client sites to perform the planned services.

Waste pre-treatment and treatment sites were closed down, certain sites targeted in the Group's 2030 transformation plan before the pandemic will not reopen (see Note 2.2).

Against a particularly difficult backdrop, SUEZ has strengthened its financial structure by keeping a very large liquidity position with the issuance of EUR 2 billion in long-term debt, equaling all long-term debt maturing by June 2022 (see Note 2.4).

The main items of the consolidated income statement impacted by the health and economic crisis are presented below:

- impacts of the crisis and means put in place to measure these impacts;
- support measures the Group has benefited from.

2.1.1 Operational impacts

2.1.1.1 Revenues

During the year, the Group experienced a significant decline in business, and especially during the second quarter. A major part of this decline, directly related to impacts from the pandemic, is difficult to assess.

Changes by operating segment are as follows:

- Water: -2.9%;
- Recycling & Recovery: -2.7%;
- Environmental Tech & Solutions: -2.8%.

2.1.1.2 Operating expenses

Beyond the impact on the different business activities (decreased volumes and tonnage, etc.) during the year, the Group recorded numerous additional costs and expenses related to the pandemic; therefore, the closure of certain treatment sites generated transportation costs to redirect tonnages to other treatment sites.

Purchases of Personal Protective Equipment (PPE) for employees to allow the Group to continue fulfilling public services (masks, hand sanitizer, etc.) accounted for nearly EUR 42 million.

In order to mitigate the impact of the slowdown in business activities and of these additional expenses, the Group implemented measures that reduced indirect costs by around EUR 130 million during the year. Some of these efforts will disappear when business picks back up, but a large portion, corresponding to initiatives taken under the SUEZ 2030 Performance plan, which were implemented faster than planned due to the pandemic, will be kept.

2.1.1.3 Depreciation of trade receivables

The heightened credit risk of certain customers has led the Group to recognize additional provisions for depreciation of trade receivables in accordance with IFRS 9 as of December 31, 2020. This increase raises the ratio of provision for depreciation of trade receivables compared to total trade receivables from 6.9% at the end of December 2019 to 10.4% at the end of December 2020 (including the contribution from activities held for sale).

The provisions recognized correspond to the Group's best estimate of losses on trade receivables. The Group estimated the amounts of receivables that will not be recovered:

- by updating the breakdown of the customer portfolio by homogeneous categories of customers (typology, business sector, geographical area…) as of December 31, 2020; each category with a similar risk of non-recovery;
- by estimating the probability that the customers will default for each of these categories considering how large the exceedances are and the amount of losses if these clients default.

2.1.1.4 Government grants and aid received

The Group received grants taken to support the economy and employment in various countries (partial unemployment programs in particular) and recognized them in accordance with IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance. As of December 31, 2020, the Group recognized nearly EUR 23 million to this end.

2.1.2 Asset impairments

The Group also analyzed the impacts of the pandemic on the recoverable value of its intangible assets and property, plant and equipment. Based on these tests, as of December 31, 2020, no impairment has been recorded (see Note 9).

Regarding goodwill, the Group performed impairment tests on all the Cash Generating Units (CGUs). The future cash flows that serve as a basis for calculating the recoverable value of these different CGUs have undergone sensitivity tests given the uncertainty of predicting the potential operational impacts of the pandemic in the short term, as well as the prospects for a return to previously known levels of activity and profitability. Based on these tests, as of December 31, 2020, no impairment has been recorded (see Note 9).

Regarding other intangible assets and property, plant and equipment, the impairments recognized as of June 30, 2020 are not the direct result of impacts from the pandemic on their recoverable value. In fact, they are primarily related to transformation decisions the Group made as part of the SUEZ 2030 Performance plan (see Note 2.2.2). The sanitary crisis accelerated the Group's decision-making process when it came to the Group's transformation.

2.2 SUEZ 2030

2.2.1 Reorganization of operating segments

On October 2, 2019, SUEZ announced its new strategic plan for 2030 called: "SUEZ 2030". The plan is based on three operating segments:

- Water, which includes all SUEZ municipal water operations around the world;
- Recycling and Recovery, which includes all SUEZ non-hazardous Waste Services and treatment for municipalities, industrial and commercial clients;
- Environmental Tech & Solutions (ETS), which includes WTS, hazardous Waste Services and treatment, Smart Environmental Solutions for industrial and municipal customers, and Consulting services.

The application of this new structure on January 1, 2020 impacts Note 3 – Operating segments information, now based on these new operating segments, and Note 9 – Goodwill, since goodwill has been reallocated based on new CGUs in line with the newly defined operating segments.

2.2.2 Acceleration of the SUEZ 2030 strategic plan

The SUEZ 2030 strategic plan includes savings measures totalling EUR 1.2 billion by 2023, of which 50 to 55% should be achieved by 2021.

The Group has confirmed the trajectory and announced its decision to accelerate the implementation of the plan. As a consequence, at December 31, 2020, Income from Operating Activities recorded an amount of nearly -EUR 209 million in asset impairment (excluding goodwill), -EUR 157 million in restructuring costs and -EUR 51 million in other effects including asset disposals.

2.3 Sharing 2019 capital increase

In 2019, SUEZ launched its fourth worldwide employee shareholding plan, called Sharing 2019, to increase the Group's shareholder base.

The Sharing 2019 plan was organized in 2019 but was finalized early 2020 through a capital increase that took place on January 16, 2020. It resulted in the creation of 9.97 million shares with a nominal value of EUR 4 each.

At the end of this transaction, SUEZ's share capital totaled EUR 2,525,330,516 divided into 631,332,629 shares.

2.4 Financing transactions

2.4.1 Redemption of OCEANE bonds

On February 24, 2014, SUEZ had issued a EUR 350 million bond that could be converted into new shares and/or exchanged for existing shares (OCEANE). It matured on February 27, 2020. It had a zero coupon and was for 19,052,803 securities. They were issued at par on February 27, 2014, the securities' settlement date. The financial instrument was redeemed on the maturity date (February 27, 2020) through a settlement of EUR 349.6 million and a conversion of 18,724 shares for EUR 0.4 million.

2.4.2 New bond issues

On March 26, 2020, SUEZ launched a 7-year EUR 850 million bond issue maturing on April 2, 2027 with an annual fixed coupon of 1.250%.

On May 5, 2020, SUEZ launched a 15-year EUR 750 million bond issue maturing on May 14, 2035 with an annual fixed coupon of 1.250%.

These transactions will help reduce SUEZ's financing costs, spread out the Group's debt maturity dates, while improving its liquidity position.

2.4.3 Tap offerings on outstanding bond issues

In April 2020, SUEZ issued EUR 340 million in additional tranches from existing bond issues: EUR 300 million has been subscribed for with a maturity date of May 19, 2028 and an annual fixed coupon of 1.250%, and EUR 40 million has been subscribed for with a maturity date of September 21, 2032 and an annual fixed coupon of 1.625%.

2.4.4 Redemption of undated deeply subordinated notes

On June 23, 2020, SUEZ paid EUR 152.3 million for the redemption of the remaining part of the 2014 undated deeply subordinated notes, including the payment of the last EUR 4.4 million coupon.

After this redemption, the Group's outstanding undated deeply subordinated notes amount to EUR 1,600 million as of December 31, 2020.

2.5 Disposals during the year

2.5.1 Aquasure

On September 2, 2020, SUEZ entered into an agreement with Australian investment companies AMP Capital, UniSuper and Macquarie Prism to sell 4.8% of Aquasure for AUD 76 million, or around EUR 47 million. At the end of the transaction on September 10, 2020, SUEZ held a 6.9% equity interest.

2.5.2 Essal

On September 11, 2020, SUEZ entered into an agreement to sell its 53.51% equity interest in Empresa de Servicios Sanitarios de Los Lagos S.A (ESSAL) through its subsidiary Aguas Andinas S.A. with Algonquin Power & Utilities Corp ("APUC") as part of a public tender offer involving a total enterprise value of around USD 295 million. ESSAL produces and distributes drinking water and provides wastewater collection and treatment services. With 33 concession agreements, ESSAL currently serves 224,000 households and 10,000 companies in Chile. In 2019, the Group recorded USD 77 million in revenues, or approximately EUR 69 million, and USD 17 million in EBITDA, or approximately EUR 15 million. The transaction was finalized on October 13, 2020, after approval by the regulatory authorities.

This disposal is in line with the SUEZ 2030 plan, aiming to redirect the Group's capital to business activities more in line with its selective growth strategy.

2.5.3 Recycling and Recovery Sweden

On November 30, 2020, SUEZ finalized the sale of its Recycling and Recovery business activities in Sweden to PreZero, the environmental division of the Schwarz Group, following the announcement on September 21, 2020.

The disposal was finalized for an estimated enterprise value of SEK 3,700 million, or approximately EUR 357 million. The transaction was finalized after receiving approval from the European Commission authority in charge of merger control. The business sold to PreZero operates some 50 plants around the country and employs nearly 1,100 people. In 2019, revenues represented around SEK 2,661 million (approximately EUR 250 million) and around SEK 358 million in EBITDA before IFRS 16 restatement (approximately EUR 34 million).

This disposal falls under the Group's plan to rotate assets set out as part of the SUEZ 2030 plan, which aims to focus the Group's business activities on innovative, differentiating and high added value businesses.

2.6 Business activities held for sale in 2021

As part of the effort to align the business portfolio to the SUEZ 2030 strategy under the Group's asset rotation plan, the transactions initiated in 2020 that will be finalized in 2021 are as follows:

2.6.1 Disposal of Osis

On August 18, 2020, SUEZ announced that it had finalized an exclusivity agreement with Veolia for the sale of its French business OSIS, a business specializing in several areas of wastewater services. The parties signed a memorandum of understanding on November 27, 2020. The transaction should be finalized during the first half of 2021 after the usual conditions precedent have been met.

OSIS has 2,500 employees in more than 130 local service centers in France, all operating in complementary business segments: wastewater services, liquid waste collection, industrial cleaning and building sanitation. In 2019, OSIS achieved EUR 311 million in revenues and around EUR 23 million in EBITDA before IFRS 16 restatement.

2.6.2 Disposal of Recycling and Recovery business activities in Northern Europe

On September 16, 2020, SUEZ Group and the Schwarz Group announced the signing of a memorandum of understanding and entered into exclusive negotiations for SUEZ to sell some of its Recycling and Recovery business activities in 4 countries within Northern Europe: the Netherlands, Germany, Luxembourg and Poland.

On October 12, 2020, the 2 parties signed the sale agreement. This transaction should be finalized during the first half of 2021 after the usual conditions precedent have been met, including consultation of the various employee representation bodies, and after the appropriate competition authorities approve the sale.

This agreement dated October 12, 2020 states that SUEZ and its subsidiaries will sell all of their Recycling and Recovery business activities except for business activities related to hazardous waste in Germany and the Netherlands, recycling and plastic waste recovery in the Netherlands, used packaging recycling in Germany (BellandVision), and water and environmental solutions business activities in Poland.

In 2019, these business activities generated around EUR 1.11 billion in revenues and around EUR 100 million in EBITDA (before IFRS 16 restatement). The planned transaction values the businesses to be sold at EUR 1.1 billion.

These disposals are recognized in the Group's consolidated statements of financial position as of December 31, 2020, in accordance with IFRS 5 – Non-current assets held for sale and discontinued operations (see Note 1.2.4).

Note 3 Operating segments information

In accordance with the provisions of IFRS 8 – Operating Segments, four operating segments were used to present SUEZ's segment information and have been identified based on internal reporting, in particular segments monitored by the Management Committee, comprising the Group's key operational decision-makers:

- Water;
- Recycling and Recovery;
- ETS (Environmental Technology & Solutions);
- Other.

3.1 Operating segments

SUEZ's subsidiaries are divided into the following operating segments:

- **Water**: water distribution and treatment services, particularly under concession contracts (water management). These services are rendered to individuals, local authorities and industrial clients;
- **Recycling and Recovery**: waste and waste treatment services for local authorities and industrial clients. These services include collection, sorting, recycling, composting, energy recovery and landfilling for non-hazardous waste;
- **ETS**: this segment includes all water services for the industrial customer segment (WTS), hazardous Waste Services as well as customized (SMART) services, technologies and solutions for industrial or municipal customers (Advanced Solutions), as well as Consulting services;
- the **Other** segment mainly includes holdings, including SUEZ SA.

The accounting principles and valuation methods used to prepare internal reporting are the same as those used to prepare the Consolidated Financial Statements. The EBITDA, EBIT, capital employed and investments indicators are reconciled with the Consolidated Financial Statements.

3.2 Key indicators by operating segment

Revenues

	December 31, 2020			December 31, 2019		
(in millions of euros)	Non-Group	Group	Total	Non-Group	Group	Total
Water	6,754.9	61.9	6,816.8	7,055.5	95.5	7,151.0
Recycling and Recovery	7,164.5	92.0	7,256.5	7,462.6	102.9	7,565.5
ETS	3,287.9	197.5	3,485.4	3,495.4	197.9	3,693.3
Other	1.7	117.5	119.2	1.8	154.0	155.8
Intercompany eliminations	-	(468.9)	(468.9)	-	(550.4)	(550.4)
Total revenues	**17,209.0**	**-**	**17,209.0**	**18,015.3**	**-**	**18,015.3**

EBITDA

(in millions of euros)	December 31, 2020	December 31, 2019
Water	1,596.3	1,788.2
Recycling and Recovery	937.4	1,067.3
ETS	385.8	434.5
Other	(104.8)	(69.6)
Total EBITDA	**2,814.7**	**3,220.4**

EBIT

(in millions of euros)	December 31, 2020	December 31, 2019
Water	564.2	922.8
Recycling and Recovery	275.4	410.8
ETS	100.5	217.0
Other	(159.9)	(142.9)
Total EBIT	**780.2**	**1,407.7**

Depreciation and amortization

(in millions of euros)	December 31, 2020	December 31, 2019
Water	(646.1)	(658.6)
Recycling and Recovery	(553.1)	(593.6)
ETS	(241.5)	(230.5)
Other	(52.5)	(49.9)
Total depreciation and amortization	**(1,493.2)**	**(1,532.6)**

Capital employed

(in millions of euros)	December 31, 2020	December 31, 2019
Water	10,239.4	11,074.1
Recycling and Recovery	4,661.6	5,264.1
ETS	3,728.2	3,868.9
Other	28.7	158.8
Total Capital employed [a]	**18,657.9**	**20,365.9**

(a) Including, as of December 31, 2020, capital employed for activities held for sale.

Investments in property, plant and equipment, intangible assets and financial assets

(in millions of euros)	December 31, 2020	December 31, 2019
Water	(763.0)	(296.0)
Recycling and Recovery	(401.1)	(454.4)
ETS	(197.3)	(223.0)
Other	(18.1)	(30.8)
Total investments	**(1,379.5)**	**(1,004.2)**

Financial investments included in this indicator include the acquisitions and sales of a portion of interests in still remaining controlled entities, which are accounted for in cash flows used in financing activities in the consolidated statement of cash flows under the item "Change in share of interests in controlled entities". Reconciliation with the cash flow statement is made in paragraph 3.4.3.

3.3 Key indicators by geographical area

The indicators below are analyzed by:

- destination of products and services sold for revenues;
- geographical location of consolidated companies for capital employed.

	Revenues		Capital Employed	
(in millions of euros)	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
France	4,838.3	5,075.2	2,611.5	3,145.6
Europe	5,732.3	5,825.8	5,582.2	6,025.4
Rest of the world	6,638.4	7,114.3	10,464.2	11,194.9
Total	**17,209.0**	**18,015.3**	**18,657.9**[(a)]	**20,365.9**

(a) Including, as of December 31, 2020, capital employed for activities held for sale.

3.4 Reconciliation of indicators with Consolidated Financial Statements

3.4.1 Reconciliation of EBIT and EBITDA with current operating income

(in millions of euros)	December 31, 2020	December 31, 2019
Current operating income	**636.9**	**1,208.4**
(+) Share in net income of equity-accounted companies considered as core business	144.8	198.3
(-) Others	(1.5)	1.0
EBIT	**780.2**	**1,407.7**
(-) Net depreciation, amortization and provisions	1,762.6	1,531.7
(-) Share-based payments[(a)]	0.8	17.7
(-) Disbursements under concession contracts	271.1	263.3
EBITDA	**2,814.7**	**3,220.4**

(a) Excluding cash compensation plans (performance units plan and long-term incentive plan – see Note 20).

3.4.2 Reconciliation of capital employed with the items of the statement of financial position

(in millions of euros)	December 31, 2020	December 31, 2019
(+) Tangible and intangible assets, net	12,220.8	13,726.7
(+) Goodwill, net	4,663.7	5,322.1
(+) Rights of use	1,168.0	1,405.8
(+) Equity instrument (excluding marketable securities and impact of revaluation to fair value)	238.7	254.4
(+) Loans and receivables carried at amortized cost (excluding assets related to financing)	789.2	745.1
(+) Investments in joint ventures (excluding Other comprehensive income net of taxes)	925.5	953.9
(+) Investments in associates (excluding Other comprehensive income net of taxes)	1,129.6	1,142.4
(+) Trade and other receivables	4,324.3	4,670.9
(+) Inventories	483.1	528.0
(+) Contracts assets	579.0	780.0
(+) Other current and non-current assets	1,766.5	1,833.3
(-) Provisions and actuarial losses/gains on pensions plans	(1,425.6)	(1,478.2)
(-) Trade and other payables	(3,263.2)	(3,534.3)
(-) Contracts liabilities	(1,372.4)	(1,178.5)
(-) Other current and non-current liabilities	(4,504.4)	(4,762.9)
(-) Other financial liabilities	(37.6)	(42.8)
(+) Capital employed from activities held for sale	972.7	-
Capital employed	**18,657.9**	**20,365.9**

3.4.3 Reconciliation of investments in tangible, intangible assets and financial investments with items in the statement of cash flows

(in millions of euros)	December 31, 2020	December 31, 2019
Investments in property, plant and equipment and intangible assets	(1,323.5)	(1,417.3)
Takeover of subsidiaries net of cash and cash equivalents acquired	13.7	(49.6)
Acquisitions of interests in associates and joint-ventures	(61.9)	(23.1)
Acquisitions of equity instruments	(7.8)	(15.9)
Change in share of interests in controlled entities	-	501.7
Total investments	**(1,379.5)**	**(1,004.2)**

Note 4 Current operating income

The components of current operating income are as follows:

(in millions of euros)	December 31, 2020	December 31, 2019
Revenues	17,209.0	18,015.3
Purchases	(3,436.7)	(3,720.7)
Personnel costs	(4,697.2)	(4,701.4)
Depreciation, amortization and provisions	(1,762.6)	(1,531.7)
Other operating income and expenses	(6,675.6)	(6,853.1)
Current operating income	**636.9**	**1 208.4**

4.1 Revenues

4.1.1 Revenues by nature

The following table shows Group's revenues per category:

(in millions of euros)	December 31, 2020	December 31, 2019
Sale, transport and distribution of electricity	406.7	438.3
Water, Recycling and Recovery	13,566.0	14,116.6
Construction contracts, equipment sales, engineering and other services [a]	2,286.4	2,481.5
Sale of chemical treatments for industrial water	949.8	978.9
Total	**17,209.0**	**18,015.3**

(a) Revenues include rental income of EUR 98.4 million in December 2020 and of EUR 105.2 million in December 2019.

4.1.2 Backlog

Backlog represents future revenue on contracts signed with customers for the following activities: construction contracts (excluding new works and concessions), equipment sales and engineering.

The breakdown of the backlog book is as follows:

(in millions of euros)	Total	Less than a year	From 1 to 5 years	Beyond 5 years
December 31, 2020	2,345.7	1,090.1	1,068.2	187.4
December 31, 2019	2,399.9	1,481.1	883.2	35.6

4.1.3 Contracts assets and contracts liabilities

(in millions of euros)	December 31, 2020		December 31, 2019	
	Non current	Current	Non current	Current
Contracts assets	80.6	498.4	46.2	733.8
Contracts liabilities	196.3	1,176.1	267.3	911.3

Contracts assets and contracts liabilities include the amounts due to and due from customers under construction contracts:

(in millions of euros)	December 31, 2020	December 31, 2019
Amounts due from customers under construction contracts	358.7	437.1
Amounts due to customers under construction contracts	296.4	268.9
Net position	**62.3**	**168.2**

In addition, at the closing date, the costs and margins incurred on construction contracts in progress are as follows:

(in millions of euros)	December 31, 2020	December 31, 2019
Cumulated costs incurred and margins recognized	6,994.0	6,333.6
Advances received	107.8	108.1
Retentions	59.8	54.8

4.2 Personnel costs

(in millions of euros)	December 31, 2020	December 31, 2019
Short-term benefits	(4,589.4)	(4,673.6)
Share-based payments or by cash payment	3.0	(14.9)
Post-employment benefit obligations and other long-term benefits	(110.8)	(12.9)
Total	**(4,697.2)**	**(4,701.4)**

Short-term benefits correspond to salaries and expenses recognized for the period. Share-based payments and cash-based payments are broken down in Note 20. These amounts include the impacts related to long-term incentive plans.

Post-employment benefit obligations and other long-term benefits are disclosed in Note 19. This amount corresponds to defined-benefit plan expenses (see Note 19.2.3) and to defined-contribution plan expenses (see Note 19.3).

4.3 Depreciation, amortization and provisions

The amounts shown below are net of reversals.

(in millions of euros)	December 31, 2020	December 31, 2019
Amortization	(1,493.2)	(1,532.6)
Depreciation of inventories, trade receivables and other assets	(203.4)	7.2
Net change in provisions [a]	(66.0)	(6.3)
Total	**(1,762.6)**	**(1,531.7)**

(a) Excluding post employment benefit obligations presented in Note 4.2 above.

The amortization breakdown is: -EUR 694.9 million for property plant and equipment, -EUR 474.1 million for intangible assets and -EUR 324.2 million for rights of use. The breakdown by type of asset is shown in Notes 10,11 and 15.

4.4 Other operating income and expenses

Other operating income and expenses include the following amounts:

(in millions of euros)	December 31, 2020	December 31, 2019
Other operating income	**236.4**	**236.7**
Other operating expenses	**(6,912.0)**	**(7,089.8)**
Sub-contracting	(2,985.8)	(2,891.1)
Taxes excluding corporate income tax	(696.9)	(709.4)
Other expenses	(3,229.3)	(3,489.3)
Total	**(6,675.6)**	**(6,853.1)**

"Other expenses" mainly include the following types of costs: external personnel, professional fees and compensation of intermediaries.

Note 5 Income from operating activities

(in millions of euros)	Note	December 31, 2020	December 31, 2019
Current operating income		**636.9**	**1,208.4**
Mark-to-Market on operating financial instruments	5.1	4.6	3.7
Impairment on property, plant and equipment, intangible and financial assets	5.2	(209.2)	(64.8)
Restructuring costs	5.3	(157.0)	(132.3)
Scope effects	5.4	198.8	8.4
Other gains and losses on disposals and non-recurring items	5.5	(50.6)	26.6
Other significant non-recurring transactions	5.6	(47.6)	214.9
Income from operating activities		**375.9**	**1,264.9**

5.1 MtM on operating financial instruments

The Mark-to-Market on operating financial instruments amounts to a gain of EUR 4.6 million at December 31, 2020, *versus* a gain of EUR 3.7 million in 2019 resulting primarily from the following factors:

- implementation of economic hedging strategies through forward contracts traded on wholesale markets by certain Group entities. The objective of this strategy is to optimize margins by reducing their sensitivity to changes in raw material prices;
- recognition of gains and losses in the income statement with respect to the ineffective portion of hedging strategies for future cash flows on non-financial assets (cash flow hedge).

5.2 Impairments of property, plant and equipment, intangible assets and financial assets

(in millions of euros)	December 31, 2020	December 31, 2019
Impairments		
Property, plant and equipment and other intangible assets	(177.7)	(32.5)
Rights of use	(4.6)	(0.5)
Financial assets	(42.9)	(39.1)
Total	**(225.2)**	**(72.1)**
Write-back of impairments		
Property, plant and equipment and other intangible assets	13.1	4.1
Financial assets	2.9	3.2
Total	**16.0**	**7.3**
Total	**(209.2)**	**(64.8)**

5.2.1 Impairment of goodwills

As of December 31, 2020, one-off tests carried out on goodwill in accordance with the procedure described in Note 9.3 did not reveal any impairment on goodwill.

5.2.2 Impairments of property, plant and equipment and intangible assets

In 2020, this line item mainly included depreciation of sites in the Recycling and Recovery segment-especially in France, Germany, the United Kingdom and Australia. These impairment losses have been analyzed in relation to transformation decisions the Group has made under the SUEZ 2030 strategic plan (see Note 2.2).

In 2019, impairment losses on property, plant and equipment and intangible assets mainly concerned the Recycling and Recovery operating segment, especially in France and Water in France and in Spain.

5.2.3 Impairment of financial assets

In both 2020 and 2019, these losses mainly correspond to impairment losses on financial receivables relating to concession contracts in the Recycling and Recovery business segment.

5.3 Restructuring costs

As of December 31, 2020, this restructuring primarily corresponds to costs related to implementing the SUEZ 2030 strategic plan in France, in particular, but in Benelux and in Germany as well. These costs totaled around EUR 100 million. This line item also includes additional costs for restructuring plans launched in Spain in 2017, amounting to nearly EUR 10 million, and additional costs related to reorganizations that started in 2019 in WTS totaling close to EUR 17 million.

At December 31, 2019, this item included in particular the additional impacts of the restructuring plans initiated in 2017 in Spain, for EUR 17.1 million; as well as the costs related to reorganizations initiated in several entities and Business Units of the Group in France and abroad, excluding WTS, for a total amount of approximately EUR 72 million and in WTS for EUR 39.1 million.

5.4 Scope effects

As of December 31, 2020, this item recorded gains and losses on disposals during the second half of the year and most notably a EUR 207.3 million gain generated by selling the entire Recycling and Recovery business in Sweden.

At December 31, 2019, this item included the sale of the British company Triogen and proceeds from adjusting the contingent consideration of an Indian WTS entity.

5.5 Other gains and losses on disposals and non-recurring items

(in millions of euros)	December 31, 2020	December 31, 2019
Disposals of property, plant and equipment and intangible assets	(46.8)	25.4
Disposals of shares	(0.9)	0.3
Others	(2.9)	0.9
Total	**(50.6)**	**26.6**

As of December 31, 2020, disposals and write-offs of fixed assets mostly fell under the SUEZ 2030 strategic plan. The biggest impacts concerned the Recycling and Recovery business in France for around EUR 37 million.

In 2019, this item recorded gains from disposals of property, plant and equipment in Chile and in Spain as well as losses from disposals and write-offs of fixed assets in France.

5.6 Other significant non-recurring transactions

In 2020, the other significant non-recurring transactions include costs related to actions taken by the Group after the disposal of a 29.9% stake in the capital of SUEZ that ENGIE had previously held. As of December 31, 2020, these fees totaled EUR 47.6 million.

In 2019, the other significant non-recurring transactions included Aguas Argentinas dispute settlement for EUR 214.9 million after taking into account various expenses and fees. A description of this operation was provided in Note 2.2 of the chapter 18.1 of the Universal Registration Document 2019.

Note 6 Net financial income/loss

(in millions of euros)	December 31, 2020 Expenses	Income	Total	December 31, 2019 Expenses	Income	Total
Cost of net debt	(394.6)	33.3	(361.3)	(441.5)	22.0	(419.5)
Other financial income and expenses	(128.6)	49.2	(79.4)	(162.3)	67.8	(94.5)
Financial income/(loss)	**(523.2)**	**82.5**	**(440.7)**	**(603.8)**	**89.8**	**(514.0)**

6.1 Cost of net debt

This item primarily includes interest expenses related to gross borrowings (calculated using the effective interest rate – EIR), gains and losses arising from foreign currency and interest rate hedging transactions on gross borrowings, as well as interest income on cash investments and changes in the fair value of financial assets measured at fair value through income.

(in millions of euros)	December 31, 2020 Expenses	Income	Total	December 31, 2019 Expenses	Income	Total
Interest expense on gross borrowings	(317.8)	-	(317.8)	(368.6)	-	(368.6)
Interest expense on lease liabilities	(28.2)	-	(28.2)	(28.9)	-	(28.9)
Exchange gain/(loss) on borrowings and hedges	(27.3)	-	(27.3)	(23.6)	-	(23.6)
Unrealized income/(expense) from economic hedges on borrowings	-	0.3	0.3	(0.2)	-	(0.2)
Income/(expense) on cash and cash equivalents, and financial assets at fair value through income	-	22.6	22.6	-	10.2	10.2
Capitalized borrowing costs	-	1.0	1.0	-	0.6	0.6
Financial income (expense) relating to a financial debt or receivable restructuring	(21.3)	9.4	(11.9)	(20.2)	11.2	(9.0)
Cost of net debt	**(394.6)**	**33.3**	**(361.3)**	**(441.5)**	**22.0**	**(419.5)**

The decrease in the cost of net debt between December 31, 2019 and December 31, 2020 is mainly due to:

- the full year effect of transactions that took place in 2019 (bond redemption in April 2019);
- the issuance of new bonds with lower coupons than previous tranches, which accounts for EUR 13.9 million;
- the decrease in interest expense on foreign currency derivatives.

6.2 Other financial income and expenses

(in millions of euros)	December 31, 2020 Expenses	Income	Total	December 31, 2019 Expenses	Income	Total
Net interest expenses related to post employment and other long term benefits	(14.0)	-	(14.0)	(19.3)	-	(19.3)
Unwinding of discounting adjustment to long term liabilities and provisions (except post employment)	(54.7)	-	(54.7)	(51.7)	-	(51.7)
Change in fair value of derivatives not included in net debt	-	0.4	0.4	(0.3)	-	(0.3)
Income from equity instruments	-	2.7	2.7	-	3.3	3.3
Other	(59.9)	46.1	(13.8)	(91.0)	64.5	(26.5)
Other Financial Income and Expenses	**(128.6)**	**49.2**	**(79.4)**	**(162.3)**	**67.8**	**(94.5)**

The "Other" item from other financial income and expenses is primarily due to the operational rate of exchange for -EUR 22.6 million.

Note 7 Income tax

7.1 Income tax expense in the income statement

7.1.1 Breakdown of income tax expense in the income statement

Income tax expense for the fiscal year amounts to EUR 154.4 million in 2020 compared to EUR 340.0 million in 2019 and breaks down as follows:

(in millions of euros)	December 31, 2020	December 31, 2019
Current income tax	(145.7)	(246.1)
Deferred taxes	(8.7)	(93.9)
Total income tax expense recognized in income	**(154.4)**	**(340.0)**

7.1.2 Theoretical income tax expense and actual income tax expense

The reconciliation between the Group's theoretical income tax expense and actual income tax expense is shown in the following table:

(in millions of euros)	Note	December 31, 2020	December 31, 2019
Net income		**(74.4)**	**609.2**
► Share in net income of associates and joint ventures		144.8	198.3
► Income tax expense		(154.4)	(340.0)
Income before income tax and share in net income of associates and joint ventures (A)		**(64.8)**	**750.9**
of which French fully consolidated companies		*(470.7)*	*106.8*
of which foreign fully consolidated companies		*405.8*	*644.1*
Statutory income tax rate of SUEZ (B)		32.0%	34.4%
Theoretical income tax expense (C) = (A) x (B)		**20.7**	**(258.5)**
In fact:			
Difference between the normal tax rate applicable to SUEZ and the normal tax rate applicable in jurisdictions in France and outside France	(a)	16.0	56.4
Permanent differences	(b)	(40.3)	(37.6)
Income taxed at a reduced rate or tax-exempt	(c)	61.9	3.2
Additional tax expense	(d)	(43.3)	(64.9)
Effect of unrecognized deferred tax assets on tax loss carryforwards and on other tax-deductible temporary differences	(e)	(201.7)	(126.8)
Recognition or utilization of tax assets on previously unrecognized tax loss carryforwards and other tax-deductible temporary differences	(f)	11.5	32.4
Impact of changes in tax rates	(g)	(12.9)	(10.5)
Tax savings and credits	(h)	10.8	18.0
Other	(i)	22.9	48.3
Actual income tax expense		**(154.4)**	**(340.0)**
Effective tax rate (actual income tax expense divided by income before income tax and share in net income of associates and joint ventures)		**-238.1%**	**45.3%**

The overall corporate tax rate in France is 32.02%. Under current law, this rate will be 28.41% in 2021.

The main elements explaining the identified differences between the theoretical income tax expense and the effective tax rate are:

(a) In 2020 and 2019, the mains rates differences with the French tax rates are: the federal tax rate in the United States (21%), the rate in Chile (27%) and the rate in Spain (25%).

(b) In 2020, permanent differences are especially related to the non-deductibility of some provisions, impairment of assets and some financial expenses.
In 2019, SUEZ Sharing 2019 plan impacts as well as share-based payments and performance-unit plans came in addition to the limit on the deductibility of some financial expenses.

(c) In 2020: items taxed at a reduced rate or tax-exempt correspond mainly to the exemption of taxation on capital gains in relation with the disposal of the Group's Recycling and Recovery activities in Sweden.

(d) In 2020 and 2019, mainly the impact of tax due on dividends received under the French affiliation privilege regime and withholding taxes on dividends as well as "State Tax" on American subsidiaries.

(e) In 2020: -EUR 108.3 million of net deferred tax impairment within the French SUEZ tax consolidation group including -EUR 37.0 million impairment of net deferred tax assets opening balance and -EUR 22.3 million within the Spanish SUEZ tax consolidation group.
In 2019: -EUR 48.4 million corresponding to the impairment of net deferred tax within the French SUEZ tax consolidation group and -EUR 24.4 million within the Spanish SUEZ tax consolidation group including unrecognized deferred tax assets on tax loss carryforward on a tax credit.

(f) In 2020: recognition of deferred tax assets individually not material.
In 2019: EUR 10.4 million of deferred tax recognition in the United States in relation with the limit on the deductibility of financial interests in United States, EUR 5.1 million on SUEZ R&R Nederland B.V. and EUR 3.0 million on SUEZ R&R Belgium N.V.

(g) In 2020 and 2019: mainly the impact of the rate difference in France between statutory income tax rate (32.02%) and deferred tax rate by reversing horizon. In 2020, is also added the impact of -EUR 2.4 million due to the reassessment of net deferred tax assets in the United Kingdom following the change in income tax rate from 17% to 19%.

(h) In 2020: mainly the impact of Research & Development tax credit in France and in Spain.
In 2019: impact of a tax credit of EUR 15.8 million in Spain.

(i) In 2020 and 2019: the impact of the tax savings generated by the SUEZ tax consolidation group in France and Spain as well as the impact of tax adjustments on prior years, mainly in the United States.

The change in the effective tax rate between 2020 and 2019 is unrepresentative for the year 2020 marked by an exceptional pandemic context:

- increase in the effect of non-recognition of deferred taxes mainly explained by the full net deferred tax assets write-off of the SUEZ tax consolidation group in France for -EUR 37.0 million;
- increase in amount of permanent differences mainly due to provisions and impairment of non-deductible assets and partially offset by the positive effect of the base tax differential on the sale of Essal in Chile;
- increase in non-taxable items particularly due to the non-taxation of the capital gain from the disposal of the Group's Recycling and Recovery activities in Sweden, which generates a tax saving of EUR 51.7 million.

7.1.3 Analysis by type of temporary difference in deferred tax income/expenses on the income statement

(in millions of euros)	December 31, 2020	December 31, 2019
Deferred tax assets		
Loss carryforwards	(38.5)	(36.7)
Pension obligations	(26.5)	(25.3)
Concessions arrangements	4.3	3.6
Non-deductible provisions	16.9	3.3
Differences between the carrying amount of PPE and their tax bases	16.8	13.0
Measurement of financial instruments at fair value	(1.0)	(6.6)
Other	(27.2)	(7.1)
Total	**(55.2)**	**(55.8)**
Deferred tax liabilities		
Differences between the carrying amount of PPE and their tax bases	14.2	1.8
Concessions arrangements	(13.8)	(9.5)
Tax-driven provisions	(0.3)	0.2
Measurement of assets and liabilities at fair value	(3.3)	9.1
Other	49.7	(39.7)
Total	**46.5**	**(38.1)**
Net Deferred Taxes	**(8.7)**	**(93.9)**

The change in the deferred tax position is mainly explained by the following items:

In 2020 and 2019, deferred tax expense on tax loss carryforward is mainly explained by the full impairment of net deferred tax assets stocks within the French SUEZ tax consolidation group.

In 2020, the increase in deferred tax income over provisions temporarily non-deductible is mainly related to a provision for liabilities guarantee pertaining to the disposal of Essal in Chile.

In 2020, deferred tax expense on pensions is not linked to special events. In 2019, deferred tax charge on pension obligations and related benefits was mainly explained by the change in medical coverage of French retiree causing a decrease of obligation and by the closing in 2019 of defined-benefit Pension Plan Article 39 referred to as "1991" and "1998".

In 2020, net deferred tax position variation recognized as "Other" is not material. In 2019, the deferred tax liabilities expense of -EUR 39.7 million presented as "Other "is mainly linked to the recurring tax effect of Undated Deeply Subordinated Notes interests reclassified in SUEZ S.A. equity when coupons are paid.

7.2 Deferred tax income and expense recognized in "Other comprehensive income"

Deferred tax income and expense recognized in "Other comprehensive income" break down as follows, by type of underlying assets:

(in millions of euros)	December 31, 2020	December 31, 2019
Equity instruments	-	(0.1)
Actuarial gains and losses	12.1	(16.0)
Net investment hedges	-	(5.0)
Cash flow hedges	2.2	3.7
Total excluding share of associates and joint ventures [a]	**14.3**	**(17.4)**
Share of associates	3.8	(1.0)
Total	**18.1**	**(18.4)**

(a) Including items classified as held for sale.

In 2020, tax effect recognized as a variation in "Other comprehensive income" is mainly due to actuarial gains and losses on pension obligations and other long-term benefits at SUEZ Water, Inc. amounting to EUR 8.3 million.

In 2019, tax effect recognized "Other comprehensive income "was mainly explained by the net deferred tax impairment within SUEZ French tax consolidation group on actuarial gains and losses for -EUR 19.5 million and on net investment hedges for -EUR 4.8 million.

7.3 Deferred taxes in the statement of financial position

7.3.1 Change in deferred taxes

Movements in deferred taxes recorded in the statement of financial position, after netting off the deferred tax assets and liabilities by tax entity, are broken down as follows:

(in millions of euros)	Assets	Liabilities	Net Balances
At January 1, 2020	**541.9**	**(791.1)**	**(249.2)**
From income statement	(55.2)	46.5	(8.7)
From Other comprehensive income [a]	5.4	7.0	12.4
Scope effects	1.5	59.2	60.7
Translation adjustments	(35.2)	60.8	25.6
Effect of classification of assets held for sale and related liabilities [b]	(13.2)	12.3	(0.9)
Other impacts	(8.5)	4.8	(3.7)
Deferred tax netting off by tax entity	(4.3)	4.3	-
At December 31, 2020	**432.4**	**(596.2)**	**(163.8)**

(a) Excluding share of associates and joint-ventures.
(b) See Note 1.2.4.

Indeed:

- the EUR 60.7 million scope effect is mainly related to the impact of the disposal of Essal in Chile (EUR 37.7 million) and the Group's Recycling and Recovery activities in Sweden (EUR 17.0 million). (See Note 2.5);
- the effect of the classification of assets held for sale and associated liabilities is related to the reclassification of deferred tax assets and liabilities related to Recycling and Recovery activities in Northern Europe held for sale. (See Note 1.2.4).

7.3.2 Analysis of the net deferred tax position recognized on the statement of financial position by type of temporary difference (before netting of deferred tax assets and liabilities by tax entity)

(in millions of euros)	December 31, 2020	December 31, 2019
Deferred tax assets		
Loss carry-forwards and tax credit	255.3	339.6
Pension obligations	76.1	90.7
Concessions arrangements	119.8	37.0
Non-deductible provisions	126.9	93.5
Differences between the carrying amount of PPE and their tax bases	121.4	208.1
Measurement of financial instruments at fair value	10.1	16.0
Other	253.9	284.0
Total	**963.6**	**1,068.9**
Deferred tax liabilities		
Differences between the carrying amount of PPE and their tax bases	(915.2)	(862.0)
Concessions arrangements	(99.6)	(85.3)
Tax-driven provisions	(14.3)	(19.7)
Measurement of assets and liabilities at fair value	(33.9)	(31.5)
Other	(64.4)	(319.6)
Total	**(1,127.4)**	**(1,318.1)**
Net Deferred Taxes	**(163.8)**	**(249.2)**

The deferred tax assets recognized on tax loss carry-forwards amount to EUR 255.3 million as of December 31, 2020 *versus* EUR 339.6 million as of December 31, 2019. These tax losses carried forward mainly correspond to the losses recognized by the SUEZ French consolidation tax group, on WTS mainly in the United States and on the Group's water activities in the United States.

In 2020, within the SUEZ French consolidation tax group:

- net deferred tax assets of the year have been written off;
- opening balance of the deferred tax assets has been fully written off by profit and loss for -EUR 37.0 million up to the deferred tax liabilities level.

Consequently, the full amount of net deferred tax assets within the SUEZ French tax consolidation group, including all temporary differences, is fully written off as of December 31, 2020 *versus* a net position of EUR 37.0 million as of December 31, 2019.

7.4 Unrecognized deferred taxes

7.4.1 Deductible temporary differences unrecognized

- **Temporary differences on losses carried forward**

At December 31, 2020, unused and unrecognized tax losses carried forward (unrecognized because they did not meet the criteria for recognition as a deferred tax asset) amount to EUR 472.0 million *versus* EUR 325.9 million as of December 31, 2019.

- **Other temporary differences unrecognized**

The amount of deferred tax assets on unrecognized other temporary differences amount to EUR 315.0 million at December 31, 2020, compared to EUR 375.4 million at December 31, 2019.

7.4.2 Unrecognized deferred tax liabilities on taxable temporary differences relating to investments in subsidiaries

Deferred tax liability has been recognized on temporary differences when the Group is able to control the timing of their reversal and it is probable that the temporary difference will reverse in the foreseeable future.

Note 8 Earning per share

	December 31, 2020	December 31, 2019
Numerator *(in millions of euros)*		
Net income, Group share	**(228.2)**	**351.7**
Coupon attributable to holders of undated deeply subordinated notes issued by SUEZ:		
▶ June 2014 issue – reimbursed in June 2020	(4.4)	(11.8)
▶ March 2015 issue	(12.5)	(12.5)
▶ May 2017 issue	(17.3)	(17.3)
▶ September 2019 issue	(8.1)	-
Fees related to undated deeply subordinated notes issued in 2014	(0.5)	(10.3)
Adjusted Net Income, Group Share	**(271.0)**	**299.8**
Denominator *(in millions)*		
Weighted average number of outstanding shares	627.8	618.0
Earnings per share *(in euros)*		
Net income Group share per share	**(0.43)**	**0.49**
Net diluted income Group share per share	**(0.43)**	**0.48**

The Group's dilutive instruments included in the calculation of diluted earnings per share are as follows:

- performance share plans settled in SUEZ shares;
- the Sharing employee shareholding plans.

In 2020, as the result is negative, it is not necessary to calculate net diluted income Group share per share.

Note 9 Goodwill

9.1 Movements in the carrying amount of goodwill

(in millions of euros)	Gross amount	Impairment Losses	Carrying amount
At December 31, 2018	**5,314.2**	**(90.4)**	**5,223.8**
Scope effects	31.9	-	31.9
Impairment losses	-	-	-
Translation adjustments	67.1	(1.1)	66.0
Other	0.4	-	0.4
At December 31, 2019	**5,413.6**	**(91.5)**	**5,322.1**
Scope effects	(63.3)	(0.5)	(63.8)
Impairment losses	-	-	-
Translation adjustments	(254.0)	0.5	(253.5)
Items classified as held for sale	(341.2)	0.1	(341.1)
Other	-	-	-
At December 31, 2020	**4,755.1**	**(91.4)**	**4,663.7**

In 2020, the net change in goodwill is mainly the result of:

- the sale of the Group's Recycling and Recovery activities in Sweden for -EUR 55.6 million and the sale of Essal in Chile for -EUR 7.6 million, presented as "Scope effects";
- the reclassification of -EUR 341.1 million of goodwill related to Recycling and Recovery activities of the Group in Northern Europe and related to its French business OSIS classified as assets held for sale (See Note 2.6);

- translation adjustments mainly related to fluctuations on the US dollar for -EUR 199.9 million, the Hong Kong dollar for -EUR 20.3 million and the pound sterling for -EUR 19.7 million;

and amounted to -EUR 658.4 million.

In 2019, the net change in goodwill amounted to +EUR 98.3 million. This was mainly the result of:

- the acquisition of ALS group for +EUR 39.5 million;
- the sale of a French company Sita Espérance for -EUR 12.4 million;
- translation adjustments mainly relate to fluctuations on the US dollar for +EUR 46.5 million and the pound sterling for +EUR 18.0 million.

9.2 Main goodwill cash generating units (CGUs)

As of January 1, 2020, following the implementation of the new operational organization of SUEZ (see Note 2.2), the list of Cash Generating Units (CGUs) has been updated and resulted in reallocations of goodwill between old and new CGUs.

These reallocations were made on the basis of the fair value of the part of the business transferred to the new CGU compared to the fair value of the entire old CGU. Fair value was determined mainly on the basis of Discounted Cash Flows (DCF) or the average amount of EBITDA accruing to the Group.

The break down is now as follows:

(in millions of euros)	Operating segment	December 31, 2020	January 1, 2020
Material CGUs			
Water France	Water	366.1	366.4
Water Southern Europe	Water	334.9	334.9
Water Latam	Water	161.2	177.8
Water North America	Water	480.3	523.3
R&R France	Recycling and Recovery	495.6	514.9
R&R UK	Recycling and Recovery	345.9	365.5
R&R Northern Europe	Recycling and Recovery	214.1	510.1
R&R Asia	Recycling and Recovery	179.3	195.0
R&R Australia	Recycling and Recovery	161.2	160.2
WTS	Environmental Tech & Solutions	1,694.1	1,849.9
Other CGUs (individual goodwill of less than EUR 100 million)		231.0	324.1
Total		**4,663.7**	**5,322.1**

Amounts are presented after reclassification of goodwill from assets classified as held for sale (See Note 9.1 and Note 2.6).

9.3 Impairment test

All goodwill cash-generating units (CGUs) are tested for impairment. Impairment tests were carried out based on either actual results at the end of June 2020, on the last forecast of the year taking into account the upcoming events in the second half of the year or date as of the end of December 2020 for WTS; on the following year budget and on the medium-term plan (MTP) over four years for the rest of the business plan. For 2020, the impacts of the pandemic have been taken into account in the assumptions made (see Note 2.1.2).

The recoverable value of goodwill CGUs is calculated by applying various methods, primarily the discounted cash flow (DCF) method, which is based on the following:

- cash flow projections prepared over the duration of the medium-term plan approved by the Group's Board of Directors. These are linked to operating conditions estimated by the Executive Committee, specifically the duration of contracts carried by entities of the CGU in question, changes in pricing regulations and future market outlooks;
- a terminal value for the period after the MTP, calculated by applying the long-term growth rate, which is between 1.7% and 3% depending on the activity, to normalized free cash flow [1] (used specifically in impairment tests) in the final year of the projections;
- a discount rate appropriate for the CGU depending on the business, country and currency risks of each CGU. The after-tax discount rates applied in 2020 range from 4.1% to 7.3%.

When this method is used, the measurement of the recoverable value of goodwill CGU is based on three scenarios ("low", "medium" and "high"), distinguished by a change in key assumptions: the discount rate and the long-term growth rate of normalized free cash flow. The "medium" scenario is preferred.

Valuations thus obtained are systematically compared with valuations obtained using the market multiples method or the stock exchange capitalization method, when applicable.

Based on events reasonably foreseeable at this time, the Group believes there is no reason to find material impairment on the goodwill shown in the statement of financial position, and that any changes affecting the key assumptions described below should not result in excess book value over recoverable amounts.

(1) The "normalized" free cash flow used in impairment tests is different from free cash flow in the following aspects: no financial interest, use of a normalized tax rate, taking into account all investment flows (maintenance capital expenditures and financial disposals, already committed development capital expenditures and financial acquisitions).

Main assumptions used for material goodwill

The following table describes the method and discount rate used in examining the recoverable amount of material goodwill CGUs:

Cash-generating units	Measurement method	Discount rates
Water France	DCF	4.1%
Water Southern Europe	DCF	4.2%
Water Latam	DCF	6.4%
Water North America	multiples [a]	4.4%
R&R France	DCF	4.6%
R&R UK	DCF	4.9%
R&R Northern Europe	DCF	4.7%
R&R Asia	DCF	7.0%
R&R Australia	DCF	6.1%
WTS	DCF	7.3%

(a) Valuation multiples of comparable entities: market value or transactions.

9.4 Sensitivity to interest rate and operational assumptions

A change of more or less 50 basis points in the discount rates or growth rates of the "normative" Free Cash Flow does not impact the recoverable amounts of the various goodwill CGUs, which remain higher than their carrying amounts.

The table below shows the sensitivity of the measurements of recoverable value exceeding book value, in response to changes in discount rates and growth rates:

	Discount rates		Growth rate ofnormalized Free Cash Flow	
Impact in % on excess of recoverable value over book value	- 50 pb	+ 50 pb	- 50 pb	+ 50 pb
Water France	28%	-18%	-17%	27%
Water Southern Europe	86%	-57%	-54%	82%
Water Latam	58%	-43%	-41%	55%
R&R France	42%	-29%	-26%	38%
R&R UK	30%	-21%	-20%	28%
R&R Northern Europe	30%	-21%	-18%	27%
R&R Asia	53%	-42%	0%	49%
R&R Australia	19%	-15%	-13%	16%
WTS	59%	-48%	-48%	59%

Moreover, the Group ensured that, in 2020, a reasonable decrease (equal to or less than 5%) of both cash flows during the medium-term plan and of the terminal value does not call into question the goodwill values of the different significant CGUs.

9.5 Segment information

The carrying amount of goodwills can be analyzed by operating segment as follows:

(in millions of euros)	December 31, 2020	January 1, 2020
Water	1,405.0	1,473.0
Recycling and Recovery	1,416.3	1,848.4
ETS	1,842.4	2,000.7
Total	**4,663.7**	**5,322.1**

The segment breakdown above is based on the operating segment of the acquired entity (and not on that of the acquirer).

Note 10 Intangible assets

10.1 Movements in the carrying amount of intangible assets

(in millions of euros)	Softwares	Intangible rights arising on concession contracts	Other	Total
A. Gross amount				
At December 31, 2018	**852.4**	**6 140.1**	**2 161.2**	**9,153.7**
Acquisitions	50.2	193.7	53.4	297.3
Disposals	(31.1)	(163.9) [a]	(4.7)	(199.7)
Translation adjustments	(3.8)	29.7	21.2	47.1
Changes in scope of consolidation [b]	1.9	6.7	9.2	17.8
Other	36.8	21.3	(47.3)	10.8
At December 31, 2019	**906.4**	**6,227.6**	**2,193.0**	**9,327.0**
Acquisitions	32.5	180.6	63.0	276.1
Disposals	(116.6)	(295.2) [a]	(7.2)	(419.0)
Translation adjustments	(5.7)	(53.9)	(102.6)	(162.2)
Changes in scope of consolidation [b]	(3.9)	(20.7)	(12.1)	(36.7)
Assets classified as held for sale	(76.1)	-	(21.5)	(97.6)
Other	68.3	8.0	(54.2)	22.1
At December 31, 2020	**804.9**	**6,046.4**	**2,058.4**	**8,909.7**
B. Accumulated depreciation and impairment				
At December 31, 2018	**(601.9)**	**(2 861.4)**	**(708.3)**	**(4,171.6)**
Depreciation	(72.8)	(313.4)	(88.7)	(474.9)
Impairment losses	(1.9)	(2.8)	(3.9)	(8.6)
Disposals	24.1	163.2 [a]	4.1	191.4
Translation adjustments	3.7	(11.8)	(5.0)	(13.1)
Changes in scope of consolidation [b]	(1.8)	(5.2)	(0.7)	(7.7)
Other	3.1	(11.3)	1.4	(6.8)
At December 31, 2019	**(647.5)**	**(3,042.7)**	**(801.1)**	**(4,491.3)**
Depreciation	(78.1)	(312.1)	(83.9)	(474.1)
Impairment losses	(22.1)	(9.9)	(15.6)	(47.6)
Disposals	106.7	293.3 [a]	6.6	406.6
Translation adjustments	4.4	20.3	22.6	47.3
Changes in scope of consolidation [b]	3.5	20.7	5.3	29.5
Assets classified as held for sale	71.9	-	17.7	89.6
Other	(5.2)	(6.8)	7.1	(4.9)
At December 31, 2020	**(566.4)**	**(3,037.2)**	**(841.3)**	**(4,444.9)**
C. Carrying Amount				
At December 31, 2018	**250.5**	**3,278.7**	**1,452.9**	**4,982.1**
At December 31, 2019	**258.9**	**3,184.9**	**1,391.9**	**4,835.7**
At December 31, 2020	**238.5**	**3,009.2**	**1,217.1**	**4,464.8**

(a) At the end of the concession agreements, intangible assets falling within the scope of IFRIC 12 are balanced, at gross value, amortisation and impairment by a disposal flow.
(b) In 2020, the changes in scope of consolidation result from the disposal of the Recycling and Recovery activities in Sweden and the company Essal in Chile, subsidiary of Aguas Andinas.

10.2 Information on intangible assets

Intangible rights arising on concession contracts

The Group manages a large number of concession contracts as defined by SIC 29 (see Notes 1.6.4.2, 1.5.6 and 1.6.13.4) in the drinking water distribution, wastewater treatment and waste management businesses. Infrastructure rights granted to the Group as concession operator, falling within the scope of application of IFRIC 12, and corresponding to the intangible model, are recognized under this category. These include the rights to charge end users under IFRIC 12 the intangible asset model.

Most of the acquisitions of the year are done in the Water sector in France and in Spain.

Non-depreciable intangible assets

Non-depreciable intangible assets, mainly composed of water rights, amount to EUR 78.3 million at December 31, 2020, *versus* EUR 95.6 million at December 31, 2019, and were included in the column "Other".

No significant impairment was posted in this asset category in 2020.

Information on research and development expenses

Research and development activities relate to various studies regarding technological innovation, improvements in plant efficiency, safety, environmental protection and service quality.

Research and development activities that do not meet the assessment criteria defined in IAS 38 were posted to expenses as at December 31, 2020, for the amount of EUR 103.3 million, which is decreasing compared with EUR 118.5 million registered at December 31, 2019. This decrease results from the impact of Covid-19 pandemic and from the postponement of projects for innovation and for research and development.

Expenses related to in-house projects in the development phase that meet the criteria for recognition as an intangible asset are not material for year-end 2020.

Note 11 Property, plant and equipment

11.1 Movements in the carrying amount of property, plant and equipment

(in millions of euros)	Lands	Constructions	Plant and equipment	transport equipment	Capitalized dismanting and restoration costs	Construction in progress	Other	Total property, plant and equipment
A. Gross amount								
At December 31, 2018	**2,011.1**	**3,326.6**	**8,868.1**	**1,259.2**	**533.9**	**972.5**	**533.6**	**17,505.0**
Acquisitions	10.7	74.1	240.3	28.8	-	692.2	38.9	1,085.0
Disposals	(27.1)	(31.2)	(152.0)	(126.2)	-	-	(50.8)	(387.3)
Translation adjustments	11.0	(58.1)	(83.1)	5.3	4.5	(24.8)	4.2	(141.0)
Changes in scope of consolidation	(8.4)	(4.7)	9.3	6.0	(3.0)	(1.5)	2.4	0.1
Other	149.1	(20.0)	421.5	17.8	(8.9)	(617.4)	16.2	(41.7)
At December 31, 2019	**2,146.4**	**3,286.7**	**9,304.1**	**1,190.9**	**526.5**	**1,021.0**	**544.5**	**18,020.1**
Acquisitions	7.0	64.6	218.1	22.8	-	658.8	29.8	1,001.1
Disposals	(20.5)	(55.9)	(237.2)	(96.2)	-	-	(34.5)	(444.3)
Translation adjustments	(44.1)	(88.9)	(429.0)	(10.4)	(2.9)	(37.1)	(18.7)	(631.1)
Changes in scope of consolidation	(36.8)	(97.1)	(439.8)	(94.1)	(20.7)	(42.3)	(2.8)	(733.6)
Assets classified as held for sale	(71.1)	(470.1)	(755.9)	(388.8)	(9.7)	(22.8)	(16.7)	(1,735.1)
Other	61.0	114.5	610.5	2.4	26.3	(792.9)	(12.0)	9.8
At December 31, 2020	**2,041.9**	**2,753.8**	**8,270.8**	**626.6**	**519.5**	**784.7**	**489.6**	**15,486.9**
B. Accumulated depreciation and impairment								
At December 31, 2018	**(1,119.6)**	**(1,603.4)**	**(4,047.8)**	**(1,035.5)**	**(532.0)**	**(15.1)**	**(377.2)**	**(8,730.6)**
Depreciation	(83.6)	(149.7)	(373.7)	(63.1)	(0.4)	-	(71.8)	(742.3)
Impairment losses	(0.2)	(10.3)	(12.6)	(0.3)	-	(0.4)	(0.1)	(23.9)
Disposals	11.7	28.9	135.2	122.2	-	1.0	41.3	340.3
Translation adjustments	(21.2)	15.8	29.9	(3.6)	(4.5)	(0.3)	(2.9)	13.2
Changes in scope of consolidation	6.1	3.6	(5.9)	(5.0)	3.0	-	(3.6)	(1.8)
Other	(12.6)	25.3	(41.0)	4.0	8.9	11.8	19.6	16.0
At December 31, 2019	**(1,219.4)**	**(1,689.8)**	**(4,315.9)**	**(981.3)**	**(525.0)**	**(3.0)**	**(394.7)**	**(9,129.1)**
Depreciation	(66.3)	(120.9)	(388.0)	(59.1)	(0.4)	-	(60.2)	(694.9)
Impairment losses	(25.4)	(42.9)	(54.3)	(0.2)	-	(7.4)	-	(130.2)
Disposals	7.0	33.9	222.9	86.0	-	0.4	32.9	383.1
Translation adjustments	20.0	28.9	124.3	7.2	2.9	0.2	12.5	196.0
Changes in scope of consolidation	15.0	57.6	261.7	69.9	20.7	-	2.2	427.1
Assets classified as held for sale	19.1	303.5	495.2	336.9	9.3	2.6	14.5	1,181.1
Other	(0.6)	2.4	32.1	1.9	(26.4)	(0.1)	26.7	36.0
At December 31, 2020	**(1,250.6)**	**(1,427.3)**	**(3,622.0)**	**(538.7)**	**(518.9)**	**(7.3)**	**(366.1)**	**(7,730.9)**
C. Carrying Amount								
At December 31, 2018	**891.5**	**1,723.2**	**4,820.3**	**223.7**	**1.9**	**957.4**	**156.4**	**8,774.4**
At December 31, 2019	**927.0**	**1,596.9**	**4,988.2**	**209.6**	**1.5**	**1,018.0**	**149.8**	**8,891.0**
At December 31, 2020	**791.3**	**1,326.5**	**4,648.8**	**87.9**	**0.6**	**777.4**	**123.5**	**7,756.0**

In 2020, the main changes concern acquisition of tangible assets in progress for +EUR 659 million, mainly made in the United States for +EUR 287 million, in France for +EUR 170 million and in Chile for +EUR 109 million.

In 2020, impairment losses reflect the effects of the accelerated implementation of the SUEZ 2030 transformation plan.

In 2019, these acquisitions for +EUR 692 million were mainly in the United States for +EUR 301 million, in France for +EUR 170 million and in Chile for +EUR 133 million.

In 2020, the changes in scope of consolidation result from the disposal of the Recycling and Recovery activities in Sweden and the company Essal in Chile, subsidiary of Aguas Andinas.

The main translation adjustments on the carrying amount of property, plant and equipment have been noted:

- in 2020, on the US dollar for -EUR 279 million, the Chilean peso for -EUR 109 million and the Pound sterling for -EUR 18 million;
- in 2019, on the Chilean peso for -EUR 209 million, the US dollar for +EUR 54 million and the Pound sterling for +EUR 17 million.

11.2 Pledged and mortgaged assets

Assets pledged and mortgaged as collateral for borrowings remained stable and amounted to EUR 9.6 million at December 31, 2020 against EUR 9.7 million at December 31, 2019.

11.3 Contractual commitments for the acquisition of property, plant and equipment

In the course of ordinary operations, some Group companies have committed to investing in technical facilities which the third parties concerned undertake to deliver to them in return.

The Group's contractual commitments for property, plant and equipment amounted to EUR 478.2 million at December 31, 2020, against EUR 633 million at December 31, 2019.

Note 12 Investments in joint ventures and associates

12.1 Investments in joint ventures

The most significant equity interests are the Chinese joint ventures jointly owned by SUEZ NWS Limited, a Hong Kong-based company at 50% and by local concessionary authorities at 50%. Following the full consolidation of SUEZ NWS Limited in SUEZ, the shares from all the joint ventures (including all the Chinese joint ventures mentioned above) are accounted for by using the equity method according to SUEZ NWS Limited's percentage ownership (50% for the Chinese joint ventures) and represent EUR 579.5 million at December 31, 2020.

Another major joint venture is the Suyu Group, which is based in China and is 50%-owned by SUEZ.

	Carrying amount of investments in joint ventures		Share in net income/(loss) of joint ventures	
(in millions of euros)	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
SUEZ NWS Limited Group	579.5	593.5	31.6	47.9
Suyu Group	313.2	316.4	1.4	15.9
Other	32.8	44.0	6.7	7.6
Total	**925.5**	**953.9**	**39.7**	**71.4**

(in millions of euros)	December 31, 2020	December 31, 2019
Net income	39.7	71.4
Other comprehensive income (OCI)	2.1	9.0
Comprehensive income	**41.8**	**80.4**

Below are the summarized statements of financial position (at 100%) of the Chinese joint ventures accounted for by using the equity method at SUEZ NWS Limited and the Suyu Group.

Summarized Statement of financial position

(in millions of euros)	December 31, 2020 Chinese joint ventures	December 31, 2020 Suyu Group	December 31, 2019 Chinese joint ventures	December 31, 2019 Suyu Group
Non-current assets	1,347.0	844.4	1,369.9	776.3
Current assets	535.3	7.7	469.3	20.8
of which Cash and cash equivalents	*266.5*	*7.7*	*238.8*	*20.8*
Total assets	**1,882.3**	**852.1**	**1,839.2**	**797.1**
Shareholders' equity, Group share	975.2	626.4	997.6	632.9
Non-controlling interests	8.0	-	7.5	-
Total shareholders' equity	**983.2**	**626.4**	**1,005.1**	**632.9**
Non-current liabilities	311.0	192.4	306.4	164.2
Current liabilities	588.1	33.3	527.7	-
Total shareholders' equity and liabilities	**1,882.3**	**852.1**	**1,839.2**	**797.1**
Total dividends paid with respect to the previous financial year	**63.2**	**-**	**66.9**	**-**

Suyu's "Non-current assets" item includes Derun Environment shares equity accounted for EUR 809.4 million at the end of 2020, compared with EUR 740.7 million at the end of 2019.

Summarized Income Statement

(in millions of euros)	December 31, 2020 Chinese joint ventures	December 31, 2020 Suyu Group	December 31, 2019 Chinese joint ventures	December 31, 2019 Suyu Group
Revenues	541.1	-	747.8	-
Current operating income	111.7	(0.1)	123.4	-
Net income – group share	70.5	2.9	94.8	31.9
Net income – non controlling interests	1.1	-	1.4	-
Net income	**71.6**	**2.9** [a]	**96.2**	**31,9** [a]
Other comprehensive income (OCI) [b]	(24.7)	(12.5)	9.8	6.1
Comprehensive income	**46.9**	**(9.6)**	**106.0**	**38.0**

(a) Derun Environnement's share in net income accounted for using the equity method in the Suyu Group.
(b) This amount corresponds to translation adjustments.

12.2 Investments in associates

Investments and income from associates break down as follows:

(in millions of euros)	Carrying amount of investments in associates December 31, 2020	Carrying amount of investments in associates December 31, 2019	Share in net income/(loss) of associates December 31, 2020	Share in net income/(loss) of associates December 31, 2019
Acea Group	624.3	591.2	65.0	63.0
Agbar Group	163.0	167.9	9.7	14.7
Other (individual contributions less than 10% of the total)	276.1	311.1	30.4	49.2
Total	**1,063.4**	**1,070.2**	**105.1**	**126.9**

(in millions of euros)	December 31, 2020	December 31, 2019
Net income	105.1	126.9
Other comprehensive income (OCI)	(12.7)	(7.7)
Comprehensive income	**92.4**	**119.2**

The main component of the item "Investments in associates" is the Acea Group, listed on the Milan Stock Exchange and in which the SUEZ Group holds 23.33% of the capital.

At December 31, 2020 the book value of Acea in the statement of financial position is EUR 624.3 million. Its market value is EUR 852.2 million.

The summarized financial information at 100% of the Acea Group are presented below.

The Consolidated Financial Statements of Acea Group at December 31, 2020 are not available at the date of publication of the Group's 2020 Consolidated Financial Statements. In compliance with IAS 28 "Investments in Associates and joint ventures", the summarized statement of financial position at September 30, 2020 corresponds to the latest available information.

Summarized Statement of Acea Group financial position

(in millions of euros)	September 30, 2020	December 31, 2019
Non-current assets	6,866.5	6,501.4
Current assets	2,580.3	2,453.0
of which Cash and cash equivalents	*523.4*	*835.7*
Total assets	**9,446.8**	**8,954.4**
Shareholders' equity, Group share	1,906.8	1,854.8
Non-controlling interests	313.7	251.9
Total shareholders' equity	**2,220.5**	**2,106.7**
Non-current liabilities	4,885.1	4,199.0
Current liabilities	2,341.2	2,648.7
Total shareholders' equity and liabilities	**9,446.8**	**8,954.4**
Total dividends paid with respect to the previous financial year	**166.1**	**151.2**

Summarized Income Statement of Acea Group – of the first nine months

(in millions of euros)	September 30, 2020	September 30, 2019
Revenues	2,471.6	2,346.2
Gross operating profit	858.7	740.8
Operating profit/(loss)	426.0	402.5
Net income – group share	218.7	218.9
Net income – non controlling interests	32.4	19.4
Net income	**251.1**	**238.3**
Other comprehensive income (OCI)	(3.2)	(6.6)
Comprehensive income	**247.9**	**231.7**

Note 13 Financial instruments

13.1 Financial assets

The following table shows the various financial asset categories and their breakdown as "non-current" and "current":

	December 31, 2020			December 31, 2019		
(in millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Equity instruments at fair value	107.9	-	107.9	132.2	-	132.2
Loans and receivables carried at amortized cost	712.2	4,401.3	5,113.5	653.7	4,762.3	5,416.0
Loans and receivables carried at amortized cost (excluding trade and other receivables)	712.2	77.0	789.2	653.7	91.4	745.1
Trade and other receivables	-	4,324.3	4,324.3	-	4,670.9	4,670.9
Financial assets measured at fair value	146.5	151.3	297.8	115.7	105.3	221.0
Derivative financial instruments	146.5	96.4	242.9	115.7	75.5	191.2
Financial assets measured at fair value through income	-	54.9	54.9	-	29.8	29.8
Cash and cash equivalents	-	5,319.6	5,319.6	-	3,703.0	3,703.0
Liquid financial investments	-	213.7	213.7	-	130.0	130.0
Other cash and cash equivalents	-	5,105.9	5,105.9	-	3,573.0	3,573.0
Total	**966.6**	**9,872.2**	**10,838.8**	**901.6**	**8,570.6**	**9,472.2**

13.1.1 Equity instruments at fair value

Movements on equity instruments during the period are broken down as follows:

(in millions of euros)	Equity instruments at FV through OCI	Equity instruments at FV through income
At December 31, 2019	**105.2**	**27.0**
Acquisitions	7.7	0.1
Net book value of disposals	(0.3)	(0.2)
Changes in fair value posted to equity as Other comprehensive income	(18.3)	-
Changes in fair value posted to income statement	-	(0.8)
Changes in scope, exchange rates and other	(9.8)	(1.4)
Assets classified as held for sale	(0.8)	(0.5)
At December 31, 2020	**83.7**	**24.2**

Equity instruments at fair value through OCI held by the Group at December 31, 2020 are unlisted.

The value of equity instruments at fair value through income held by the Group amounts to EUR 24.2 million as at December 31, 2020 and is divided between EUR 21.0 million of listed securities and EUR 3.2 million of unlisted securities.

13.1.2 Loans and receivables carried at amortized cost

(in millions of euros)	December 31, 2020 Non-current	December 31, 2020 Current	December 31, 2020 Total	December 31, 2019 Non-current	December 31, 2019 Current	December 31, 2019 Total
Loans and receivables carried at amortized cost (excluding trade and other receivables)	**712.2**	**77.0**	**789.2**	**653.7**	**91.4**	**745.1**
Loans granted to affiliated companies [a]	362.3	29.6	391.9	430.5	50.0	480.5
Other receivables at amortized cost	0.3	2.5	2.8	0.3	-	0.3
Concession receivables	349.6	44.3	393.9	222.4	41.3	263.7
Finance lease receivables	-	0.6	0.6	0.5	0.1	0.6
Trade and other receivables	**-**	**4,324.3**	**4,324.3**	**-**	**4,670.9**	**4,670.9**
Total	**712.2**	**4,401.3**	**5,113.5**	**653.7**	**4,762.3**	**5,416.0**

(a) This item primarily includes loans granted to associates accounted for under the equity method and/or to non-consolidated companies, and amount to EUR 232.0 million as of December 31, 2020, *versus* EUR 288.6 million as of December 31, 2019.

Depreciation and impairment on loans and receivables carried at amortized cost are shown below:

(in millions of euros)	December 31, 2020 Gross	December 31, 2020 Depreciation and impairment	December 31, 2020 Net	December 31, 2019 Gross	December 31, 2019 Depreciation and impairment	December 31, 2019 Net
Loans and receivables carried at amortized cost (excluding trade and other receivables)	973.9	(184.7)	789.2	909.3	(164.2)	745.1
Trade and other receivables	4,840.9	(516.6)	4,324.3	5,018.8	(347.9)	4,670.9
Total	**5,814.8**	**(701.3)**	**5,113.5**	**5,928.1**	**(512.1)**	**5,416.0**

Information on the maturity of receivables that are past due but not impaired and on the monitoring of counterparty risk on loans and receivables at amortized cost (including trade and other receivables) is presented in Note 14.2 "Counterparty risk".

Net income and expenses on loans and receivables carried at amortized cost and recognized in the income statement break down as follows (including trade receivables):

(in millions of euros)	Interests	Remeasurement post-acquisition: Translation adjustment	Remeasurement post-acquisition: Impairment
At December 31, 2019	58.1	1.0	(24.8)
At December 31, 2020	**55.8**	**(2.3)**	**(243.2)**

Trade and other receivables

On initial recognition, trade receivables are recorded at fair value, which generally corresponds to their nominal value. An impairment loss is recognized based on the risk of non-recovery by homogeneous category of customers and on the expected loss rate for each category of customers (see Note 1.6.9.1).

The net carrying amount of trade and other receivables posted to the statement of financial position represents its measurement of fair value.

13.1.3 Financial assets measured at fair value

This item comprises derivative financial instruments as well as financial assets measured at fair value through income excluding derivatives, and can be analyzed as follows:

(in millions of euros)	December 31, 2020 Non-current	December 31, 2020 Current	December 31, 2020 Total	December 31, 2019 Non-current	December 31, 2019 Current	December 31, 2019 Total
Derivative financial instruments	**146.5**	**96.4**	**242.9**	**115.7**	**75.5**	**191.2**
Debt-related derivatives (see Note 13.3.1)	143.5	73.2	216.7	111.3	44.0	155.3
Derivative hedging commodities (see Note 14.1.1.2)	-	-	-	-	7.8	7.8
Derivative hedging other items [a]	3.0	23.2	26.2	4.4	23.7	28.1
Financial assets at fair value through income exluding derivatives	**-**	**54.9**	**54.9**	**-**	**29.8**	**29.8**
Financial assets measured at fair value through income (See Note 13.3.1)	-	54.9	54.9	-	29.8	29.8
Total	**146.5**	**151.3**	**297.8**	**115.7**	**105.3**	**221.0**

(a) Includes derivative financial instruments for the interest rate futures portion of debt-related derivatives not designated as hedges for -EUR 0.1 million at December 31, 2020, compared with EUR 1.9 million at December 31, 2019.

Commodities derivatives (analyzed in Note 14.1.1), debt-related derivatives, and derivatives hedging other items are set up as part of the Group's risk management policy.

Financial assets measured at fair value through income (excluding derivatives) are mainly UCITS and negotiable medium-term notes (MTNs); which are included in the calculation of the Group's net debt (see Note 13.3).

Income recognized on all financial assets measured at fair value through income as of December 31, 2020 is not material.

13.1.4 Cash and cash equivalents

The Group's financial risk management policy is described in Note 14.

"Cash and cash equivalents" amount to EUR 5,319.6 million as of December 31, 2020 *versus* EUR 3,703.0 million as of December 31, 2019.

This item mainly includes term deposits for EUR 1,323.5 million compared with EUR 749.3 million at December 31, 2019 and cash and cash equivalents for EUR 3,919.9 million compared with EUR 2,889.6 million at 31 December 2019, including EUR 213.7 million in liquid financial investments as at December 31, 2020 (excluding accrued interest).

In addition, restricted cash amounts to EUR 18.9 million as of December 31, 2020, *versus* EUR 17.3 million in 2019.

Income recognized in respect of "Cash and cash equivalents" as of December 31, 2020 amounts to EUR 21.0 million *versus* EUR 10.1 million as of December 31, 2019.

13.1.5 Pledged and mortgaged assets

(in millions of euros)	December 31, 2020	December 31, 2019
Pledge and mortgaged assets	7.5	7.1

13.2 Financial liabilities

Financial liabilities are accounted for:

- in "liabilities at amortized cost" for borrowings and debt, trade and other payables, and other financial liabilities;
- or in "liabilities measured at fair value" for derivative financial instruments.

The following table shows the various financial liability categories, as well as their breakdown as "non-current" and "current":

	December 31, 2020			December 31, 2019		
(in millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Borrowings	10,990.0	2,956.6	13,946.6	9,914.0	2,609.1	12,523.1
Lease liabilities	975.5	255.6	1,231.1	1,159.4	314.9	1,474.3
Derivative financial instruments	4.9	36.2	41.1	6.7	57.3	64.0
Trade and other payables	-	3,263.2	3,263.2	-	3,534.3	3,534.3
Other financial liabilities	37.6	-	37.6	42.8	-	42.8
Total	**12,008.0**	**6,511.6**	**18,519.6**	**11,122.9**	**6,515.6**	**17,638.5**

13.2.1 Borrowings and debt

	December 31, 2020			December 31, 2019		
(in millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Bonds issues	9,937.2	879.5	10,816.7	9,009.1	465.4	9,474.5
Commercial paper	-	747.0	747.0	-	678.4	678.4
Draw downs on credit facilities	405.7	11.3	417.0	302.2	43.7	345.9
Other bank borrowings	524.2	85.0	609.2	426.3	130.9	557.2
Other borrowings	67.6	72.6	140.2	157.5	64.3	221.8
Borrowings (gross amounts)	**10,934.7**	**1,795.4**	**12,730.1**	**9,895.1**	**1,382.7**	**11,277.8**
Overdrafts and current cash accounts	-	1,084.7	1,084.7	-	1,133.6	1,133.6
Outstanding financial debt	**10,934.7**	**2,880.1**	**13,814.8**	**9,895.1**	**2,516.3**	**12,411.4**
Impact of measurement at amortized cost	(47.2)	57.3	10.1	(59.2)	81.3	22.1
Impact of fair value hedge	102.5	19.2	121.7	78.1	11.5	89.6
Borrowings and debt	**10,990.0**	**2,956.6**	**13,946.6**	**9,914.0**	**2,609.1**	**12,523.1**

The fair value of borrowings and debt as of December 31, 2020 amounts EUR 15,520.0 million for a net book value of EUR 13,946.6 million (for details see Note 13.4.2).

Borrowings are analyzed in Note 13.3 "Net debt".

Variations by flows of financial debts are presented in the following table:

(in millions of euros)	December 31, 2019	Cash flows	Non cash flows: Forex effect	Scope effect	Items classified as held for sale	Change in fair value and amortized cost	Others	December 31, 2020
Bond issues	9,474.5	1,507.8	(128.2)	(76.4)	-	-	39.0	10,816.7
Commercial paper	678.4	68.9	(0.3)	-	-	-	-	747.0
Draw downs on credit facilities	345.9	82.2	(10.6)	-	-	-	(0.5)	417.0
Borrowings under finance leases								
Other bank borrowings	557.2	125.0	(21.7)	(48.4)	(0.3)	-	(2.6)	609.2
Other borrowings	221.8	(98.4)	3.8	0.5	(2.6)	-	15.1	140.2
Borrowings (gross amounts)	**11,277.8**	**1,685.5**	**(157.0)**	**(124.3)**	**(2.9)**	**-**	**51.0**	**12,730.1**
Overdrafts and current cash accounts [a]	1,133.6	(40.8)	(5.7)	0.8	(4.9)	-	1.7	1,084.7
Outstanding financial debt	**12,411.4**	**1,644.7**	**(162.7)**	**(123.5)**	**(7.8)**	**-**	**52.7**	**13,814.8**
Impact of measurement at amortized cost	22.1	(10.5)	1.2	(0.3)	(0.1)	23.9	(26.2)	10.1
Impact of fair value hedge	89.6	-	(0.2)	-	-	32.3		121.7
Borrowings and debt	**12,523.1**	**1,634.2**	**(161.7)**	**(123.8)**	**(7.9)**	**56.2**	**26.5**	**13,946.6**
Lease liabilities	**1,474.3**	**(331.5)**	**(19.3)**	**(34.3)**	**(175.0)**	**(18.5)**	**335.4**	**1,231.1**

(a) The change in bank overdrafts due on demand, as defined by IAS 7.8, does not impact the item "new borrowings and financial liabilities" in the consolidated statement of cash flows for an amount of EUR 65 million, but is nevertheless taken into account in the 2020 cash flows of borrowings and debt.

13.2.2 Derivative financial instruments (including commodities)

(in millions of euros)	December 31, 2020: Non-current	Current	Total	December 31, 2019: Non-current	Current	Total
Debt-related derivatives	0.3	24.1	24.4	0.4	41.5	41.9
Derivatives hedging commodities	-	2.4	2.4	-	4.3	4.3
Derivatives hedging other items [a]	4.6	9.7	14.3	6.3	11.5	17.8
Total	**4.9**	**36.2**	**41.1**	**6.7**	**57.3**	**64.0**

(a) Mainly includes derivative financial instruments for the interest rate futures portion of debt-related derivatives qualifying as cash flow hedge for EUR 3.1 million at December 31, 2020, compared with EUR 3.5 million at December 31, 2019.

These instruments are set up according to the Group's risk management policy and are analyzed in Note 14.

13.2.3 Trade and other payables

(in millions of euros)	December 31, 2020	December 31, 2019
Trade payables	3,008.9	3,260.7
Payables on fixed assets	254.3	273.6
Total	**3,263.2**	**3,534.3**

The fair value of trade payables and other creditors correspond to their carrying amount recorded in the statement of financial position.

13.2.4 Other financial liabilities

(in millions of euros)	December 31, 2020	December 31, 2019
Payables on acquisition of shares	4.1	4.9
Other financial liabilities [a]	33.5	37.9
Total	**37.6**	**42.8**

(a) Including EUR 25.3 million in 2020 and EUR 27.8 million in 2019 related to the financing of the extension of an Australian landfill.

13.3 Net debt

13.3.1 Analysis by type of debt

	December 31, 2020			December 31, 2019		
(in millions of euros)	Non-current	Current	Total	Non-current	Current	Total
Outstanding borrowings	10,934.7	2,880.1	13,814.8	9,895.1	2,516.3	12,411.4
Impact of measurement at amortized cost [a]	(47.2)	57.3	10.1	(59.2)	81.3	22.1
Impact of fair value hedge [b]	102.5	19.2	121.7	78.1	11.5	89.6
Borrowings and debts	**10,990.0**	**2,956.6**	**13,946.6**	**9,914.0**	**2,609.1**	**12,523.1**
Lease liabilities	**975.5**	**255.6**	**1,231.1**	**1,159.4**	**314.9**	**1,474.3**
Debt-related derivatives under liabilities [c]	0.3	24.1	24.4	0.4	41.5	41.9
Gross debt	**11,965.8**	**3,236.3**	**15,202.1**	**11,073.8**	**2,965.5**	**14,039.3**
Financial assets measured at fair value through income excluding financial derivative instruments	-	(54.9)	(54.9)	-	(29.8)	(29.8)
Cash management assets	-	(213.7)	(213.7)	-	(130.0)	(130.0)
Other cash and cash equivalents	-	(5,105.9)	(5,105.9)	-	(3,573.0)	(3,573.0)
Debt-related derivatives under assets [c]	(143.5)	(73.2)	(216.7)	(111.3)	(44.0)	(155.3)
Net cash	**(143.5)**	**(5,447.7)**	**(5,591.2)**	**(111.3)**	**(3,776.8)**	**(3,888.1)**
Net debt	**11,822.3**	**(2,211.4)**	**9,610.9**	**10,962.5**	**(811.3)**	**10,151.2**
Outstanding borrowings	10,934.7	2,880.1	13,814.8	9,895.1	2,516.3	12,411.4
Lease liabilities	975.5	255.6	1,231.1	1,159.4	314.9	1,474.3
Financial assets measured at fair value through income excluding financial derivative instruments	-	(54.9)	(54.9)	-	(29.8)	(29.8)
Cash management assets	-	(213.7)	(213.7)	-	(130.0)	(130.0)
Other cash and cash equivalents	-	(5,105.9)	(5,105.9)	-	(3,573.0)	(3,573.0)
Net debt excluding amortized cost and impact of derivative financial instruments	**11,910.2**	**(2,238.8)**	**9,671.4**	**11,054.5**	**(901.6)**	**10,152.9**

(a) Includes accrued interest on gross debt as well as premiums and fees for setting up borrowings to be amortized.
(b) This item corresponds to the remeasurement of the interest rate component of debt in a designated fair value hedging relationship.
(c) It corresponds to the fair value of debt-related derivatives, regardless of whether or not they are designated as hedges.

The increase in the share of non-current net debt, EUR 1,039.6 million, was mainly due to:

- bond issues during the first half of 2020 totaling EUR 1,940.0 million.

Partially offset by:

- the reclassification of the current portion of the balance of the bond issued by SUEZ for an initial amount of EUR 750 million. It matures in May 2021, has a 4.078% coupon and now totals EUR 598.2 million.

The sensitivity of the debt (including interest rate and currency derivatives) to interest rate risk and currency risk is presented in Note 14.

13.3.2 Issue of Undated Deeply Subordinated Notes

The outstanding amount of undated deeply subordinated notes ("TSSDI") was EUR 1,600 million, down EUR 147.9 million compared to December 31, 2019 due to the full redemption of the 2014 tranche on June 23, 2020 (see Note 2.4.4). This outstanding amount is not recognized under borrowings as it meets the conditions set out in IAS 32 for recognition as equity.

13.3.3 Bond and Commercial paper issues

In 2020, SUEZ issued several bonds under its EMTN program:

- EUR 850 million with a 1.250% coupon maturing on April 2, 2027;
- EUR 40 million (in addition to the existing EUR 500 million tranche) with a 1.625% coupon, maturing on September 21, 2032;
- EUR 300 million (in addition to the existing EUR 300 million tranche) with a 1.250% coupon, maturing on May 19, 2028;
- EUR 750 million with a 1.250% coupon maturing on May 14, 2035.

SUEZ has a commercial paper program. At December 31, 2020, the outstanding notes totaled EUR 747.0 million.

Commercial paper is recognized as current financial debt. However, the Group's policy is to back all commercial paper by available credit lines. Thus, the refinancing of commercial paper is guaranteed even in case of closure of the money market.

At December 31, 2020, outstanding commercial paper was entirely covered by credit lines confirmed available for more than one year.

13.3.4 Securitization of receivables

Context

In 2012, SUEZ implemented a program for the sales of trade receivables to a special purpose vehicle (SPV) called *Fonds Commun de Titrisation* (or FCT).

This so-called "deconsolidation" program initially concerned assignors from R&R France, IWS France, R&R Netherlands, R&R UK and R&R Germany.

In April 2017, this program was renewed for five years, and the scope of the transferred receivables portfolio was amended: the assignor, SUEZ R&R UK was removed and new French assignors from the OSIS division of SUEZ RV France joined that program.

Since the end of December 2019, the assignors from the OSIS division of SUEZ RV France are no longer part of the scope of the transferred receivables, their receivables had therefore been recorded in the statement of financial position as a counterpart to a financial debt materializing the commitment to pay the fixed amount for the repurchase of these receivables.

After disposal agreement protocols were signed for SUEZ's Recycling and Recovery business in four countries in Northern Europe in addition to a Recycling and Recovery France business line (see Note 2.6) that has not yet been finalized as of December 31, 2020, SUEZ presents these items as held for sale in 2021 in accordance with IFRS 5. (See Notes 1.2.4 and 2.6.2) (see specific column in the table with figures as of December 31, 2020).

The aim of the receivable assignment or receivable securitization program is to carry out so-called "deconsolidation" assignments within the meaning of IFRS 9.

The main characteristics of the program are as follows:

a) a compartment dedicated to the Group's receivables was created within a FCT;

b) the FCT used in the program is financing the compartment by issuing three types of instruments:
   - shares known as "senior", issued on the markets through a dedicated channel,
   - a deposit known as "mezzanine", underwritten by the Group,
   - shares known as "subordinated", underwritten by an investor taking part in the program and with contracted involvement with the Group;

c) these shares are presented here in order of payment priority related to each other; the senior shares are therefore the first to be reimbursed and the subordinated shares are the last;

d) the Group's subsidiaries involved remain in charge of recovering the receivables transferred against remuneration.

The sales of receivables are made by Group subsidiaries at their nominal value, minus a discount that covers the cost of financing the receivables, the risk of late payment and the credit risk.

The main commitments of the Group towards the securitization funds are the following:

a) set-up of a security deposit for the compartment, earning interest, and designed to cover, if the FCT reserves and the "subordinated" shares ever came to run out, any defaults and late payments on transferred receivables exceeding the amount estimated during the transfer and invoiced through the discount applied to the transfer price, to a set maximum limit (Cash Collateral 1 or CC1); this deposit is effective from the launch of the program and corresponds to the "mezzanine" deposit presented above;

b) set-up of a security deposit for the compartment, earning interest, and designed to preserve the correct execution of all financial obligations of Group entities party to the program, to a set maximum limit (Cash Collateral 2 or CC2); this deposit is only effective if certain events or triggers occur linked to the downgrading of SUEZ or to the non-respect by the Group of its contractual obligations.

At December 31, 2020, this security deposit has not been formed.

a) an option, for all Group's subsidiaries, to jointly request buyback at fair value of the receivables held by the compartment in a single and unique transaction, in case of program amortization, planned (with a 5-year term), or accelerated, and after agreement with the holders of "subordinated" shares. To date, accelerated amortization of the program is not expected before its maturity date;

b) issue of a guarantee for the risk of modification of tax rules;

c) preservation by each Group's subsidiary of the follow-up and collection of receivables that it has transferred to the compartment; to this effect, a follow-up and collection agreement was signed by each of the subsidiaries acting as collector and by the compartment, this service being remunerated by FCT.

The Group remains exposed to the risks linked to the receivables transferred within the limit of the security deposits.

However, the discount applied to the sales and the sizing of the "subordinated" shares allow almost all possible losses of the compartment to be absorbed. The probability that the "mezzanine" deposit is impacted is very low. Finally, the holders of the "subordinated" shares benefit from almost all the advantages through excess fees more favorable than those attributable to the Group, and the granting of the liquidation profit.

Accounting treatment

The compartment of the FCT is not controlled by the Group and is therefore not consolidated.

According to IFRS 9 and based on the terms of the program and the quantitative analyses implemented, the Group transferred almost all the risks and rewards inherent to the ownership of the receivables sold. The receivables transferred within the scope of the program are therefore fully derecognized from the Group's consolidated statement of financial position.

The loss arising from the sale of these receivables, through the applied discount, is recorded in the income statement under financial expenses (see Note 6).

The security deposit paid and representing the "mezzanine" shares underwritten by the Group is recorded under the item "Loans and receivables carried at amortized cost" on the Group's consolidated statement of financial position. Its remuneration is recorded in the income statement under financial income (see Note 6).

The remuneration of services provided by the Group for follow-up and recovery of receivables transferred is shown in the income statement under financial income (see Note 6).

Figures as of December 31, 2020

(in millions of euros)			Of which assets classified as held for sale [b]
Total of receivables sold over the period	**2,134.6**		**482.3**
Gain/(loss) arising from sale over the period	(18.7)	(B)	-
Remuneration for CC1	2.1	(C)	-
Remuneration of services for follow-up and recovery of receivables transferred over the period	**9.9**	**(D)**	**-**
Outstanding receivables transferred as of December 31, 2020	395.1	(A)	70.0
Book value of CC1 as of December 31, 2020	78.1	(E)	14.2
Fair value of CC1	78.1		14.2
Book value of CC2		(a)	
Residual maturity of CC1	14	months	-
Impact of sales of derecognized receivables in the sense of IFRS 9 on net debt	**310.3**	**(A) + (B) + (C) + (D) − (E)**	**55.8**

(a) No security deposit known as "CC2" had been made as of December 31, 2020, payment of this deposit is subject to the conditions described above.
(b) In accordance with IFRS 5, amounts corresponding to the contribution of entities held for sale in 2021 (assignors of Recycling and Recovery activities in Germany and the Netherlands) are presented here. See Notes 1.2.4 and 2.6.2.

13.3.5 Change in net debt

Net debt decreased by EUR 540.3 million during the year 2020. This is mainly due to:

- the payment of cash dividends to shareholders of SUEZ amounting to EUR 282.7 million;
- the payment of cash dividends to minority shareholders of subsidiaries amounting to EUR 195.1 million;
- the payment of coupons on the various tranches of undated deeply subordinated notes for a total amount of EUR 42.3 million;
- the full redemption of the 2014 tranche of subordinated notes amounting to EUR 147.9 million on June 23, 2020;
- the implementation of the Sharing 2019 plan in January 2020 for an amount of EUR 112.2 million net of fees;
- the exchange rate effects which helped reduce net debt to EUR 219.3 million;
- the disposal of the Recycling and Recovery business in Sweden for EUR 316.2 million (see Note 2.5.2);
- the disposal of Essal, a subsidiary of Aguas Andinas, for EUR 198.0 million (see Note 2.5.3);
- the disposal of 4.77% of Aquasure for approximately EUR 47 million (see Note 2.5.1);
- the reclassification of debt from assets held for sale (IFRS 5) for EUR 137.7 million;
- the excess cash generated by the Group's activities totaling EUR 205.8 million.

13.3.6 Debt/Equity ratio

(in millions of euros)	December 31, 2020	December 31, 2019
Net debt [a]	9,748.6	10,151.2
Total equity	8,049.4	9,288.2
Debt/equity ratio	**121.1%**	**109.3%**

(a) For purposes of comparison and consistency, the amount of net financial debt is presented before reclassification of liabilities associated with assets held for sale (see Notes 1.2.4 and 2.6.2).

13.4 Fair value of financial instruments by level

13.4.1 Financial assets

Equity instruments at fair value

Listed securities are recognized in the consolidated statement of financial position at fair value for EUR 21.0 million at December 31, 2020. They have a Level 1 fair value based on stock market prices at that date.

Unlisted securities valued at EUR 86.9 million at December 31, 2020 are measured using valuation models based primarily on the most recent transactions, discounted dividends or cash flows and net asset value (fair value Level 3).

As of December 31, 2020, the change in Level 3 equity instruments at fair value breaks down as follows:

(in millions of euros)	Equity instruments at FV through OCI	Equity instruments at FV through income
At December 31, 2019	**105.2**	**4.8**
Acquisitions	7.7	-
Net book value of disposals	(0.3)	(0.2)
Changes in fair value posted to equity as Other comprehensive income	(18.3)	-
Changes in fair value posted to income statement	-	-
Changes in scope, exchange rates and other	(9.8)	(0.9)
Assets classified as held for sale	(0.8)	(0.5)
At December 31, 2020	**83.7**	**3.2**

The net value of unlisted securities is not of a material uniform amount that would have to be presented separately.

Loans and receivables carried at amortized cost (excluding trade and other receivables)

Loans and receivables carried at amortized cost (excluding trade and other receivables), amounting to EUR 789.2 million at December 31, 2020, may contain elements that contribute to a fair value hedging relationship. At December 31, 2020, as at December 31, 2019, no hedge was put in place.

Derivative financial instruments

The portfolio of derivative financial instruments used by the Group within the context of its risk management consists primarily of interest rate and exchange rate swaps, interest rate options and forward currency sales and purchases. It is recognized at its fair value at December 31, 2020 for EUR 242.9 million. The fair value of virtually all of these contracts is determined using internal valuation models based on observable data. These instruments are considered Level 2.

Financial assets measured at fair value through income

Financial assets measured at fair value through income, amounting to EUR 54.9 million at December 31, 2020, are considered Level 2. In fact, their fair value is determined based on observable data.

13.4.2 Financial liabilities

The fair value of financial liabilities and financial instruments posted to liabilities are distributed as follows among the various levels of fair value (fair value levels are defined in Note 1.6.9.2 and 1.6.9.3):

	December 31, 2020				December 31, 2019			
(in millions of euros)	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Borrowings	15,520.0	9,265.7	6,254.3		13,908.4	7,498.3	6,410.1	
Derivative financial instruments	41.1		41.1		64.0		64.0	
Debt-related derivatives	24.4		24.4		41.9		41.9	
Derivatives hedging commodities	2.4		2.4		4.3		4.3	
Derivatives hedging other items	14.3		14.3		17.8		17.8	
Total	**15,561.1**	**9,265.7**	**6,295.4**	**-**	**13,972.4**	**7,498.3**	**6,474.1**	**-**

Bonds and borrowings

Only listed bonds issued by SUEZ are presented in this table at Level 1. Other bonds are shown in this table at Level 2. All of these loans are measured in light of the interest rate risk (interest rate component); their fair value is determined on the basis of observable data.

Derivative financial instruments

See Note 13.4.1 for details on fair value level.

13.5 Offsetting of derivative assets and liabilities

At December 31, 2020, as at December 31, 2019, the Group does not offset financial assets and liabilities in its statement of financial position. Moreover, SUEZ has subscribed for OTC derivatives with first class banks under agreements that provide for the compensation of amounts due and receivable in the event of failure of one of the contracting parties. These master netting agreements do not meet the criteria of IAS 32 to allow the offsetting of derivative assets and liabilities in the statement of financial position. However, they do fall within the scope of disclosures under IFRS 7 on offsetting:

(in millions of euros)	December 31, 2020 Financial derivatives instruments on net debt and others – Assets	Liabilities	Financial derivatives instruments on commodities – Assets	Liabilities	December 31, 2019 Financial derivatives instruments on net debt and others – Assets	Liabilities	Financial derivatives instruments on commodities – Assets	Liabilities
Gross amount [a]	242.9	(38.7)	-	(2.4)	183.4	(59.7)	7.8	(4.3)
Amount after offsetting	**239.2**	**(35.0)**	**-**	**(2.4)**	**170.9**	**(47.2)**	**7.8**	**(4.3)**

(a) Gross amounts of recorded assets and liabilities.

Note 14 Management of risks arising from financial instruments

The Group mainly uses derivative instruments to manage its exposure to market risks. The management of financial risks is explained in chapter 8 "Cash and shareholders' equity" of the Universal Registration Document.

14.1 Market risks

14.1.1 Commodity market risks

14.1.1.1 Hedging operations

The Group sets up cash flow hedge on fuel and electricity as defined by IFRS 9 by using the derivative instruments available on over-the-counter markets, whether they are firm commitments or options, but always settled in cash. The Group's aim is to protect itself against adverse changes in market prices, which may specifically affect its supply costs.

14.1.1.2 Juste valeur des instruments financiers dérivés sur matières premières

The fair value of derivative instruments linked to commodities at December 31, 2020 and 2019 is presented in the table below:

(in millions of euros)	December 31, 2020 Assets – Current	Assets – Non-current	Liabilities – Current	Liabilities – Non-current	December 31, 2019 Assets – Current	Assets – Non-current	Liabilities – Current	Liabilities – Non-current
Cash flow hedges	-	-	2.4	-	7.8	-	4.3	-
Total	**-**	**-**	**2.4**	**-**	**7.8**	**-**	**4.3**	**-**

The fair value of cash flow hedging instruments by type of commodity breaks down as follows:

(in millions of euros)	December 31, 2020 Assets – Current	Assets – Non-current	Liabilities – Current	Liabilities – Non-current	December 31, 2019 Assets – Current	Assets – Non-current	Liabilities – Current	Liabilities – Non-current
Oil	**-**	**-**	**-**	**-**	**7.8**	**-**		**-**
Swaps	-	-	-	-	7.8	-		-
Electricity	**-**	**-**	**2.4**	**-**	**-**	**-**	**4.3**	**-**
Swaps	-	-	2.4	-	-	-	4.3	-
Total	**-**	**-**	**2.4**	**-**	**7.8**	**-**	**4.3**	**-**

14.1.2 Currency risk

Subsidiaries work mostly in local currency, exposure to currency risk linked to transactions are limited.

Translation risk is mainly concentrated on equity holdings in the United States, United Kingdom, Chile, China and Australia. The Group's hedging policy with regard to investments in non-Eurozone currencies consists in contracting liabilities denominated in the same currency as the cash flows expected to derive from these assets based on various internal and external indicators.

Among the hedging instruments used, borrowings in the relevant currency constitute the most natural hedging tool. The Group also uses foreign currency derivatives (swaps, cross currency swaps...), which allow for the creation of synthetic currency debts.

14.1.2.1 Analysis of financial instruments by currency

The breakdown by currency of outstanding borrowings and of financial net debt, before and after taking interest rate and currency hedges into account, is presented below:

Outstanding borrowings

	December 31, 2020		December 31, 2019	
(in %)	Before impact of derivatives	After impact of derivatives	Before impact of derivatives	After impact of derivatives
Euro zone	78%	67%	75%	57%
USD zone	8%	15%	10%	21%
GBP zone	2%	4%	2%	4%
CLP (Chilean peso)	9%	8%	10%	10%
HKD (Hong-Kong dollar)	0%	2%	1%	2%
Other currencies	3%	4%	2%	6%
Total	**100%**	**100%**	**100%**	**100%**

Net debt

	December 31, 2020		December 31, 2019	
(in %)	Before impact of derivatives	After impact of derivatives	Before impact of derivatives	After impact of derivatives
Euro zone	79%	61%	77%	52%
USD zone	11%	23%	11%	27%
GBP zone	3%	5%	3%	6%
CLP (Chilean peso)	11%	9%	12%	12%
HKD (Hong-Kong dollar)	-1%	2%	0%	2%
Other currencies	-3%	0%	-3%	1%
Total	**100%**	**100%**	**100%**	**100%**

14.1.2.2 Analysis of currency risk sensitivity

The sensitivity analysis was based on the financial net debt position (including derivative financial instruments), and derivatives designated as net investment hedges at the reporting date. Since December 31, 2018 there are no more instrument as a net investment hedge.

As regards **currency risk**, the sensitivity calculation consists in evaluating the impact in the Consolidated Financial Statements of a plus or minus 10% change in foreign exchange rates compared to closing rates.

Impact on income after the impact of foreign exchange derivatives

Changes in exchange rates against the euro only affect income through gains and losses on liabilities denominated in a currency other than the functional currency of the companies carrying the liabilities on their statement of financial position, and to the extent that these liabilities do not qualify as net investment hedges. A uniform plus or minus 10% change of foreign currencies against euro would generate a gain or a loss of EUR 7.7 million.

Impact on equity after taking into account foreign exchange derivatives

At December 31, 2020 as at December 31, 2019, there were no financial liabilities (debts and derivatives) qualified as net investment hedges. A uniform variation of plus or minus 10% in exchange rates against the euro would therefore not generate a negative or positive impact on equity in respect of net investment hedges.

14.1.3 Interest rate risk

The Group aims to reduce its financing costs by limiting the impact of interest rate fluctuations on its income statement.

The Group's policy is to diversify net debt interest rate references between fixed and floating rates. The Group's aim is to achieve a balanced interest rate structure for its net debt in the medium term (5 to 15 years). The interest rate mix may change depending on market trends.

The Group therefore uses hedging instruments (particularly swaps), to protect itself from increases in rates in the currencies in which the debt is denominated.

The Group's exposure to interest rate risk is managed centrally and regularly reviewed (generally on a monthly basis) during meetings of the Treasury Committee. Any significant change in the interest rate mix is subject to prior approval by Management.

The cost of debt is sensitive to changes in interest rates on all floating-rate debt. The cost of debt is also affected by changes in market value of derivative instruments not classified as hedges under IFRS 9.

The Group's main exposure to interest rate risk arises from loans and borrowings denominated in euro, US dollar, pound sterling, Chilean peso and Hong-Kong dollar, which represent 100% of net debt as of December 31, 2020.

14.1.3.1 Financial instruments by rate type

The breakdown by type of rate of outstanding borrowings and net debt, before and after impact of hedging instruments, is shown in the following tables:

Outstanding borrowings

	December 31, 2020		December 31, 2019	
(in %)	Before impact of derivatives	After impact of derivatives	Before impact of derivatives	After impact of derivatives
Floating rate	19%	32%	20%	33%
Fixed rate	74%	61%	71%	58%
Fixed rate indexed to inflation	7%	7%	9%	9%
Total	**100%**	**100%**	**100%**	**100%**

Net debt

	December 31, 2020		December 31, 2019	
(in %)	Before impact of derivatives	After impact of derivatives	Before impact of derivatives	After impact of derivatives
Floating rate	-36%	-14%	-16%	3%
Fixed rate	124%	102%	103%	84%
Fixed rate indexed to inflation	12%	12%	13%	13%
Total	**100%**	**100%**	**100%**	**100%**

The inflation-linked debt corresponds exclusively to securities issued by Aguas Andinas in Chile. It involves fixed-rate bonds denominated in Unidad de Fomento (a Chilean monetary adjusted for inflation).

14.1.3.2 Analysis of interest rate risk sensitivity

The sensitivity analysis was based on the net debt position as at the reporting date (including financial instruments with an interest rate component).

For **interest rate risk**, the sensitivity is calculated based on the impact of a rate change of plus or minus 1% compared with year-end interest rates.

Impact on income after taking into account interest rate derivatives

A plus or minus 1% change in short-term interest rates (for all currencies) on the nominal amount of floating-rate net debt, inflation-linked debt included, and the floating-rate component of derivatives would have a negative or positive impact of EUR 9.3 million on net interest expense.

A 1% increase in all interest rates (uniform for all currencies) would generate a loss of EUR 0.6 million in the income statement due to the change in fair value of non-qualified derivatives. A 1% decrease in interest rates would a contrario generate a gain of EUR 0.6 million.

Impact on equity after taking into account interest rate derivatives

An increase of 1% in all interest rates (uniform for all currencies) would generate a gain of EUR 2.5 million in equity, linked to the change in fair value for derivatives documented as cash flow hedges and accounted for in the statement of financial position. On the other hand, a decrease of 1% would generate a loss of EUR 1.4 million.

The asymmetrical impacts are attributable to the low short-term interest rates (less than 1%) applicable to certain financial assets and liabilities.

14.1.4 Currency and interest rate risk hedges

The fair values and notional amounts of the financial derivative instruments used to hedge currency and interest rate risks are as follows:

Foreign currency derivatives

	December 31, 2020		December 31, 2019	
(in millions of euros)	Total market value	Total nominal value	Total market value	Total nominal value
Fair-value hedges	(0.2)	95.0	0.6	66.3
Cash-flow hedges	(0.1)	8.6	0.1	3.4
Derivative instruments not qualifying for hedge accounting	54.7	2,219.3	7.0	3,968.1
Total	**54.4**	**2,322.9**	**7.7**	**4,037.8**

Interest rate derivatives

	December 31, 2020		December 31, 2019	
(in millions of euros)	Total market value	Total nominal value	Total market value	Total nominal value
Fair-value hedges	140.0	1,962.9	106.0	1,762.9
Cash-flow hedges	(3.2)	86.8	(3.5)	92.0
Derivative instruments not qualifying for hedge accounting	-	-	-	-
Total	**136.8**	**2,049.7**	**102.5**	**1,854.9**

The market values shown in the table above are positive for an asset and negative for a liability.

The Group defines foreign currency derivatives hedging by firm foreign currency commitments, and instruments transforming fixed-rate debt into floating-rate debt, as fair-value hedges.

Cash-flow hedges correspond mainly to hedges of future operating cash flows in foreign currency and the hedging of floating-rate debt.

Interest rate derivatives not designated as hedges consist of structured instruments, which because of their type and because they do not meet the effectiveness criteria defined in IFRS 9, cannot be qualified as hedges for accounting purposes.

Foreign currency derivatives not designated as hedges provide financial cover for foreign currency commitments. Furthermore, the effect of foreign currency derivatives is almost entirely offset by translation adjustments on the hedged items.

Fair-value hedges

As of December 31, 2020, the net impact of fair value hedges recognized in the income statement, including compensation payments and redemption premium is EUR 6.2 million.

Cash flow hedges

The breakdown by maturity of the market value of the foreign currency and interest rate derivatives designated as cash flow hedges is as follows:

At December 31, 2020 *(in millions of euros)*	Total	2021	2022	2023	2024	2025	Beyond 5 years
Fair value of derivatives by maturity date	(3.3)	(0.1)	-	(1.0)	(1.7)	-	(0.5)

At December 31, 2019 *(in millions of euros)*	Total	2020	2021	2022	2023	2024	Beyond 5 years
Fair value of derivatives by maturity date	(3.4)	0.1	-	-	(1.0)	(2.1)	(0.4)

The unrealized gains and losses directly recognized in shareholders' equity, Group share in 2020 amount to -EUR 17.7 million (including impacts on associates).

The ineffective portion of cash-flow hedges recognized in income is nil.

14.2 Counterparty risk

Through its operational and financial activities, the Group is exposed to the risk of default on the part of its counterparties (customers, suppliers, associates, intermediaries, banks) in the event that they find it impossible to meet their contractual obligations. This risk arises from a combination of payment risk (non-payment of goods or services rendered), delivery risk (non-delivery of goods or services already paid), and replacement risk on defaulting contracts (called Mark-to-Market exposure and corresponding to the risk that replacement terms will be different from the initially agreed terms).

14.2.1 Operating activities

Trade and other receivables

The gross maturity of past-due trade and other receivables is broken down below:

Trade and other receivables	Past-due non impaired assets at closing date				Impaired assets [a]	Non-impaired and not past-due assets	
(in millions of euros)	0-6 months	6-12 months	Over one year	Total	Total	Total	Total
At December 31, 2020	235.3	37.8	81.6	354.7	742.5	3,743.7	4,840.9
At December 31, 2019	283.1	35.5	49.6	368.2	461.0	4,189.6	5,018.8

(a) This figure corresponds to the nominal value of trade and other receivables that are partially or fully depreciated.

The ageing of receivables that are past due but not impaired may vary significantly depending on the type of customer which the Group companies do business with (private companies, individuals or public authorities). In accordance with the terms of IFRS 9, the entities of the SUEZ Group have set up non-recovery risk matrices for their trade receivables by homogeneous category of customers, adapted to their local realities, with regard to the default rates observed in the recent past on receivables with a similar credit risk profile. They update the matrices at least once a year and use them to calculate depreciation based on the expected default rates on each of the homogeneous categories of customers (see Note 1.6.9.1).

Changes in the impairment on trade and other receivables line:

(in millions of euros)	Impairment on trade and other receivables
At December 31, 2019	**(347.9)**
Additional credit risk allowances	(270.2)
Reversals for risk surplus/extinction	48.2
Reversal by the counterpart of loss on bad trade receivables	23.9
Change in scope, exchange rates and other	21.1
Assets classified as held for sale	8.3
At December 31, 2020	**(516.6)**

Other assets

In "Other assets", the proportion of depreciated assets is not material in relation to the total amount of the item. Moreover, the Group does not consider that it is exposed to any counterparty risk on those assets.

14.2.2 Financial activities

The Group's maximum exposure to counterparty risk in its financial activities may be measured in terms of the carrying amount of financial assets excluding equity instruments and the fair value of derivatives on the assets side of the statement of financial position (i.e. EUR 10,730.9 million at December 31, 2020, and EUR 9.340,1 million at December 31, 2019).

14.2.2.1 Counterparty risk arising from loans and receivables carried at amortized cost (excluding trade and other receivables)

Following the application of IFRS 9 and in accordance with the method detailed in Note 1.6.9.1, the counterparty risk of gross maturity and impairment of past-due loans and receivables carried at amortized cost (excluding trade and other receivables) is analyzed below:

(in millions of euros)	Not unpaid/no overdue more than 60 days	Unpaid/overdue 60 days to 180 days	Overdues of more than 180 days	December 31, 2020 Total
Loans, deposits and guarantees – gross	903.6	48.7	22.5	974.8
Loans, deposits and guarantees – impairment	(180.6)	(2.3)	(1.8)	(184.7)

Loans and receivables carried at amortized cost (excluding trade and other receivables) do not include items relating to amortized cost (-EUR 0.9 million).

Changes in impairment losses and amortized costs are presented in Note 13.1.2, "Loans and receivables at amortized cost".

14.2.2.2 Counterparty risk arising from investment activities

The Group is exposed to counterparty risk on the investment of its cash surplus (cash and cash equivalents) and through its use of derivative financial instruments. Counterparty risk corresponds to the loss which the Group might incur in the event of counterparties failing to meet their contractual obligations. In the case of derivative instruments, that risk corresponds to positive fair value.

The Group invests the majority of its cash surplus and negotiates its financial hedging instruments with leading counterparties. As part of its counterparty risk management policy, the Group has set up management and control procedures that focus on the counterparty's accreditation according to its credit ratings, its financial exposure, as well as objective market factors (Credit Default Swaps, market capitalization), plus an assessment of risk limits.

At December 31, 2020, "Cash and cash equivalents" and derivatives assets were the most material items subject to counterparty risk. For these items, the breakdown of counterparties by credit rating is as follows:

	December 31, 2020				December 31, 2019			
Counterparty risk arising from investing activities	Total	Investment Grade [a]	Unrated[b]	Non Investment Grade [b]	Total	Investment Grade [a]	Unrated [b]	Non Investment Grade [b]
% of exposure	5,524.0	95%	4%	1%	3,838.9	93%	5%	2%

(a) Counterparties with a minimum Standards & Poor's rating of BBB- or Moody's rating of Baa3.
(b) Most of these two exposures are carried by consolidated companies in which non-controlling interests exist or by Group companies operating in emerging countries, where cash cannot be centralized and is therefore invested locally.

14.3 Liquidity risk

As part of its operating and financial activities, the Group could be exposed to a risk of insufficient liquidity, preventing it from meeting its contractual commitments.

14.3.1 Available cash

The Group's financing policy is based on the following principles:

- diversification of financing sources between the banking and capital markets;
- balanced repayment profile of borrowings.

As of December 31, 2020, the Group's total net cash stood at EUR 5,591.2 million, consisting of cash and cash equivalents of EUR 5,319.6 million, financial assets at fair value through income for EUR 54.9 million, and debt-related derivatives recorded as assets for EUR 216.7 million euros. Almost all surplus cash is invested in short-term bank deposits and interest-bearing accounts.

In addition, at December 31, 2020, the Group specifically had EUR 3,782.0 million in confirmed credit facilities, including EUR 417.0 million already drawn; unused credit facilities therefore amount EUR 3,365.0 million, of which EUR 234.4 million will be maturing in 2021.

85% of total credit lines and 89% of undrawn facilities were centralized. None of these centralized lines contains a default clause linked to financial ratios or minimum credit ratings.

As of December 31, 2020, bank funding accounted for 8.0% of the outstanding borrowings (excluding bank overdrafts and liability current accounts as those elements do not correspond to sustainable financial resources). Funding from capital markets (bond issues for 85.0% and commercial paper for 6.0%) represented 91.0% of the outstanding borrowings (excluding bank overdrafts and liability current accounts).

Available cash, composed of cash and cash equivalents (EUR 5,319.6 million) and financial assets measured at fair value through income (EUR 54.9 million), net of bank overdrafts and liability current accounts (EUR 1,084.7 million), amount to EUR 4,289.8 million at December 31, 2020 *versus* EUR 2,599.2 million at December 31, 2019.

14.3.2 Undiscounted contractual payments

In order to best reflect the current economic circumstances of operations, cash flows related to derivatives recognized as liabilities or assets shown below correspond to net positions. Moreover, the values shown in the table below are positive for a liability and negative for an asset.

Undiscounted contractual payments on outstanding borrowings by maturity and type of lenders are as follows:

At December 31, 2020 *(in millions of euros)*	Total	2021	2022	2023	2024	2025	Beyond 5 years
Bonds issues	10,816.7	879.5	705.2	453.1	520.4	1,085.9	7,172.6
Commercial paper	747.0	747.0	-	-	-	-	-
Draw downs on credit facilities	417.0	11.3	-	13.3	366.4	-	26.0
Other bank borrowings	609.2	86.3	58.6	202.0	120.5	68.2	73.6
Other borrowings	140.2	72.1	15.4	4.8	4.4	3.7	39.8
Borrowings	**12,730.1**	**1,796.2**	**779.2**	**673.2**	**1,011.7**	**1,157.8**	**7,312.0**
Overdrafts and current accounts	1,084.7	1,084.7					
Outstanding borrowings	**13,814.8**	**2,880.9**	**779.2**	**673.2**	**1,011.7**	**1,157.8**	**7,312.0**
Financial assets measured at fair value through income	(54.9)	(54.9)	-	-	-	-	-
Liquid financial investments	(213.7)	(213.7)	-	-	-	-	-
Other cash and cash equivalents	(5,105.9)	(5,105.9)	-	-	-	-	-
Net debt excluding lease liabilities and excluding amortized cost and impact of derivative financial instruments	**8,440.3**	**(2,493.6)**	**779.2**	**673.2**	**1,011.7**	**1,157.8**	**7,312.0**

At December 31, 2019 *(in millions of euros)*	Total	2020	2021	2022	2023	2024	Beyond 5 years
Outstanding borrowings	**12,411.4**	**2,516.3**	**1,009.2**	**783.7**	**864.0**	**584.9**	**6,653.3**
Financial assets measured at fair value through income	(29.8)	(29.8)	-		-	-	-
Liquid financial investments	(130.0)	(130.0)	-	-	-	-	-
Other cash and cash equivalents	(3,573.0)	(3,573.0)	-	-	-	-	-
Net debt excluding amortized cost and impact of derivative financial instruments	**8,678.6**	**(1,216.5)**	**1,009.2**	**783.7**	**864.0**	**584.9**	**6,653.3**

Undiscounted contractual payments on outstanding borrowings break down as follows by maturity:

At December 31, 2020 *(in millions of euros)*	Total	2021	2022	2023	2024	2025	Beyond 5 years
Undiscounted contractual interest payments on outstanding borrowings	2,310.9	312.1	283.5	240.2	222.4	172.2	1,080.5

At December 31, 2019 *(in millions of euros)*	Total	2020	2021	2022	2023	2024	Beyond 5 years
Undiscounted contractual interest payments on outstanding borrowings	2,234.3	256.4	257.1	221.8	191.3	175.2	1,132.5

Undiscounted contractual payments on outstanding derivatives (excluding commodity instruments) recognized in liabilities and assets break down as follows by maturity (net amounts):

At December 31, 2020 *(in millions of euros)*	Total	2021	2022	2023	2024	2025	Beyond 5 years
Derivatives (excluding commodities)	(183.1)	(62.9)	(26.9)	(24.4)	(20.3)	(16.4)	(32.2)

At December 31, 2019 *(in millions of euros)*	Total	2020	2021	2022	2023	2024	Beyond 5 years
Derivatives (excluding commodities)	(77.8)	8.5	(25.7)	(19.8)	(16.5)	(11.4)	(12.9)

In order to best reflect the current economic circumstances of operations, cash flows related to derivatives recognized as liabilities or assets shown below correspond to net positions. Moreover, the values shown above are positive for a liability and negative for an asset.

The maturity of the confirmed undrawn credit facilities is as follows:

(in millions of euros)	Total	2021	2022	2023	2024	2025	Beyond 5 years
At December 31, 2020	3,365.0	234.4	190.1	48.3	237.3	2,654.9	-

(in millions of euros)	Total	2020	2021	2022	2023	2024	Beyond 5 years
At December 31, 2019	3,336.4	287.8	75.1	89.5	156.0	2,722.5	5.5

Confirmed but unused lines of credit include a EUR 2.5 billion multi-currency club deal (maturing in 2025).

As of December 31, 2020, no counterparty represented more than 7% of confirmed unused credit facilities.

14.4 Equity risk

As of December 31, 2020, equity instruments at fair value held by the Group amount to EUR 107.9 million (see Note 13.1.1).

A 10% decrease in the value of the listed securities would have a negative pre-tax impact of around EUR 2.1 million on Group's income.

The Group's portfolio of listed and unlisted equity investments is managed in accordance with a specific investment policy. Reports on the equity portfolio are submitted to Executive Management on a regular basis.

Note 15 Information related to leases

The following analyses present the main items under leases.

15.1 Rights of use

The following table presents the rights of use by category:

(in millions of euros)	Lands	Buildings	Plant machinery and technical equipment	Vehicles	Others	Total
At January 1, 2019 [a]	**114.3**	**701.4**	**82.9**	**480.3**	**4.6**	**1 383.5**
Asset inflows	34.7	75.4	32.3	211.4	4.1	357.9
Impairment loss	-	-	(0.5)	-	-	(0.5)
Amortization	(11.5)	(120.4)	(27.3)	(153.6)	(2.6)	(315.4)
Termination	(7.4)	(10.1)	(0.5)	(4.9)	(0.3)	(23.2)
Scope effects	(0.2)	1.3	-	-	0.1	1.2
Translation effects and other	0.2	1.0	0.3	0.8	-	2.3
At December 31, 2019	**130.1**	**648.6**	**87.2**	**534.0**	**5.9**	**1 405.8**
Asset inflows	24.0	87.8	36.6	194.7	3.3	346.4
Impairment loss	(3.1)	(1.4)	-	-	-	(4.5)
Amortization	(11.4)	(113.4)	(28.2)	(168.7)	(2.5)	(324.2)
Termination	(5.3)	(8.4)	(1.2)	(8.8)	-	(23.7)
Scope effects	(4.0)	(12.0)	(1.1)	(17.6)	-	(34.7)
Assets classified as held for sale	(18.0)	(69.7)	(17.9)	(72.1)	(2.8)	(180.5)
Translation effects and other	(0.4)	(8.8)	(2.5)	(4.9)	-	(16.6)
At December 31, 2020	**111.9**	**522.7**	**72.9**	**456.6**	**3.9**	**1,168.0**

(a) First application of IFRS 16.

In 2020, scope effects are related to the disposal of the Recycling and Recovery activities in Sweden and to the company Essal in Chile.

15.2 Rental expenses benefiting from exemptions under IFRS 16

At December 31, 2020 and December 31, 2019, the following items continue to be presented as rental expenses:

(in millions of euros)	December 31, 2020	December 31, 2019
Short term leases	82.3	102.5
Leases of low value assets	38.3	36.7
Expenses on variable leases	6.3	6.2
Others	22.1	19.2
Total	**149.0**	**164.6**

15.3 Lease liabilities

At December 31, 2020, and December 31, 2019 discounted cashflows on outstanding lease debt by maturity are as follows:

At December 31, 2020 *(in millions of euros)*	Total	2021	2022	2023	2024	2025	Beyond 2025
Lease obligation	1,231.1	255.6	206.8	173.3	136.9	86.2	372.3

At December 31, 2019 *(in millions of euros)*	Total	2020	2021	2022	2023	2024	Beyond 2024
Lease obligation	1,474.3	314.9	244.0	204.3	168.1	128.2	414.8

Lease debt related to leases previously classified as finance leases is now included in the lease debt (see Note 1.2.3) and amounts to EUR 17.3 million as at December 31, 2020 *versus* EUR 31.6 million at December 31, 2019. Leased assets remain recorded as property, plant and equipment.

(in millions of euros)	December 31, 2020	December 31, 2019
Repayment of the lease debt	331.5	325.1
Interest expense related to lease liabilities	28.8	29.3
Rental expenses benefiting from exemptions under IFRS 16	149.0	164.6
Cash outflows related to leases	**509.3**	**519.0**

15.4 Information on operating leases – SUEZ lessor

These contracts mainly concern desalination plants or mobile units of SUEZ WTS made available to customers.

Net book value of leased assets by category.

(in millions of euros)	December 31, 2020	December 31, 2019
Buildings	138.8	157.1
Equipments	54.3	56.9
Total	**193.1**	**214.0**

Lease income for the year 2020 corresponds to the minimum lease payments and represents EUR 98.4 million.

Future minimum lease payments due can be analyzed as follows:

At December 31, 2020 *(in millions of euros)*	Total	2021	2022	2023	2024	2025	Beyond 2025
Minimum lease payments receivable	294.9	46.6	39.8	29.5	25.1	22.9	131.0

At December 31, 2019 *(in millions of euros)*	Total	2020	2021	2022	2023	2024	Beyond 2024
Minimum lease payments receivable	348.9	52.0	48.7	41.7	29.6	25.7	151.2

Note 16 Shareholders' equity

16.1 Share capital

	Number of shares			Value *(in millions of euros)*		
	Total	Treasury shares	Outstanding shares	Share capital	Additional paid-in capital	Treasury shares
At December 31, 2018	**621,362,579**	**3,534,950**	**617,827,629**	**2,485.4**	**5,215.2**	**51.8**
Purchase and disposal of treasury shares		(321,515)	321,515			(4.3)
At December 31, 2019	**621,362,579**	**3,213,435**	**618,149,144**	**2,485.4**	**5,215.2**	**47.5**
Capital increase following the completion of the implementation of the employee shareholding plan net of expenses (Sharing 2019)	9,970,050		9,970,050	39.9	68.3	
Capital reduction following the completion of the implementation of the employee shareholding plan net of expenses (Sharing 2019)	(2,970,050)	(2,970,050)		(11.9)	(31.4)	(44.5)
Redemption OCEANE		(18,724)	18,724			(0.2)
Purchase and disposal of treasury shares		(37,500)	37,500			(0.5)
At December 31, 2020	**628,362,579**	**187,161**	**628,175,418**	**2,513.4**	**5,252.1**	**2.3**

16.2 Treasury shares

The tacitly renewable liquidity contract managed by Rothschild & Cie Banque amounts EUR 30.2 million. The aim of this contract is to reduce the volatility of the SUEZ's share price. This contract complies with the professional Ethics Charter drawn up by the *Association française des marchés financiers* (French Financial Markets Association) and approved by the AMF.

At December 31, 2020, the remaining balance consists exclusively of treasury shares held in connection with employee share allotment plans.

16.3 Other information on premiums and consolidated reserves

Consolidated premiums and reserves, including income for the year, incorporate the SUEZ legal reserve. In accordance with French law, SUEZ's legal reserve represents 10% of the share capital, i.e. EUR 251.3 million. This reserve may be distributed to shareholders only in the event of the liquidation of the Company.

16.4 Dividend distribution

Subject to approval by the SUEZ General shareholders' meeting called to approve the financial statements for the year ended December 31, 2020, the dividend that will be set will be paid out during the first half of 2021. This dividend is not recognized as liabilities in the financial statements at December 31, 2020 as these financial statements are presented before net income allocation.

16.5 Total gains and losses recognized in equity (Group share)

(in millions of euros)	December 31, 2020	Change	December 31, 2019
Net investment hedges	(157.6)	1.2	(158.8)
Cash-flow hedges (excluding commodities)	(96.3)	(11.0)	(85.3)
Commodity cash-flow hedges	(4.3)	(6.9)	2.6
Deferred taxes on items above	28.3	4.6	23.7
Translation adjustments	(358.9)	(364.6)	5.7
Total reclassifiable items	**(588.8)**	**(376.7)**	**(212.1)**
of which share of joint ventures in reclassifiable items, net of taxes	*(23.2)*	*(3.7)*	*(19.5)*
of which share of associates in reclassifiable items, net of taxes	*(81.2)*	*(13.2)*	*(68.0)*
Actuarial gains and losses	(479.9)	(16.7)	(463.2)
Deferred taxes on actuarial gains and losses	53.4	9.6	43.8
Equity instruments	(120.8)	(3.5)	(117.3)
Deferred taxes on equity instruments	-	(0.1)	0.1
Total non-reclassifiable items	**(547.3)**	**(10.7)**	**(536.6)**
of which share of joint ventures in non-reclassifiable items, net of taxes	*5.8*	*5.8*	*-*
of which share of associates in non-reclassifiable items, net of taxes	*(1.5)*	*0.5*	*(2.0)*
Total	**(1,136.1)**	**(387.4)**	**(748.7)**

The items in the above table are reclassifiable to profit or loss in future periods, with the exception of actuarial gains and losses and related deferred taxes and the changes in equity instruments recognized in Other comprehensive income.

16.6 Undated Deeply Subordinated Notes

In June 2014, SUEZ had issued Undated Deeply Subordinated Notes, also denominated hybrids, of EUR 500 million with an initial fixed coupon of 3%. On March 30, 2015, SUEZ had issued another Undated Deeply Subordinated Notes for a total amount of EUR 500 million. The new notes bore interest at a fixed rate of 2.5%, revised for the first time seven years after issuance on the basis of the 5-year swap rate, and then every five years.

On April 19, 2017, SUEZ had issued Undated Deeply Subordinated Notes for a total amount of EUR 600 million, with an initial fixed coupon of 2.875%, revised for the first time seven years after the issue, on the basis of a 5-year swap rate. This will be revised again every five year. This issuance was prepared in order to secure funding for the acquisition of GE Water.

On September 12, 2019, SUEZ issued Undated Deeply Subordinated notes for an amount of EUR 500 million with an initial fixed coupon of 1.625%, revised for the first time seven years after the issue and then every five years. The funds raised were mainly used to the redemption of Undated Deeply Subordinated notes issued on June 23, 2014 in the amount of EUR 352.1 million.

On June 23, 2020, SUEZ paid EUR 152.3 million for the redemption of the remaining part of the 2014 Undated Deeply Subordinated notes, including the payment of the last EUR 4.4 million coupon.

After this redemption, the Group's outstanding Undated Deeply Subordinated notes amount to EUR 1,600 million as of December 31, 2020.

In accordance with the provisions of IAS 32, these notes or hybrid bonds are considered as equity instrument rather than a debt in the Group's Consolidated Financial Statements as there is no direct or indirect obligation to pay interests (except in the case of a distribution of dividends by the issuer or a redemption of the notes), nor is there any maturity of the final redemption, but only optional redemption dates.

16.7 Equity management

SUEZ strives to optimize its financial structure on a continuous basis by achieving an optimal balance between net debt and equity as shown in the consolidated statement of financial position. The main aim of the Group in terms of managing its financial structure is to maximize value for shareholders, reduce the cost of capital, and maintain a strong rating while ensuring the desired financial flexibility in order to seize external growth opportunities which will create value. The Group manages its financial structure and makes adjustments in light of changes in economic conditions.

The management goals, policies and procedures have remained identical for several fiscal years.

Note 17 Non-controlling interests

The "non-controlling interests" account amounts to EUR 2,642.8 million at December 31, 2020 compared with EUR 2,824.8 million at December 31, 2019.

They mainly concern:

(in millions of euros)	December 31, 2020	December 31, 2019
Agbar Group	868.9	939.9
WTS	610.7	681.2
SUEZ NWS	593.2	601.1

Details of changes in non-controlling interests are shown in the statement of changes in consolidated shareholder's equity.

At December 31, 2020 the Agbar group contribution includes EUR 623.2 million coming from the operational company Aguas Andinas listed on Santiago de Chile (Chile) stock exchange. This company is fully consolidated within SUEZ Group on the basis of a 25.1% interest rate through the following companies:

- IAM company, also listed on Santiago de Chile stock exchange, fully consolidates Aguas Andinas on the basis of a 50.1%;
- the Agbar group fully consolidates the IAM holding company with a 50.1% interest rate;
- finally, SUEZ fully consolidates Agbar group with a 100% interest rate.

The following are the summarized Consolidated Financial Statements of the Aguas Andinas Group, extracted from the most recently published (unaudited) data as of September 30, 2020.

Summarized statement of financial position (at 100%)

(in millions of euros)	September 30, 2020	December 31, 2019
Non-current assets	1,952.5	2,142.0
Current assets	581.2	234.7
of which cash and cash equivalents	*197.6*	*85.6*
of which assets classified as held for sale [(a)]	*278.6*	-
Total assets	**2,533.7**	**2,376.7**
Shareholders' equity, Group share	952.6	765.3
Non-controlling interests	48.6	51.1
Total shareholders' equity	**1,001.2**	**816.4**
Non-current liabilities	1,156.2	1,272.8
Current liabilities	376.3	287.5
of which liabilities directly related to assets classified as held for sale [(a)]	*170.9*	-
Total shareholders' equity and liabilities	**2,533.7**	**2,376.7**
Total Dividends paid for the previous year	**56.5**	**175.5**
Closing exchange rate CLP/EUR	919.6	842.1

(a) ESSAL, of which Aguas Andinas held 53.51%, had been classified in the Consolidated Financial Statements of Aguas Andinas as assets held for sale until its disposal on October 13, 2020.

Summarized income statement for the nine first months (at 100%)

(in millions of euros)	September 30, 2020	September 30, 2019 [a]
Revenues	387.4	468.9
Operating profit/(loss)	146.2	216.7
Net income – Group share	84.2	129.8
Net income – non-controlling interests	1.9	(1.7)
Net income	**86.1**	**128.1**
of which profit/(loss) from continuing operations	*81.3*	*130.4*
of which profit/(loss) from discontinued operations	*4.8*	*(2.3)*
Other comprehensive income (OCI)	-	-
Comprehensive income	**86.1**	**128.1**
Average exchange rate CLP/EUR	901.1	769.9

(a) Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", Essal had been classified as an asset held for sale. Accordingly, the consolidated income statement for the period ended September 30, 2019, has been restated to facilitate comparison.

Note 18 Provisions

(in millions of euros)	December 31, 2019	Allowances	Reversals (utilizations)	Reversals (surplus provisions)	Scope effects	Impact of unwinding discount adjustments [a]	Translation adjustments	Provisions related to assets held for sale	Other	December 31, 2020
Post-employment benefit obligations and other long-term benefits	823.9	46.7	(113.7)	-	(45.6)	14.0	(22.2)	(54.7)	59.7	708.1
Sector-related risks	20.6	32.9	(1.8)	(3.5)	-	-	(0.2)	-	5.0	53.0
Warranties	25.9	9.3	(4.8)	-	-	-	(1.9)	-	(0.2)	28.3
Tax risks, other disputes and claims	51.7	27.1	(13.2)	(0.1)	(0.4)	-	(1.0)	(2.7)	0.2	61.6
Site restoration	544.1	68.2	(68.2)	-	(20.7)	29.6	(5.9)	(6.6)	0.1	540.6
Restructuring costs	52.7	101.2	(43.4)	(0.1)	-	-	(1.1)	(6.2)	(1.6)	101.5
Other contingencies	456.3	145.5	(106.8)	(2.5)	-	3.1	(11.6)	(15.3)	(6.1)	462.6
Total provisions	**1,975.2**	**430.9**	**(351.9)**	**(6.2)**	**(66.7)**	**46.7**	**(43.9)**	**(85.5)**	**57.1**	**1,955.7**
Total current provisions	475.2	246.2	(148.9)	(3.9)	(3.0)	2.9	(15.0)	(20.5)	8.8	541.8
Total non-current provisions	1,500.0	184.7	(203.0)	(2.3)	(63.7)	43.8	(28.9)	(65.0)	48.3	1,413.9

(a) The discounting impact on post-employment and other long-term benefits relates to the interest expense calculated on the net amount of pension obligations and the fair value of plan assets, in accordance with IAS 19 revised.

Total provisions decreased by -EUR 19.5 million over the period. This change is mainly due to:

- reclassification of -EUR 85.5 million of provisions as Liabilities directly related to assets held for sale in accordance with IFRS 5 (see Note 1.2.4 and Note 2.6);
- scope effect of -EUR 66.7 million generated by the disposal of R&R Sweden (see Note 2.5.3);
- negative change in translation adjustments totaling -EUR 43.9 million, mainly in the USA for -EUR 26.3 million, in the United Kingdom for -EUR 4.8 million and in Chile for -EUR 3.4 million.

Most of the other variations correspond to:

- the decrease in pensions and other employee benefit obligations for -EUR 27.8 million pertaining to the revision of the revaluation indices of various plans in France;
- changes in provisions for post-employment benefit obligations and other long-term benefits for EUR 59.4 million, mostly related to the change in actuarial gains and losses in the "Other" column (see Note 19).

The allowances, reversals and the impact of unwinding discount adjustments presented above and linked to discounting impacts are presented as follows in the consolidated income statement at December 31, 2020 and at December 21,2019:

(in millions of euros)	(Reversals)/ net 2020	(Reversals)/ net 2019
Income from operating activities	106.2	(104.0)
Other financial income and expenses	46.7	47.2
Income tax expense	(29.3)	(12.8)
Total	**123.6**	**(69.6)**

The analysis by type of provisions and the principles used to calculate them are explained below.

18.1 Post-employment benefits and other long-term benefits

Changes for this item is presented in Note 19.

18.2 Sector-related risks

This item primarily includes provisions for risks relating to investment on share and to warranties given in connection with divestments that are likely to be called upon.

18.3 Tax risks, other disputes and claims

This item includes provisions for ongoing disputes involving employees or social security agencies (social security contribution relief, etc.), disputes arising in the ordinary course of business (customer claims, accounts payable disputes), tax adjustments and tax disputes.

18.4 Site restoration

The June 1998 European Directive on waste management introduced a number of obligations regarding the closure and long-term monitoring of landfills. These obligations laid down the rules and conditions incumbent upon the operator (or owner of the site where the operator fails to comply with its obligations) in terms of the design and scale of storage and collection and treatment of liquid (leachates) and gas (biogas) effluents. It also requires provisions for these facilities to be inspected over a 30-year period after closure.

These two types of provisions (rehabilitation and long-term monitoring) are calculated on a case-by-case basis depending on the site concerned. In accordance with the accrual basis of accounting, the provisions are recorded over the period that the site is in operation, *pro rata* to the depletion of landfill capacity (void-space) (matching of income and expenses). Costs to be incurred at the time of a site's closure or during the long-term monitoring period (30 years after a site is shut down within the European Union, 20 years in France starting the application of the ministerial decree of February 15, 2016 with a renewable 5 years monitoring period, and 60 years in Great-Britain) are discounted to present value. An asset is recorded as a counterparty against the provision. It is depreciated in line with the depletion of the landfill capacity or the need for capping, during the period.

The rehabilitation provision calculations (at the time the facility is shut down) depend on whether the capping used is: semi-permeable, semi-permeable with drainage, or impermeable. That choice has a considerable impact on future levels of leachate effluents and therefore on future costs of treating such effluents. Calculating the provision requires an evaluation of the cost of rehabilitating the area to be covered. The provision recorded in the statement of financial position at year-end must cover the costs of rehabilitating the untreated surface area (difference between the fill rate and the percentage of the site's area that has already been rehabilitated). The amount of the provision is reviewed each year based on work completed or still to be carried out.

The calculation of the provision for long-term monitoring depends on the costs linked to the production of leachate and biogas effluents on the one hand, and on the amount of biogas recycled on the other. Biogas recycling represents a source of revenue and is deducted from long-term monitoring expenses. The main expense items arising from long-term monitoring obligations relate to:

- construction of infrastructure (biogas recycling facility, installation of leachate treatment facility) and the demolition of installations used while the site was in operation;
- upkeep and maintenance of the protective capping and of the infrastructure (surface water collection);
- control and monitoring of surface water, underground water and leachates;
- replacement and repair of observation wells (piezometer wells);
- leachate treatment costs;
- biogas collection and processing costs (taking into account any revenues from biogas recycling).

The provision for long-term monitoring obligations that should be recorded in the statement of financial position at year-end depends on the fill rate of the facility at the end of the period, the estimated aggregate costs per year and per unit (based on standard or specific costs), the estimated closure date of the site and the discount rate applied to each site (depending on its residual life).

18.5 Other contingencies

"Other contingencies" mainly include provisions for miscellaneous employee-related and environment-related litigations and for various business risks. Those provisions include a provision corresponding to the fair value measurement of onerous contracts for an amount of EUR 70.0 million at December 31, 2020 *versus* EUR 75.3 million at December 31, 2019, following the acquisition of WSN by SUEZ R&R Australia in 2010.

Note 19 Post-employment benefit obligations and other long-term benefits

19.1 Description of the main pension plans and related benefits

Most Group companies grant their employees post-employment benefits (pension plans, retirement bonuses, medical coverage, benefits in kind, etc.) as well as other long-term benefits, such as jubilee and other long-service awards.

19.1.1 Main pension plans

► In France

Employees have defined-contribution retirement plans, such as the basic social security benefits, and supplementary pension schemes. Some employees also have optional retirement plans, some of which are defined-benefit plans through which the employer agrees to pay its employees, or a category of its employees, retirement benefits based on a contractually agreed amount.

At December 31, 2020, the Projected Benefit Obligation (PBO) for this senior executives' plan, the so-called "1991" and "1998" plans, closed in 2019 pursuant the Loi Pacte, was EUR 28 million, *versus* EUR 76.4 million at December 31, 2019. The rights of the beneficiaries born in 1962 or before have been cristallised on July 4, 2019.The duration of the actuarial liability for the senior executives' plans is 3 years. It should be noted that these plans are partially funded (1% of gross debt at December 31, 2020).

All employees also receive a retirement termination benefit in the form of a lump-sum payment on the date of the employee's effective departure. Such indemnities correspond to defined-benefit plans.

Outside France, the main retirement plans and related benefits involve the companies in Canada, in the United States and the United Kingdom.

► In the United States and in Canada

SUEZ Water Technologies & Solutions entities have two defined benefit plans in Canada and the United States: the Pension Plan for Employees of GE Water & Process Technologies Canada and the Ionics Incorporated Retirement Plan in the United States. In addition, key executives have a specific retirement plan (Ionics Incorporated Supplemental Executive Retirement Plan). At December 31, 2020, the PBO for the SUEZ Water Inc. defined-benefit pension plans was EUR 516.9 million, *versus* EUR 484.9 million at December 31, 2019. The duration of the actuarial liability for the SUEZ Water Inc. plans is 14 years. It should be noted that these plans are funded up to 75% at December 31, 2020.

In addition, SUEZ Water Inc. commits to support a portion of healthcare costs of retirees. At December 31, 2020, the corresponding actuarial liability amounted to EUR 105.3 million against EUR 99.2 million at 31 December 2019.

The former GE Water entities joined SUEZ by bringing two defined benefit plans in Canada and in the United States: the Pension Plan for Employees of GE Water & Process Technologies Canada and the Ionics, Incorporated Retirement Plan. In addition, key executives have a specific retirement plan (Ionics, Incorporated Supplemental Executive Retirement plan). At December 31, 2020, the PBO for the SUEZ Water Technologies & Solutions defined-benefit pension plans was EUR 148.4 million. The duration of the actuarial liability for the SUEZ Water Technologies & Solutions Water plans is 14 years. These plans are funded up to 86% at December 31, 2020.

Finally, all US subsidiaries offer a 401(k)-type defined-contribution plan to their employees.

► In the United Kingdom

SUEZ R&R UK has several defined-benefit retirement plans. They are closed to new hires, except for the Sita Final Salary Pension Scheme. SUEZ R&R UK, as part of its expansion, has acquired various entities throughout the United Kingdom. These entities were most often public companies prior to their acquisition, so their staff was affiliated with the Local Government Pension Schemes (LGPS), which SUEZ R&R UK must maintain. At December 31, 2020, the PBO for the SUEZ R&R UK retirement plans was EUR 148.0 million, *versus* EUR 146.5 million at December 31, 2019. The duration of the actuarial liability for the SUEZ R&R UK plans is 19 years. It should be noted that these plans are funded up to 85% at December 31, 2020.

Employees hired after the closing date of these plans are covered by a defined-contribution plan, the Sita Stakeholder Pension Plan.

As mentioned above, defined-benefit plans may be fully or partially funded by contributions to a pension fund (as it is the case in Canada, the United States and the United Kingdom) or to a dedicated fund managed by an insurance company (France). These funds are fed by contributions made by the Company and, in certain cases, by the employees.

19.1.2 Multi-employer pension plans

Employees of some Group companies are affiliated to multi-employer pension plans. This is especially the case in the Netherlands, where most of the Group's entities are in business activities that make it mandatory to join an industry-wide scheme. These plans spread risk so that financing is assured through payroll-based contributions, calculated uniformly across all affiliated companies. In the Netherlands, multi-employer plans are defined benefit plans. However, the Group recognizes them as defined contribution plans in accordance with IAS 19.

19.1.3 Other post-employment benefit obligations and long-term benefits

In addition to the supplementary pension schemes mentioned above, most Group companies grant their employees long-service awards – benefits corresponding to bonuses paid to employees while they are active, once they have met certain length of service conditions. Moreover, several Group companies agree to cover a portion of expenses incurred by their employees and/or retirees on the occurrence of specific events (illness, etc.), and in addition to amounts paid under defined contribution plans.

These obligations correspond to defined benefit plans. They are presented in the tables below, in "Other post-employment benefits" and "Other long-term benefits".

19.2 Defined benefit plans

19.2.1 Amounts presented in the statement of financial position and the statement of comprehensive income

In accordance with IAS 19, the information presented in the statement of financial position for post-employment and other long-term benefits corresponds to the difference between the present benefit obligation (gross liability) and the fair value of the plan assets. If this difference is positive, a provision is posted (net liability). If the difference is negative, a net asset is posted provided it satisfies the conditions for recognizing a net asset.

Changes in provisions and assets for pensions and related obligations recognized in the statement of financial position can be broken down as follows:

(in millions of euros)	Assets	Liabilities	Total
Balance at December 31, 2018	**7.5**	**(805.1)**	**(797.7)**
Translation gains and losses	(0.1)	(5.9)	(6.0)
Actuarial gains and losses [a]	0.3	(90.9)	(90.6)
Changes in scope of consolidation and other	-	(0.2)	(0.2)
Expense of the period [b]	(1.0)	27.9	26.9
Contributions	0.9	50.3	51.2
Balance at December 31, 2019	**7.6**	**(823.9)**	**(816.3)**
Translation gains and losses	(0.2)	22.2	22.0
Actuarial gains and losses [a]	2.1	(59.4)	(57.3)
Changes in scope of consolidation and other	(15.9)	60.2	44.3
Items classified as held for sale	-	54.7	54.7
Expense of the period [b]	12.4	(27.6)	(15.2)
Contributions	0.1	65.7	65.8
Balance at December 31, 2020	**6.1**	**(708.1)**	**(702.0)**

(a) Actuarial gains and losses on employee benefits.
(b) Including actuarial gains and losses on long-term benefits (particularly long-service awards).

Plan assets and reimbursement rights are presented in the statement of financial position under "Other assets", current and non-current.

The impact on financial year 2020 brings out an expense of -EUR 15.2 million *versus* an income of EUR 26.9 million in 2019. The main components of this income in 2020 are explained in Note 19.2.3.

Accumulated actuarial gains and losses recognized in equity amount -EUR 530.1 million at December 31, 2020 against -EUR 496.9 million at December 31, 2019. They are shown below, excluding translation gains and losses which are presented separately in the statement of comprehensive income.

(in millions of euros)	December 31, 2020	December 31, 2019
Opening balance	**(496.9)**	**(406.3)**
Actuarial gains and (losses) generated during the year [a]	(57.3)	(90.6)
Changes in scope of consolidation and other [b]	24.1	-
Closing balance	**(530.1)**	**(496.9)**

(a) On employee benefits.
(b) Mainly related to the disposal of the Recycling and Recovery activities in Sweden (see Note 2.5.3).

The closing balance of actuarial gains and losses presented above includes actuarial gains and losses recognized in equity-accounted affiliates.

19.2.2 Change in the amount of obligations and plan assets

The table below shows the amount of present benefit obligations and plan assets of the Group SUEZ, the changes to these over the periods concerned, as well as a reconciliation with the amounts recognized in the statement of financial position.

		December 31, 2020				December 31, 2019			
(in millions of euros)		Pension benefit obligations [a]	Other post-employment benefits [b]	Other long term benefits [c]	Total	Pension benefit obligations [a]	Other post-employment benefits [b]	Other long term benefits [c]	Total
Change in Projected Benefit Obligation									
Projected Benefit Obligation at the beginning of the period		(1,514.3)	(227.2)	(17.2)	(1,758.7)	(1,359.1)	(242.7)	(16.4)	(1,618.2)
Service Cost		(35.9)	(3.7)	(1.5)	(41.1)	(39.2)	(4.5)	(1.4)	(45.1)
Interest cost		(30.0)	(5.9)	(0.2)	(36.1)	(37.3)	(7.1)	(0.3)	(44.7)
Contributions paid		(1.4)	-	-	(1.4)	(1.5)	-	-	(1.5)
Amendments		16.2	-	0.4	16.6	48.9	36.9	0.5	86.3
Acquisitions/Disposals of subsidiaries		45.0	-	(0.8)	44.2	(0.2)	-	-	(0.2)
Curtailments/settlements		67.3	0.4	0.2	67.9	8.4	(0.4)	0.3	8.3
Special terminations		-	-	-	-	-	-	-	-
Financial actuarial gains and losses		(97.3)	(26.4)	(0.1)	(123.8)	(159.5)	(23.6)	(1.3)	(184.4)
Demographic actuarial gains and losses		6.3	8.0	(0.2)	14.1	(3.5)	7.9	0.1	4.5
Benefits paid		55.5	9.7	1.2	66.4	52.4	9.4	1.3	63.1
Assets classified as held for sale		176.7	-	0.5	177.2	-	-	-	-
Other		71.0	10.5	0.3	81.8	(23.7)	(3.1)	-	(26.8)
Projected Benefit Obligation at the end of period	**(A)**	**(1,240.9)**	**(234.6)**	**(17.4)**	**(1,492.9)**	**(1,514.3)**	**(227.2)**	**(17.2)**	**(1,758.7)**
Change in fair value of plan assets									
Fair value of plan assets at the beginning of the period		**857.8**	**84.6**	**-**	**942.4**	**747.5**	**73.0**	**-**	**820.5**
Expected return on plan assets		19.1	3.0	-	22.1	22.1	3.3	-	25.4
Contributions received		57.7	6.3	1.2	65.2	44.4	5.9	-	50.3
Curtailments/settlements		(44.3)	-	-	(44.3)	(2.1)	-	-	(2.1)
Actuarial gains and losses		43.1	9.0	-	52.1	78.1	10.0	-	88.1
Benefits paid		(53.6)	(9.6)	(1.2)	(64.4)	(51.6)	(9.1)	-	(60.7)
Assets classified as held for sale		(122.5)	-	-	(122.5)				
Other		(52.2)	(7.5)	-	(59.7)	19.4	1.5	-	20.9
Fair value of plan assets at the end of period	**(B)**	**705.1**	**85.8**	**-**	**790.9**	**857.8**	**84.6**	**-**	**942.4**
Funded status	**(A+B)**	**(535.8)**	**(148.8)**	**(17.4)**	**(702.0)**	**(656.5)**	**(142.6)**	**(17.2)**	**(816.3)**
Net benefit obligation		**(535.8)**	**(148.8)**	**(17.4)**	**(702.0)**	**(656.5)**	**(142.6)**	**(17.2)**	**(816.3)**
Total Liabilities		**(541.9)**	**(148.8)**	**(17.4)**	**(708.1)**	**(664.1)**	**(142.6)**	**(17.2)**	**(823.9)**
Total Assets		**6.1**	**-**	**-**	**6.1**	**7.6**	**-**	**-**	**7.6**

(a) Pensions and retirement bonuses.
(b) Medical coverage, gratuities and other post-employment benefits.
(c) Long-service awards and other long-term benefits.

In 2020, the net liability decreased by -EUR 114.3 million. The change is mainly related to:

- the reclassification as "Assets classified as held for sale "of the net liabilities borne by the entities held for sale in 2021 for EUR 54.7 million (see Note 1.2.4 and Note 2.6);
- the disposal of the Recycling and Recovery activities in Sweden (see Note 2.5.3), decreasing the Group's net liability by EUR 42.9 million;
- the revision of revaluation indexes for various plans in France, leading to a decrease in commitments of -EUR 27.8 million.

In 2019, the increase in the amount of the net liability was mainly explained by actuarial gains and losses for EUR 90.6 million. These items were partly offset by the amendment of the medical coverage of French retirees which had led to a -EUR 37.1 million decrease of the net liability and by the closing of the so-called "1991" and "1998" Article 39 defined-benefit plans pursuant the Loi Pacte. As a consequence, the rights of the beneficiaries born in 1962 or before have been cristallised which resulted in a -EUR 50.3 million decrease of the net liability.

19.2.3 Components of cost for the period

The net cost recognized in respect of pensions and other defined benefit obligations in 2020 and 2019 breaks down as follows:

(in millions of euros)	December 31, 2020	December 31, 2019
Current service cost	(41.1)	(45.1)
Net interest expense on the net defined benefit liability	(14.0)	(19.3)
Actuarial gains or losses	(0.3)	(1.2)
Past service cost/amendments	16.6	86.3
Gains or losses on Pension Plan curtailments, terminations and settlements	23.6	6.2
Total	**(15.2)**	**26.9**
of which recognized in current operating income	*(1.2)*	*46.2*
of which recognized in financial income/(loss)	*(14.0)*	*(19.3)*

19.2.4 Funding policy and strategy

When defined benefit plans are funded, the related plan assets are invested through pension funds and/or with insurance companies, depending on the investment practices specific to the country concerned. The investment strategies underlying these defined benefit plans are aimed at striking the right balance between an optimum return on investment and an acceptable level of risk.

These strategies have a twofold objective:

- to maintain enough income streams and liquidity to cover pensions and other benefit payments; and
- in a controlled-risk environment, to achieve a long-term return on investment matching the discount rate or, as applicable, at least equal to the future returns required.

When plan assets are invested through pension funds, investment decisions and the allocation of plan assets are the responsibility of the fund manager concerned. For French companies, where plan assets are invested through an insurance company, the fund manager manages the investment portfolio in units of account or euros and guarantees a rate of return on the related assets. Such diversified funds are characterized by active management benchmarked to composite indices, adapted to the long-term horizon of the liabilities and taking into account the government's eurozone obligations and the shares of the largest companies in and outside the eurozone. In the case of euro funds, the insurer's sole obligation is to ensure a fixed minimum return on plan assets.

The funding of these obligations breaks down as follows:

(in millions of euros)	Present benefit obligation	Fair value of plan assets	Cost of unrecognized past service	Limit on defined benefit assets and supplementary provision	Total net obligation
Underfunded plans	(1,277.1)	896.3	-	-	(380.8)
Overfunded plans	(38.5)	46.1	-	-	7.6
Unfunded plans	(443.1)	-	-	-	(443.1)
Total December 31, 2019	**(1,758.7)**	**942.4**	**-**	**-**	**(816.3)**
Underfunded plans	(1,038.3)	766.7	-	-	(271.6)
Overfunded plans	(18.1)	24.2	-	-	6.1
Unfunded plans	(436.5)	-	-	-	(436.5)
Total December 31, 2020	**(1,492.9)**	**790.9**	**-**	**-**	**(702.0)**

The allocation of plan assets by main asset category breaks down as follows:

	2020	2019
Securities	27%	14%
Bonds	53%	54%
Real Estate	3%	6%
Other (including money market securities)	17%	26%
Total	**100%**	**100%**

The allocation of plan assets by geographical area of investment is as follows:

	Europe	North America	Asia Oceania	Other
Securities	20%	30%	0%	0%
Bonds	60%	53%	0%	0%
Real Estate	0%	3%	0%	0%
Other (including money market securities)	20%	14%	100%	100%
Total	**100%**	**100%**	**100%**	**100%**

19.2.5 Actuarial assumptions

Actuarial assumptions are determined individually per country and company, in association with the independent actuaries.

The weighted rates are presented below:

	Pensions		Other post-employment benefits		Long-term benefits		Total benefit obligation	
	2020	2019	2020	2019	2020	2019	2020	2019
Discount rate	1.8%	1.8%	2.5%	2.5%	1.1%	0.8%	1.9%	1.9%
Estimated future increase in salaries	2.7%	2.5%	3.6%	3.1%	1.6%	1.5%	2.8%	2.6%
Inflation Rate	1.8%	2.1%	2.3%	2.3%	1.5%	1.7%	1.9%	2.1%
Average remaining working lives of participating employees	15 years	16 years	14 years	14 years	6 years	8 years	15 years	15 years

Discount and salary increase rates are shown including inflation.

19.2.5.1 Discount rate and inflation

The discount rate used is determined by reference to the yield, at the measurement date, of AA corporate bonds with a maturity corresponding to the anticipated term of the obligation.

As for December 31, 2019, the 2020 rates were determined for each currency area (euro, US dollar and pound sterling) from data on AA bond yields (according to Bloomberg and iBoxx) extrapolated to long-term maturities based on the performance of government bonds. A discount rate curve has been used per currency area and has been applied to debt and to the components of the current cost (Service Cost and Net Interest).

According to estimates made by the Group, a change of plus or minus 1% of the discount rate would result in a change in actuarial liabilities of approximately 14%.

Inflation rates were determined for each currency zone. A change in the inflation rate of roughly 1% would result in a change in the actuarial liability of 6%.

19.2.6 Geographical breakdown of obligations

In 2020, the geographical breakdown of the main obligations and the related actuarial assumptions (including inflation) are as follows:

	Euro Zone		United Kingdom		United States		Rest of the World	
(in millions of euros)	Pensions	Other benefit obligations	Pensions	Other benefit obligations	Pensions	Other benefit obligations	Pensions	Other benefit obligations
Funded status [a]	(311.6)	(63.2)	(22.1)	0.0	(143.2)	(23.3)	(58.9)	(79.7)
Discount rate	0.0%	1.0%	2.0%	0.0%	2.0%	2.5%	2.0%	3.0%
Estimated future increase in salaries	2.0%	0.5%	3.0%	0.0%	3.0%	3.5%	2.0%	5.0%
Inflation Rate	1.0%	1.5%	2.0%	0.0%	2.0%	3.0%	1.0%	2.5%
Average remaining working lives of participating employees	15	12	19	N/A	14	13	14	16

(a) Funded status corresponds to the difference between the present benefit obligation and the fair value of the plan assets.

Concerning the "Rest of the world" category, the funded status relating to pensions mainly concern Chile and Macao, while the funded status relating to the other benefit obligations stems largely from Morocco.

19.2.7 Payments due in 2021

The Group expects to pay contributions to the funds as well as benefits directly to beneficiaries in the amount of EUR 83.4 million to its defined benefit plans in 2021.

19.3 Defined contribution plans

In 2020, the Group SUEZ recorded a EUR 109.6 million expense in respect of contributions to the Group defined contribution plans. These contributions are recorded under "Personnel costs" in the income statement.

Note 20 Share-based payments or cash-based payments

Expenses recognized in respect of share-based payments or cash-based payments are as follows:

(in millions of euros)	Note	(Expense) for the period 2020	2019
Performance share and units plans	20.1	(9.1)	(3.7)
Employees share issues [a]	20.2	0.5	(16.5)
Long-term incentive plan	20.3	11.6	5.3
Total		**3.0**	**(14.9)**

(a) Impact of Share Appreciation Rights is presented after hedging by warrants (subject to IFRS 9). Before hedging by warrants, the 2020 impact related to capital increases reserved for employees amounts to -EUR 0.7 million. In 2019 the impact was an expense of -EUR 16.2 million of which -EUR 15.8 million related to the recognition of the Sharing 2019 plan.

20.1 Performance shares and unit plans

20.1.1 Arrangements and grants

At its meeting of November 24, 2020, the Board of Directors, granted a share-based performance unit plan "Plan 2020" to certain of its employees in France and abroad.

At the end of the vesting period and subject to the conditions of the plan and the level of achievement of the performance conditions, the beneficiaries of the "Plan 2020" plan will receive cash which is a gross amount equal to the average closing price of the SUEZ share over the 10 trading days preceding the vesting date.

The payment of this remuneration is subject to the presence of the beneficiary in the company between the grant date and the vesting date.

The table below summarizes the main features of this plan:

Specifications		Performance Units
Number of beneficiaries (estimated)	Corporate Officer	1
	Others (estimated)	1,660
Number of instruments granted	Corporate Officer	32,325
	Others	1,767,500
Date of allocation		11/24/2020
Date of acquisition		11/30/2023

20.1.2 Internal performance conditions

This plan is subject to internal performance conditions. If the performance targets are not fully met, the number of shares granted to employees is reduced in accordance with the plan rules. Any such change in the number of shares leads to a reduction in the total expense of the plan, in accordance with IFRS 2. Performance conditions are reviewed at each year-end.

This Plan 2020 concerns two lists of beneficiaries: Corporate officer and Others. The performance conditions and are as follows:

- a performance condition linked to the recurring net result per share of SUEZ Group cumulated over the 2020, 2021 and 2022 periods applies to a third of the target number of performance units granted;
- a performance condition linked to the recurring free cash flow of SUEZ Group cumulated over the 2020, 2021 and 2022 periods applies to a third of the target number of performance units granted;
- a performance condition linked to the evolution of SUEZ's Total Shareholder Return over the 3-year period of the plan compared to the evolution of the Total Shareholder Return of the Euro Stoxx Utilities Index over the same period applies to a third of the target number of performance units granted.

Finally, for all beneficiaries, the amount of the payment as resulting from the application of the performance conditions may be increased or decreased by 10% depending on the gender parity index in the management (GPI) at December 31, 2022.

According to the social indicator framework deployed within the SUEZ Group as part of the social reporting process, the SUEZ GPI corresponds to the following ratio: number of female executives/ total number of executives.

20.1.3 Retained assumptions

The fair value of the plan is estimated on the basis of the share price at the grant date, taking into account the following assumptions:

Assumptions	Performance units
Date of allocation	11/24/2020
Underlying share price on the allocation date	EUR 16.24
SUEZ volatility	23.7%
Euro volatility STOXX Utilities	15.2%
Anticipated dividends from SUEZ	EUR 0.65
Risk-free rate	
	1 year: -0.68%
	2 years: -0.70%
	3 years: -0.69%
Employee turnover rate	5%
Probability of meeting internal performance conditions	100%

The Black & Scholes model was used to model the market condition that conditions the fair value of the plan.

The fair value of the performance units granted in this way results in a total expense of EUR 20.4 million over the term of the plans.

20.1.4 Accounting expenses

(in millions of euros)	Number of shares granted	Outstanding number of shares at December 31, 2020	Weighted average fair value	(Expense) for the period 2020	(Expense) for the period 2019
July 2018 – Performance shares plan	719,785	639,016	EUR 6.2	(1.3)	(1.2)
July 2018 – Performance units plan	517,855	478,143	EUR 7.2	(0.8)	(1.3)
October 2019 -Performance units plan	1,885,750	1,704,669	EUR 8.9	(6.0)	(1.2)
November 2020 – Performance units plan	1,799,825	1,740,848	EUR 13.2	(1.0)	-
Total	**4,923,215**	**4,562,676**		**(9.1)**	**(3.7)**

The cost of the plans, including social security contributions, is spread over the vesting period with a corresponding charge to shareholders' equity for Performance Shares plan and to social debt for Performance units plans.

20.2 Employee share issues

The expense recorded in 2020 and 2019 on current plans is as follows:

(in millions of euros)			(Expense) for the period 2020	(Expense) for the period 2019
SUEZ Sharing 2019 Plan	Discount and employer contribution in France	December 2019	-	(15.8)
SUEZ Sharing 2019 Plan	Matching shares – International	December 2019	(0.3)	-
SUEZ Sharing 2019 Plan	*Share Appreciation Rights*	December 2019	1.2	-
SUEZ Sharing 2017 Plan	Matching shares – International	December 2017	(0.3)	(0.3)
SUEZ Sharing 2017 Plan	*Share Appreciation Rights*	December 2017	(0.1)	(0.2)
SUEZ Sharing 2014 Plan	Matching shares – International	July 2014	-	(0.1)
SUEZ Sharing 2014 Plan	*Share Appreciation Rights*	July 2014	-	(0.1)
Total [a]			**0.5**	**(16.5)**

(a) Impact of Share Appreciation Rights is presented after hedging by warrants (subject to IFRS 9). Before hedging by warrants, the expense of the year 2020 related to employee share issue amounts to -EUR 0.7 million. In 2019 the impact was -EUR 16,2 million including -EUR 15.8 million related to the recognition of the Sharing 2019 plan.

The measures relating to the Sharing 2019, 2017 and 2014 Plans are described in detail in SUEZ's previous Universal Registration Document and Reference Documents.

20.3 Long-term incentive plan

At the end of 2020, no new long-term compensation plan had been set up.

During the financial year 2020, all outstanding long-term compensation plans generated income of EUR 11.6 million (also taking into account the provisioning of social security charges). This amount includes the reversal of the provision for the 2017 plan.

The characteristics of these plans are described in the previous SUEZ Universal Registration Document and in previous SUEZ Reference Documents.

Note 21 Related-party transactions

Material transactions between the Group and its related parties are presented in accordance with IAS 24. They concern transactions with:

- associated companies and joint ventures of the SUEZ Group;
- ENGIE, and companies related to ENGIE, which consolidated SUEZ using the equity method until October 5, 2020.

Compensation for key executives (Executive Committee) is presented in Note 22.

21.1 Transactions with the ENGIE group

(in millions of euros)	December 31, 2020	December 31, 2019
Transactions with ENGIE		
Purchases/sales of goods and services	(0.3)	8.9
Non financial payables	0.4	0.3
Non financial receivables	0.1	0.1
Transactions with companies linked to ENGIE		
Purchases/sales of goods and services	11.9	12.6
Non financial receivables	3.2	8.8
Non financial payables	0.5	0.8
Financial payables	0.8	0.8
Borrowings excluding financial instruments	0.8	0.8
Commodity derivatives (Liabilities)	(1.1)	1.3

21.2 Transactions with joint operations, joint ventures and associates

As at December 31, 2020, these transactions correspond mainly to loans granted to joint ventures and associates, for which the balance in the statement of financial position amounts to EUR 95.0 million, the main lines of which:

- EUR 37.1 million to joint ventures in water business in Europe;
- EUR 28.9 million to associates in charge of the commissioning and operation of energy recovery plants in the United Kingdom;
- furthermore, EUR 12.6 million to a joint venture in Kuwait for the maintenance contract of a water treatment plant.

Note 22 Executive compensation

The Group's Executive Committee is composed of eleven members at December 31, 2020.

Their compensation (excluding employer's charges) breaks down as follows:

(in millions of euros)	December 31, 2020	December 31, 2019
Short-term benefits	9.2	9.3
Post-employment benefits [a]	0.2	0.7
Long Term Incentive Plans [b]	0.5	0.2
Total	**9.9**	**10.2**

(a) Post-employment benefits relate to the SUEZ Group plans only.
(b) Long-term incentive plans: including performance share plans.

Following the closure of the so-called "1991" and "1998" senior executives' plans in 2019 pursuant the Loi Pacte, compensation for post-employment benefits has decreased in 2020.

Note 23 Legal and arbitration proceedings

In the normal course of its business, the Group is involved in a certain number of litigation and arbitration with third parties or with the tax administrations of certain countries. Provisions are recorded for such litigation and arbitration proceedings when a legal, contractual or constructive obligation exists at the closing date with respect to a third party; it is probable that an outflow of resources without economic benefits will be necessary to settle the obligation; and the amount of the said outflow of resources can be estimated in a sufficiently reliable manner. Provisions recorded in respect of the above amounted to EUR 61.6 million as of December 31, 2020.

There is no other governmental, judicial, or arbitration proceedings of which the Group is aware of, that is suspended or with which it is threatened, likely to have or that has already had, in the past six months, a material impact on the Group's financial position or profitability.

Litigation in Argentina

In Argentina, tariffs applicable to public-service contracts were frozen by the Public Emergency and Exchange Regime Reform Law (Emergency Act) in January 2002, preventing the application of contractual price indexation that would apply in the event of a depreciation of the Argentine peso against the US dollar.

In 2003, SUEZ – now ENGIE – and its co-shareholders in the water concessions for Buenos Aires and Santa Fé filed arbitration proceedings against the Argentinean government, in its capacity as grantor, to enforce the concession agreements' contractual clauses with the International Center for the Settlement of Investment Disputes (ICSID), in accordance with the bilateral Franco-Argentinean investment protection treaties.

These ICSID arbitration proceedings aim at obtaining indemnities to compensate for the loss of value of the investments made since the start of the concession due to the measures adopted by the Argentinean government following the adoption of the abovementioned Emergency Act. The ICSID acknowledged its jurisdiction to rule on the two cases in 2006. At the same time as the ICSID proceedings, the concession-holders Aguas Argentinas and Aguas Provinciales de Santa Fé were forced to file proceedings to cancel their concession agreement with local governments.

However, since the financial situation of the concession-holding companies had deteriorated since the Emergency Act, Aguas Provinciales de Santa Fé announced that it was filing for judicial liquidation at its shareholders' meeting on January 13, 2006.

At the same time, Aguas Argentinas applied to file a Concurso Preventivo (similar to a French bankruptcy procedure). As part of these bankruptcy proceedings, a settlement proposal involving the novation of admissible Aguas Argentinas liabilities was approved by creditors and ratified by the bankruptcy court on April 11, 2008. The proposal provides for an initial payment of 20% (about USD 40 million) upon ratification and a second payment of 20% in the event of compensation by the Argentinean government. As controlling shareholders, ENGIE and Agbar decided to financially support Aguas Argentinas in making this first payment, upon ratification, and paid USD 6.1 million and USD 3.8 million respectively.

In two decisions dated July 30, 2010, the ICSID recognized the Argentine government's liability in canceling the Buenos Aires and Santa Fé water and wastewater treatment concession contracts. In addition, in June 2011 the ICSID appointed an expert to provide a definitive assessment of the compensation payable for the commercial harm. The reports on the Buenos Aires and Santa Fé concessions were presented by the expert to the ICSID respectively in September 2013 and in April 2014.

Regarding the Buenos Aires concession, ICSID rendered its decision on April 9, 2015 ordering the Argentine Republic to pay Aguas Argentinas shareholders USD 405 million in damages (including USD 367 million to SUEZ and its subsidiaries). In early August 2015, the Republic of Argentina petitioned an *ad hoc* ICSID committee to render this decision invalid. The appeal was rejected in May 2017 making ICSID's decision final. In April 2019, the Argentine government and the shareholders of Aguas Argentinas entered into and implemented a settlement agreement pursuant to the ICSID decision, for which SUEZ and its subsidiaries received a cash amount of EUR 224.1 million.

Concerning the Santa Fé concession, in a December 4, 2015 decision, ICSID ordered the Argentine Republic to pay USD 225 million to the shareholders of Aguas Provinciales de Santa Fé as a result of the termination of the concession agreement, and the entire amount was to go to SUEZ and its subsidiaries. In September 2016, the Republic of Argentina petitioned an *ad hoc* ICSID committee to render this decision invalid. This recourse was rejected in December 2018 making this decision irrevocable.

This situation has not changed since this last date.

Litigation related to the proposed Veolia hostile takeover

On August 30, 2020, Veolia announced it wanted to take control of SUEZ and had (i) submitted an offer to ENGIE to purchase 29.9% of SUEZ's share capital and (ii) intended to file a voluntary takeover bid for the remaining SUEZ shares, if ENGIE accepted its offer, by no later than when the regulatory authorities provided the required authorizations. In addition, this plan would include disposing of the SUEZ Eau France business to Meridiam due to competition-related issues. On September 10, 2020, the SUEZ Board of Directors stated that they considered Veolia's hostile approach incompatible with the Company's and stakeholders' best interests. Nevertheless, on October 5, 2020, ENGIE accepted the purchase offer Veolia proposed for EUR 18 per share, with Veolia immediately confirming its intention to file a friendly voluntary takeover bid for the rest of SUEZ's share capital. Several legal proceedings are in progress in relation to Veolia's proposed hostile takeover of SUEZ.

On January 7, 2021, Veolia sent a formal proposal for a takeover bid to the Board of Directors of SUEZ.

On February 7, 2021, Veolia amended its declaration of intent made following the acquisition of the block of SUEZ shares held by ENGIE and declared that it was filing a hostile takeover bid for the remaining SUEZ shares not held by Veolia (70.1%) at a price of EUR 18 coupon attached.

Appeal against a ruling by the French Financial Markets Authority (Autorité des marchés financiers – AMF)

Duly noting Veolia's announcements, SUEZ invited the AMF to record the opening of a pre-offer period starting from the date Veolia published its announcement on August 30, 2020, since the announcement contained the attributes of the planned bid. The AMF refused to accede to this request as per a decision dated September 24, 2020.

In October 2020, SUEZ decided to challenge the AMF ruling handed down on September 24, 2020 before the Paris Court of Appeals. As a result, SUEZ invited the Court of Appeals to (i) decide that the press release published on August 30, 2020, in which Veolia announced its intention to file a takeover bid for SUEZ's shares, should have resulted in the immediate opening of a pre-offer period, and (ii) rule contrary to the provisions of the AMF General Regulation any acquisition of SUEZ shares by Veolia since that date and until the takeover bid is filed, and especially the acquisition by Veolia of 29.9% of SUEZ's share capital from ENGIE, announced on October 5, 2020. In a decision dated February 11, 2021, the Paris Court of Appeals rejected these claims. SUEZ has a period expiring on April 12, 2021 to file an appeal with the French Supreme Court.

Proceedings related to the Foundation (measures to ensure the sustainability of SUEZ Eau France within SUEZ Group)

The SUEZ Board of Directors considered, as part of Veolia's hostile proposal, that a potential disposal of SUEZ Eau France would run counter to SUEZ's purpose and corporate interest as well as the interests of SUEZ's stakeholders and especially its employees. In fact, through its SUEZ Eau France subsidiary, the Group's Water France Activity is a vital component of the Group's strategy and is one of the pillars of value creation through the SUEZ 2030 plan. The Board of Directors therefore decided that it needed to legally ensure the sustainability of SUEZ Eau France within SUEZ Group by creating a foundation whose purpose is to preserve the integrity of the France Water Activity within the SUEZ Group ("the Foundation"). SUEZ Eau France's control, management and tax consolidation remains the same, under SUEZ Group's management. For the next four years, unless its shareholders, including the Foundation, approve otherwise during this period under certain conditions, SUEZ Eau France will be inalienable, like its assets. During this period, the SUEZ Board of Directors may deactivate the measures of the Foundation or make them irrevocable until September 2024.

On November 19, 2020, ruling on a motion submitted by Veolia, the President of the Nanterre Commercial Court temporarily prevented SUEZ from making the Foundation measures irrevocable. SUEZ contested this provisional measure handed down on an *ex-parte* basis. The Association for the Defense of Minority Shareholders (ADAM) and SUEZ employee representative bodies voluntarily intervened in the proceedings. The ruling could be handed down before the end of the first quarter of 2021.

In accordance with the above-mentioned court order dated November 19, 2020, Veolia summoned SUEZ, SUEZ Groupe, SUEZ Eau France and the Foundation before the Nanterre Commercial Court to request that the ruling that allowed for the creation of the Foundation, as well as all the official documents related to it, be set aside. SUEZ considers that this ruling was adopted lawfully and in keeping with the corporate interests of the Company and all its stakeholders.

Proceedings related to information/consultation of SUEZ's staff representative bodies

On September 22, 2020, SUEZ's Staff Representative Bodies (the Works Council of SUEZ's Economic and Social Unit and SUEZ Eau France's Works Committee joined by SUEZ's European Works Council) summoned Veolia, ENGIE and SUEZ to attend urgent proceedings in order to be consulted on the proposed sale of 29.9% of the Company's share capital by ENGIE to Veolia, then on the proposed merger between SUEZ and Veolia announced by Veolia, and, pending the implementation of this consultation, to suspend any transaction leading to the merger of the SUEZ and Veolia Groups, including the firm offer by Veolia to purchase the SUEZ shares held by ENGIE and Veolia's proposed takeover bid of SUEZ, until SUEZ's staff representative bodies had been informed and consulted.

In a court order dated October 9, 2020, and fully confirmed by the Paris Court of Appeals on November 19, 2020, the judge hearing applications for interim measures at the Judicial Court of Paris considered that the lack of consultation of SUEZ's staff representative bodies amounted to a patently unlawful disturbance and notably decided to suspend the Veolia proposal in its entirety until SUEZ's staff representative bodies had been consulted about the Veolia transaction, considering that Veolia's press release on August 30, 2020 was the first step in a comprehensive fully developed plan. Veolia and ENGIE had filed an appeal against this decision before the French Supreme Court (Cour de Cassation) but finally withdrew their appeal on February 18, 2021.

On December 15, 2020, Veolia also filed an emergency motion at short notice asking the President of the Paris Judicial Court to amend the Court of Appeal's above-mentioned judgment dated November 19, 2020 and order that the court-ordered suspension pronounced on October 9, 2020 end on February 5, 2021. On January 15, 2021, the urgent applications judge declined jurisdiction and invited Veolia to take proceedings in the proper court regarding all of its claims.

Veolia also summoned SUEZ and its staff representative bodies before the Nanterre Judicial Court under a special "fixed-date" urgent procedure seeking a ruling that SUEZ's staff representative bodies did not have to be consulted at this stage of Veolia's proposal. In a ruling dated February 3, 2021, the Judicial Court granted Veolia's request, contradicting the court rulings handed down previously by the President of the Judicial Court and the Paris Court of Appeals. SUEZ's staff representative bodies have appealed this ruling. A decision is expected in March 2021.

Proceedings related to measures ordered to facilitate possible future proceedings at ENGIE, Veolia and Meridiam

In November 2020, SUEZ obtained three court orders authorizing bailiffs to visit Veolia, ENGIE and Meridiam, due to suspected administrative, civil and criminal misconduct by these companies. The bailiffs went and seized documents at these locations. In December 2020, Veolia, ENGIE and Meridiam requested that these court orders be withdrawn. A ruling should be expected during the second half of 2021.

Proceedings following Veolia's announcement on February 7, 2021 that it had filed its proposed takeover bid

On the evening of Sunday, February 7, 2021, Veolia published a press release in which it announced its decision to launch a takeover bid on SUEZ.

Considering that these announcements constituted a breach of the unconditional amicable commitment Veolia made prohibiting it from filing a proposed takeover bid not approved in advance by SUEZ's Board of Directors, SUEZ immediately petitioned the President of the Nanterre Commercial Court, who decided, under the terms of the court order handed down on February 8, 2021, to order Veolia to refrain from disclosing a takeover bid to the AMF or launching a takeover bid for SUEZ's shares without prior approval by SUEZ's Board of Directors, and more generally, to immediately take any measure to ensure this injunction is effective until the end of the proceedings on the merits to be brought by SUEZ swiftly and no later than by February 16, 2021, which it did.

On February 10, 2021, Veolia summoned SUEZ before the Nanterre Commercial Court in order to have the above-mentioned court order dated February 8, 2021 withdrawn. On February 23, 2021, the President of the Commercial Court of Nanterre declared himself incompetent in favor of the Commercial Court of Paris and therefore retracted the order of February 8, 2021.

On February 12, 2021, SUEZ brought Veolia and ENGIE before the summary proceedings judge of the Nanterre Commercial Court in order, inter alia, to obtain the withdrawal by Veolia of its proposed takeover bid for SUEZ shares filed on February 8, 2021, pending the outcome of the proceedings initiated by SUEZ before the Nanterre Commercial Court at short notice, also with a view to ordering the said withdrawal. On February 23, 2021, the President of the Commercial Court of Nanterre declared himself incompetent in favor of the Commercial Court of Paris.

On February 17, 2021, SUEZ filed an appeal before the Paris Court of Appeals to challenge the decision of February 8, 2021 by which the Autorité des Marchés Financiers accepted the filing by Veolia of a draft tender offer for the shares of SUEZ and published the corresponding notice of filing and draft offer document.

The Paris Court of Appeal will render its decision no later than July 17, 2021.

Note 24 Subsequent events

► Launch of the SHARING 2021 plan

In January 2021, SUEZ launched its fifth global employee shareholding plan, called Sharing 21. This plan is for employees of the Group's French entities only.

The reservation period was open from January 15-25, 2021.

More than 15,000 employees expressed an interest in investing - a reservation rate of 52% - the highest rate ever recorded in France. The subscription/withdrawal period will take place from March 5-9, based on a reference price which will be set on March 4, 2021.

► Acquisition of non-controlling interests in SUEZ NWS and Suyu in China

On January 11, 2021, the Group announced it had signed an agreement with its longstanding partner NWS Holdings Limited (NWS) to acquire non-controlling equity interests of NWS in all the shared business activities of the two Groups in Greater China. These acquisitions expand SUEZ's presence in Greater China and simplify its business structure in the region. At the end of this transaction, SUEZ will wholly own SUEZ NWS and Suyu.

The transaction is valued at around EUR 693 million. The transaction should be finalized by the end of the first half of 2021 and will be subject to regulatory approval and normal conditions precedent.

► End of the securitization program

In light of the disposal of the Group's Recycling and Recovery business activities in Germany, the Netherlands, Luxembourg and Poland, on January 25, 2021, the Group terminated its securitization program (see Note 13.3.4), which, in addition to the entities in the Netherlands and Germany which will be sold to the Schwarz Group during the first half of 2021, also included transferor entities from the Recycling and Recovery France and IWS scopes.

As of this date, the various entities involved therefore bought back stocks of trade receivables that they had previously sold to a special purpose vehicle (SPV) called *Fond Commun de Titrisation* for an amount totaling EUR 290.5 million.

Note 25 List of the main consolidated companies at December 31, 2020 and 2019

Entities presented in the list below cover 80% of the following indicators: Revenues, EBITDA, Net Debt and capital employed.

Names	Headquarters address	% interest		% control		Consolidation methods[a]	
		Dec. 2020	Dec. 2019	Dec. 2020	Dec. 2019	Dec. 2020	Dec. 2019
SUEZ	Tour CB21, 16 Place de l'Iris, 92040 Paris-La Défense Cedex – France	100.0	100.0	100.0	100.0	FC	FC
WATER							
SUEZ Eau France	Tour CB21, 16 Place de l'Iris, 92040 Paris-La Défense Cedex – France	100.0	100.0	100.0	100.0	FC	FC
SUEZ Spain	Edificio D38 – Passeig Zona Franca 08038 Barcelona – Spain	100.0	100.0	100.0	100.0	FC	FC
AGUAS ANDINAS	Avenida Presidente Balmaceda 1398, Piso 4, Santiago – Chile	25.1	25.1	50.1	50.1	FC	FC
SUEZ Water Inc. Utility	461 From Road Suite 400, Paramus 07652 New Jersey – United States	80.0	80.0	80.0	80.0	FC	FC
SUEZ Water Inc. ES	461 From Road Suite 400, Paramus 07652 New Jersey – United States	100.0	100.0	100.0	100.0	FC	FC
AQUASURE HOLDING Ltd	492 St Kilda Road – level 7 Melbourne, VIC 3004 – Australia	6.9	11.7	6.9	11.7	EM	EM
SUEZ Australia Holding Pty Ltd	Level 3, 3 Rider Boulevard 2138 Rhodes, NSW – Australia	100.0	100.0	100.0	100.0	FC	FC
SUEZ Water Advanced Solutions, LLC	1230 Peachtree Street NE, Suite 1100, Promenade II Building, Atlanta, GA 30309 – United States	100.0	100.0	100.0	100.0	FC	FC
Sociedade de Abastecimento de Aguas de macau	718 avenida do Conselheiro, Macao – China	49.3	49.3	85.0	85.0	FC	FC
SUEZ International	Tour CB21, 16 Place de l'Iris, 92040 Paris-La Défense Cedex – France	100.0	100.0	100.0	100.0	FC	FC
LYDEC	48, Boulevard Mohamed Diouri, Casablanca – Morocco	51.0	51.0	51.0	51.0	FC	FC
SUEZ North America Inc	461 From Road Suite 400, Paramus 07652 New Jersey – United States	100.0	100.0	100.0	100.0	FC	FC
ACEA Spa	P.le Ostiense, 2 – 00154 Roma – Italy	23.3	23.3	23.3	23.3	EM	EM

(a) FC: Full consolidation.
EM: Equity method of consolidation.
NC: Non consolidated.

Names	Headquarters address	% interest Dec. 2020	% interest Dec. 2019	% control Dec. 2020	% control Dec. 2019	Consolidation methods[a] Dec. 2020	Consolidation methods[a] Dec. 2019
RECYCLING AND RECOVERY							
SUEZ Recycling and Recovery Holdings UK Ltd	Grenfell road, Maidenhead, Berkshire SL6 1ES – United Kingdom	100.0	100.0	100.0	100.0	FC	FC
SUEZ Recycling & Recovery Deutschland GmbH	Industriestrasse 161 D-50999 Köln – Germany	100.0	100.0	100.0	100.0	FC	FC
SUEZ Nederland Holding B.V.	Meester E.N. van Kleffensstraat 10, 6842 CV Arnhem – The Netherlands	100.0	100.0	100.0	100.0	FC	FC
SUEZ R&V France	Tour CB21, 16 Place de l'Iris, 92040 Paris-La Défense Cedex – France	100.0	100.0	100.0	100.0	FC	FC
SUEZ R&R Belgium N.V.	Avenue Charles-Quint 584 7 1082 Berchem, Sainte-Agathe – Belgium	100.0	100.0	100.0	100.0	FC	FC
SOCALUX	Lamesch SA ZI Wolser Nord BP 75 – L3201 Bettembourg, Luxembourg	100.0	100.0	100.0	100.0	FC	FC
SUEZ Recycling AB[b]	Kungsgardsleden, 26271 Angelholm – Sweden	-	100.0	-	100.0	NC	FC
SUEZ Recycling & Recovery Pty Ltd	Level 3, 3 Rider Boulevard 2138 Rhodes, NSW – Australia	100.0	100.0	100.0	100.0	FC	FC
SUEZ NWS R&R (Hong Kong) Limited	Room 702, 7/F, Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong	58.0	58.0	100.0	100.0	FC	FC
SUEZ Polska sp. z o.o.	Zawodzie 5, 02-981 Warszawa – Poland	100.0	100.0	100.0	100.0	FC	FC
Environmental Technology & Solutions – ETS							
SUEZ Treatment Solutions Inc	461 From Rd Ste 400 Paramus, NJ, 07652-3526 United States	70.0	70.0	70.0	70.0	FC	FC
SUEZ WTS Usa, Inc	4636 Somerton Road, Bldg 8 PA 19053 Trevose – United States	70.0	70.0	70.0	70.0	FC	FC
SUEZ WTS Services Usa, Inc	4545 Patent Road VA 23502 Norfolk – United States	70.0	70.0	70.0	70.0	FC	FC
SUEZ Water Technologies & Solutions	Tour CB21, 16 Place de l'Iris, 92040 Paris-La Défense Cedex – France	70.0	70.0	70.0	70.0	FC	FC
SUEZ WTS Canada	3239 Dundas Street West, L6M4B2 Oakville - Canada	70.0	70.0	70.0	70.0	FC	FC
SUEZ Water Technologies (Shanghaï) Co., Ltd.	Room 2602, 2/F, Area 4, Building 1 N° 2001 North Yanggao Road, Shanghaï - Chine	70.0	70.0	70.0	70.0	FC	FC
Safège	15, rue du Port, 92022 Nanterre – France	100.0	100.0	100.0	100.0	FC	FC
OTHER							
SUEZ Groupe	Tour CB21, 16 Place de l'Iris, 92040 Paris-La Défense Cedex – France	100.0	100.0	100.0	100.0	FC	FC

(a) FC: Full consolidation.
EM: Equity method.
NC: Non consolidated.
(b) SUEZ Recycling AB was fully consolidated until 11/30/2020 and then sold (see Note 2.5.3).

Note 26 Fees of the Statutory Auditors and members of their networks

The accounting firms Ernst & Young and Mazars act as Statutory Auditors for the SUEZ Group.

	Ernst & Young								Mazars							
	2020				2019				2020				2019			
	Ernst & Young and Others		Network		Ernst & Young and Others		Network		Mazars SA		Network		Mazars SA		Network	
(in thousands of euros)	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Audit and limited review on the statutory and Consolidated Financial Statements																
SUEZ SA	756	9%	-	-	983	21%	-	-	562	13%	-	-	659	14%	-	-
Fully consolidated subsidiaries and joint operations	3,029	36%	4,587	89%	3,017	63%	4,798	89%	3,342	81%	2,527	94%	3,498	77%	2,581	88%
Other services																
SUEZ SA	119	1%	-	-	637	14%	-	-	62	1%	84	3%	385	8%	84	3%
Fully consolidated subsidiaries and joint operations	4,531	54%	569	11%	116	2%	593	11%	218	5%	68	3%	48	1%	249	9%
Total	**8,435**	**100%**	**5,156**	**100%**	**4,753**	**100%**	**5,391**	**100%**	**4,184**	**100%**	**2,679**	**100%**	**4,590**	**100%**	**2,914**	**100%**

Other services than account certification of the financial statements provided during the year to the Company and the entities it controls mainly include assignments involving agreed procedures in the context of disposals and verification work on CSR information.

18.2 Statutory Auditors' report on the Consolidated Financial Statements

This is a translation into English of the Statutory Auditors' report on the Consolidated Financial Statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This Statutory Auditors' report includes information required by European Regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the information concerning the Group presented in the Management Report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2020

To the Annual General Meeting of SUEZ,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying Consolidated Financial Statements of SUEZ for the year ended December 31, 2020.

In our opinion, the Consolidated Financial Statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for Statutory Auditors for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014.

Emphasis of Matter

We draw attention to the following matter described in Note 2.1 – Impacts of the Covid-19 pandemic to the Consolidated Financial Statements relating to the various impacts of Covid-19 pandemic on the business of SUEZ and its Consolidated Financial Statements. Our opinion is not modified in respect of this matter.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the Consolidated Financial Statements.

Measurement of tangible and intangible assets impacted by the Shaping SUEZ 2030 strategic plan and goodwill

RISK IDENTIFIED

As at December 31, 2020, the net value of the Group's tangible and intangible assets and goodwill amounts to M€ 16,885, which represents 49% of the balance sheet excluding assets held for sale. These assets are composed of goodwill for M€ 4 664, net tangible assets for M€ 7 756, and net intangible assets for M€ 4 465.

As indicated in Note 1.6.6, when events or changes in the market environment or internal sources of information indicate a risk of impairment on tangible and intangible assets or goodwill, they are tested for impairment.

Non-amortizable intangible assets and goodwill are tested for impairment every year.

The methods used to carry out impairment tests on goodwill and tangible and intangible assets are described, respectively, in Notes 9 and 1.6.6 to the Consolidated Financial Statements.

Impairment tests require the use of assumptions and estimates whose completion is by nature uncertain, including:

- the projections of the operating cash flows based on the medium-term plan (MTP);
- the terminal value determined by applying a long-term growth rate to after-tax cash flows;
- the discount rates based on the characteristics of the concerned operational entities.

The recoverable amount of goodwill and tangible and intangible assets is sensible to the fluctuation of these assumptions and estimates.

Moreover, as part the Shaping SUEZ 2030 strategic plan described in Note 2.2 to the Consolidated Financial Statements, the Group implemented a new organization as of January 1, 2020. As indicated in Note 9.2, the list of Cash Generating Units (CGU) has been updated, resulting in the reallocation of goodwill between old and new CGUs.

Finally, as part of the "Acceleration of the Shaping SUEZ 2030 strategic plan" described in Note 2.2.2 to the Consolidated Financial Statements, the Group has confirmed the trajectory of the savings measures and announced its decision to accelerate the implementation of its plan. As indicated in Note 5.2 to the Consolidated Financial Statements, impairment losses on tangible and intangible assets amount to M€ 177.7 and are analyzed in light of the Group's transformation decisions taken in the context of the Shaping SUEZ 2030 strategic plan (hereafter "tangible and intangible assets impacted by the Shaping SUEZ 2030 strategic plan").

Consequently, we considered the valuation of tangible and intangible assets impacted by the Shaping SUEZ 2030 strategic plan and goodwill as a key audit matter.

OUR RESPONSE

We have examined the methodology and assumptions underlying the reallocation of the significant goodwill CGUs listed in Note 9.2 to the Consolidated Financial Statements.

We got acquainted with the methods used to identify impairment indications and the implementation of impairment tests, and focused our work on the material CGUs listed in Note 9.2 to the Consolidated Financial Statements, as well as on the tangible and intangible assets impacted by the Shaping SUEZ 2030 strategic plan, whose impairment losses are listed in Note 5.2.2 to the Consolidated Financial Statements.

We reconciled the data used for impairment tests with the documents used by the appropriate governance bodies, in particular the MTP approved by the Board of Directors for the goodwill CGUs.

We examined the assumptions, and in particular those related to the ongoing decisions concerning the tangible and intangible assets impacted by the Shaping SUEZ 2030 strategic plan, which underlie:

- the projections of operating cash flows prepared over the duration of the MTP and related to operating conditions provided by the Management Committee, specifically contract durations carried by isolated assets or entities of the CGU in question, changes in pricing regulations and future market outlooks, as well as the implications relating to the current situation of the Covid-19 pandemic;
- the terminal value for the period beyond the MTP, calculated particularly for the goodwill CGUs by applying a long-term growth rate, comprised between 1,7% and 3,0%, depending on the activities to the normalized "Free Cash Flow" (as defined in Note 9.3 to the Consolidated Financial Statements) in the final year of the projections.

We examined, by including experts in valuation in our audit team for the goodwill CGUs, the discount rates, long-term growth rates and the discount cash flow method to calculate the projections of operating cash flows. Furthermore, for the goodwill CGUs, we obtained and considered the sensitivity of the analyses conducted by your Group's management, whose results are indicated in Note 9.4 to the Consolidated Financial Statements.

Valuation of revenues from water distribution, generated but not metered (called "*en compteur*")

RISK IDENTIFIED

As disclosed in Note 1.5.1.7 to the Consolidated Financial Statements, revenues generated from customers whose consumption is metered during the accounting period are estimated at the reporting date based on historical data, consumption statistics and estimated selling prices. Your Group has developed measuring and modelling tools that enable to estimate revenues.

We considered measurement of revenues from water distribution, generated but not metered as a key audit matter given the inherent uncertainty relating to the process of evaluating volumes of water distributed but not metered at the reporting date and the evaluation of the corresponding sale price.

OUR RESPONSE

In the context of our audit:

- we got acquainted with the control environment along with the invoicing chain and processes allowing the reliability of estimates on water metered;
- we tested with team members having particular competence in information systems the key automated controls used to estimate water metered, and we audited the functioning of the computing algorithm;
- we analyzed the reconciliation between estimated volumes made by your Group of water consumed and volumes of water distributed over the period;
- we verified the calculation of the price charged for these volumes in relation to contract terms;
- we analyzed the reconciliation made by your Group between estimated volumes and invoiced volumes retrospectively.

Construction contracts accounting

RISK IDENTIFIED

As disclosed in Notes 1.5.1.8 and 1.6.13.3 to the Consolidated Financial Statements, your Group carries out part of their business activities through construction contracts for which revenues and margin are accounted for using the percentage of completion method. For each project, this stage of completion is determined by bringing the costs incurred as at December 31, 2020 to the total estimated costs of the contract. This method aims at keeping the level of expenses incurred and recognize the margin based only on accounted revenues.

The determination of revenues and margin relating to construction contracts depends on data at completion forecasted by operational and financial managers. These estimates are reviewed on a quarterly basis or more frequently in the event of any major development as the projects evolve.

When the total contract costs may exceed total contract revenues, the expected loss at termination is recognized as an expense immediately.

We considered the accounting of revenues relating to construction contracts as a key audit matter given the estimative nature of this process.

OUR RESPONSE

In the context of our work, the procedures set up in the significant subsidiaries in terms of contribution to revenues of construction contracts consisted of:

- testing key controls related to project management process;
- recomputing revenues using the percentage of completion method;
- performing the necessary reconciliations between management reporting data (revenues, costs and margin) and accounting records;
- performing the work program detailed below on a sample of contracts.

We thus analyzed a sample of contracts selected on the basis of the following criteria:

- significant margin contribution for the year;
- significant fluctuation of data at termination during the period;
- contracts presenting specific significant risks (technical, contractual, geopolitical, etc.).

For each of the contracts selected, our work consisted in:

- meeting with operational and financial managers of the considered contract ("*revue d'affaire*") to take note of the operational situation of the project (examination of the significant events during the period, risks assessment, analysis of costs to be committed to complete the project) including impacts of Covid-19 pandemic on contract completion;
- performing reconciliations between costs at termination analyzed during our "*revue d'affaire*" and costs at termination used for the calculation of the percentage of completion;
- comparing the amounts outlined in the contracts and/or contract amendments to revenues at termination used to determine the revenues to be recorded for the year ended December 31, 2020.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information given in the Group's Management Report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the Consolidated Financial Statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the information relating to the Group given in the Management Report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the Consolidated Financial Statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the Consolidated Financial Statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and Consolidated Financial Statements presented in the European single electronic format, that the presentation of the Consolidated Financial Statements intended to be included in the Annual Financial Report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As it relates to Consolidated Financial Statements, our work includes verifying that the tagging of these Consolidated Financial Statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the Consolidated Financial Statements intended to be included in the Annual Financial Report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the Consolidated Financial Statements that will ultimately be included by your company in the Annual Financial Report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of SUEZ by your Annual General Meeting held on July 15, 2008 for MAZARS and on December 21, 2007 for ERNST & YOUNG et Autres.

As at December 31, 2020 Mazars and ERNST & YOUNG et Autres were in the 13th year and 14th year of total uninterrupted engagement, which is the 13th year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The Consolidated Financial Statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the Consolidated Financial Statements. Our objective is to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the Consolidated Financial Statements;
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the Consolidated Financial Statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements and for the opinion expressed on these Consolidated Financial Statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the Consolidated Financial Statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(code de déontologie)* for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

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Courbevoie and Paris-La Défense, February 25, 2021

The Statutory Auditors *French original signed by*

MAZARS	ERNST & YOUNG ET AUTRES
Achour Messas	Stéphane Pédron

18.3 Parent Company financial statements

18.3.1 Balance sheet assets

(in thousands of euros)		Reference in Notes	December 31, 2020 Gross	December 31, 2020 Amortization and depreciation	December 31, 2020 Net	December 31, 2019 Net
Fixed assets						
Intangible assets		Note 1	**30,817.7**	**(813.0)**	**30,004.7**	**30,004.7**
Property, plant and equipment		Note 1	**61.2**	**(4.1)**	**57.1**	**44.3**
Equity interests		Note 1	9,160,781.2	-	9,160,781.2	9,160,781.2
Receivables related to equity interests		Notes 1 and 2	7,776,584.5	-	7,776,584.5	7,792,694.7
Other financial assets		Notes 1 and 2	30,285.5	(120.6)	30,164.9	29,843.8
Financial assets		Note 1	**16,967,651.2**	**(120.6)**	**16,967,530.6**	**16,983,319.7**
Fixed assets	I		**16,998,530.1**	**(937.7)**	**16,997,592.4**	**17,013,368.7**
Current assets						
Advances and down payments on orders		Note 2	**29.1**	**-**	**29.1**	**29.9**
Trade and related receivables		Note 2	26,432.1	(4,730.0)	21,702.1	38,307.2
Other receivables		Note 2	110,802.7	-	110,802.7	153,502.1
Current accounts		Note 2	1,931,468.9	-	1,931,468.9	1,022,685.3
Accrued income from cash instruments		Note 2	17,507.4	-	17,507.4	16,829.8
Receivables			**2,086,211.1**	**(4,730.0)**	**2,081,481.1**	**1,231,324.4**
Cash and cash equivalents			1,320,404.8	-	1,320,404.8	568,933.9
Marketable securities		Note 3	2,360.0	-	2,360.0	43,124.3
Cash, cash equivalents & short-term securities			**1,322,764.8**	**-**	**1,322,764.8**	**612,058.2**
Deferred income		Note 4	**36,712.4**	**-**	**36,712.4**	**44,400.5**
Bond redemption premiums			**43,496.5**	**-**	**43,496.5**	**40,207.6**
Current assets	II		**3,489,213.9**	**(4,730.0)**	**3,484,483.9**	**1,928,020.6**
Foreign exchange gains/losses	III	Note 9	**12,683.4**	**-**	**12,683.4**	**3,234.2**
Total assets	(I+II+III)		**20,500,427.4**	**(5,667.7)**	**20,494,759.7**	**18,944,623.5**

18.3.2 Balance sheet liabilities

(in thousands of euros)		Reference in Notes	December 31, 2020	December 31, 2019
Shareholders' equity				
Share capital			2,513,450.3	2,485,450.3
Additional paid-in capital			5,252,130.8	5,215,174.8
Legal reserve			251,345.0	248,545.0
Retained earnings			706,351.3	71,843.6
Net income for the year			246,143.0	917,186.6
Shareholders' equity	I	Note 5	**8,969,420.4**	**8,938,200.3**
Provisions for contingencies and losses				
Provisions for contingencies			42,314.3	7,581.6
Provisions for losses			138,466.1	59,114.7
Provisions for contingencies and losses	II	Note 6	**180,780.4**	**66,696.3**
Liabilities				
Bonds			8,715,834.0	7,246,593.9
Bank borrowings			747,000.0	678,417.0
Deeply subordinated notes			1,638,038.1	1,771,800.7
Participating bonds			-	50.6
Current accounts and borrowings from subsidiaries			153,431.0	158,748.7
Financial debt		Notes 7 and 8	**11,254,303.1**	**9,855,610.9**
Trade and related payables			16,779.6	11,856.9
Tax and employee-related debt			19,904.8	21,922.5
Debt on fixed assets and related accounts			12.8	10.1
Accrued expenses on cash instruments			346.7	408.9
Other liabilities			32,985.5	33,521.8
Operating payables		Note 8	**70,029.4**	**67,720.2**
Liabilities	III		**11,324,332.5**	**9,923,331.1**
Deferred income	IV	Note 4	**7,673.7**	**12,110.4**
Foreign exchange gains/losses	V	Note 9	**12,552.7**	**4,285.4**
Total liabilities	(I+II+III+IV+V)		**20,494,759.7**	**18,944,623.5**

18.3.3 Income statement

(in thousands of euros)		Reference in Notes	December 31, 2020	December 31, 2019
Services		Note 10	99,084.6	91,186.5
Other income			36.0	(101.0)
Reversals of depreciation and amortization, provisions and transferred expenses		Note 11	27,965.9	117,180.8
Operating income			**127,086.5**	**208,266.3**
Other purchases and external expenses			(38,913.0)	(37,603.6)
Taxes and similar			(5,520.5)	(4,006.3)
Wages and salaries			(26,641.0)	(28,097.6)
Payroll taxes			(12,304.9)	(9,764.3)
Provisions for bonus shares		Note 6	(79,331.4)	(34,346.3)
Allocation to amortization and depreciation			(0.1)	(0.1)
Allocation to other provisions			(13,656.5)	(13,539.3)
Other current management expenses			(6,856.2)	(5,551.9)
Operating expenses			**(183,223.6)**	**(132,909.4)**
Operating income	I		**(56,137.1)**	**75,356.9**
Financial income from equity interests			461,899.9	943,489.9
Other financial income			51,942.4	58,690.2
Other interest and similar income			41,070.5	70,598.3
Gain on disposal of marketable securities			32.5	-
Reversals of provisions and transferred expenses		Note 11	7,680.4	16,031.7
Foreign exchange gains			4,917.8	1,481.0
Financial income			**567,543.5**	**1,090,291.1**
Interest and similar expenses			(229,420.2)	(306,261.9)
Allocation to amortization and provisions			(18,847.6)	(10,079.0)
Foreign exchange losses			(5,130.9)	(1,401.0)
Financial expenses			**(253,398.7)**	**(317,741.9)**
Net financial income (loss)	II	Note 12	**314,144.8**	**772,549.2**
Pre-tax current profit (loss)	III=I+II		**258,007.7**	**847,906.1**
Non-recurring gains from financial transactions			236.3	501.1
Reversals of provisions and transferred expenses		Note 11	3,830.2	130.0
Non-recurring gains			**4,066.5**	**631.1**
Non-recurring expenses from management operations			(18,852.4)	(8,232.9)
Non-recurring expenses from financial transactions			(87.4)	(2,152.0)
Allocation to amortization and provisions			(28,861.8)	(4,211.4)
Non-recurring expenses			**(47,801.6)**	**(14,596.3)**
Non-recurring income	IV	Note 13	**(43,735.1)**	**(13,965.2)**
Employee profit sharing	V		**(921.8)**	**(750.3)**
Corporate income tax (tax consolidation gain)	VI	Note 14	**32,792.2**	**83,996.0**
Net income	(III+IV+V+VI)		**246,143.0**	**917,186.6**

18.3.4 Cash flow statement

(in thousands of euros)	Reference in Notes	December 31, 2020	December 31, 2019
Net income		246,143.0	917,186.6
Net depreciation, amortization and provisions		117,320.8	(71,048.8)
Gross cash flow		**363,463.8**	**846,137.8**
Change in net working capital		54,608.3	(21,342.3)
Net cash flow from operations		**418,072.1**	**824,795.5**
Acquisitions of property, plant and equipment and intangible assets	Note 1	(12.9)	(32.7)
Change in receivables		618.2	175.6
Change in other financial assets	Note 1	(408.1)	(615.7)
Net cash flow from investments		**197.2**	**(472.8)**
Dividends paid to shareholders		(282,678.9)	(401,762.0)
Capital increase		39,880.2	-
Increase in premiums and reserves related to capital		72,344.5	-
Purchase of treasury shares		(3,704.5)	(245.4)
Change in current accounts		(908,783.6)	(256,805.7)
Bonds		1,484,746.7	(548,018.5)
Deeply subordinated notes		(147,950.6)	147,850.6
Change in other financial debt		68,583.0	36,583.0
Accrued interest and premiums		10,764.8	(40,732.4)
Net cash flow from financing activities		**333,201.6**	**(1,063,130.4)**
Net change in cash positions		**751,470.9**	**(238,807.7)**
Opening net cash		**568,933.9**	**807,741.6**
Closing net cash		**1,320,404.8**	**568,933.9**

18.3.5 Highlights for the year

Impacts of the Covid-19 pandemic

The Covid-19 pandemic, which the World Health Organization declared a public health emergency on January 30, 2020, had a significant impact on the economies of the countries where SUEZ operates over the year, and especially during the second quarter. However, sometimes it is impossible to isolate the direct impacts of the pandemic from its indirect consequences on business volumes in certain markets. Consequently, estimates are limited to those costs that can be directly tied to the pandemic.

Essential and vital public service missions have been fulfilled in all regions. The Group has set up the necessary measures to enable all of its teams and subcontractors to work without jeopardizing their safety or their clients' safety.

Against a particularly difficult backdrop, SUEZ has strengthened its financial structure by keeping a very large liquidity position with the issuance of nearly EUR 2 billion in long-term debt, equaling all long-term debt maturing by June 2022. (See New bond issues).

Capital increase

On January 16, 2020, the Group issued 9,970,050 shares as part of the employee shareholding plan called "SHARING 2019", resulting in a EUR 39.88 million capital increase.

Capital reduction

On January 28, 2020, SUEZ SA canceled 2,970,050 treasury shares, resulting in an EUR 11.88 million capital reduction.

Redemption of undated deeply subordinated notes

On June 23, 2020, SUEZ SA redeemed the remainder of the bond issued on June 23, 2014 for EUR 147.9 million out of an initial amount of EUR 500 million with a fixed rate of 3.000%.

Following this transaction, the outstanding amount of undated deeply subordinated notes reached EUR 1.6 billion.

Bond redemptions

On February 27, 2020, SUEZ SA redeemed the EUR 350 million "OCEANE" bond issued on February 27, 2014. It bore a coupon of 0%. As of the maturity date, the financial instrument was redeemed *via* a cash payment of EUR 349.6 million and a conversion of 18,724 shares for EUR 0.4 million.

On April 6, 2020, SUEZ SA redeemed the EUR 100 million bond issued on April 5, 2013. It bore a coupon of 1.747%.

New bond issues

On April 2, 2020, SUEZ SA launched a new 7-year bond totaling EUR 850 million. The new notes will have a 1.250% fixed interest rate.

On May 14, 2020, SUEZ SA launched a new 15-year bond totaling EUR 750 million. The new notes will have a 1.250% fixed interest rate.

Tap issues

In April 2020, SUEZ issued EUR 340 million in additional bonds on existing bond issues:

- issue of a 12-year EUR 40 million bond maturing on September 21, 2032. The new notes will have a 1.625% fixed interest rate;
- issue of a 8-year EUR 300 million bond maturing on May 19, 2028. The new notes will have a 1.250% fixed interest rate.

18.3.6 Accounting principles and policies

The annual financial statements have been prepared in accordance with legal and regulatory provisions applicable in France based on France's national accounting standards body, the ANC (*Autorité des Normes Comptables*) regulation 2014-03 relating to French Generally Accepted Accounting Principles (GAAP), as amended with subsequent regulations published.

Financial transactions relating to equity interests and related receivables, in particular impairment and impairment reversals, have been included under non-recurring income instead of under net financial income. Pursuant to Article 120-2 of the French GAAP, SUEZ considers that this classification, which deviates from the Generally Accepted Accounting Principles, gives a more accurate picture of the income statement, as it allows all gains and losses from disposals to be grouped together with income items related to equity interests under non-recurring income.

The fiscal year spans a 12-month period from January 1 to December 31, 2020.

Intangible assets

Intangible assets are assessed at their purchase or production cost.

Intangible assets are amortized following the straight-line method and the amortization period ranges from 1 to 5 years. This heading includes licenses and trademarks. However, trademarks are acquired for an unlimited term and are not amortized.

Moreover, R&D expenses are booked under charges for the year in which they are incurred.

Property, plant and equipment

Property, plant and equipment are assessed at their purchase cost.

Property, plant and equipment are depreciated following the straight-line method and their depreciation period is based on their useful life, determined according to the expected use of the assets. The useful lives of main asset items are set within the range of 3 to 10 years.

Financial assets

EQUITY INVESTMENTS

Equity investments are long-term in nature and provide the Company with control or significant influence over the issuer, or help it to establish business relations with the issuer.

New investments are recognized at acquisition cost plus directly related external incidental expenses.

Following the change in the tax treatment of equity interest acquisition costs resulting from Article 21 of the French Finance Act of 2007, and based on notice 2007-C of the French National Accounting Council (*Conseil national de la comptabilité* – CNC), SUEZ accounts for the tax deferral of such costs over five years in an account for special depreciation allowances.

In the case of equity interests intended to be held on a long-term basis by SUEZ, a depreciation allowance is made to adjust the acquisition value to their value in use, the estimation of which is primarily based on their intrinsic value, time value, expected cash flows, stock prices, and taking into account potential currency hedges.

With regard to equity interests SUEZ has decided to divest, the book value of such interests is adjusted to their market value if this is lower. If negotiations are underway, this value is determined by reference to the best estimate available.

RECEIVABLES RELATED TO EQUITY INTERESTS

These receivables are loans to companies in which SUEZ holds an equity interest.

Related receivables are recognized at their nominal value. Receivables denominated in a foreign currency are reported using the exchange rate prevailing at the end of the period. In line with the treatment adopted for equity investments, related receivables are written down if the associated risk is higher than the value of the securities and if the securities have already been depreciated.

OTHER FINANCIAL ASSETS

These mainly include mutual funds held by SUEZ under a liquidity contract. A provision may be constituted based on the criteria used for equity investments as described above.

Receivables

Receivables reported within current assets are carried on the balance sheet at their nominal value, with non-payment risk analyzed on a case-by-case basis. Bad debts are depreciated in an amount corresponding to the risk incurred.

Treasury shares

SUEZ treasury shares are recognized on the date of their delivery, at their acquisition cost excluding transaction fees.

Shares intended to be held on a long-term basis, for cancellation or trading purposes, are recognized under financial assets.

Shares acquired as part of buyback programs or a liquidity contract[(1)] are shown under marketable securities. Shares held as part of bonus share plans are part of such programs and are therefore also shown under marketable securities.

In the case of assigned shares, their cost price is established by allocation category according to the first-in, first-out (FIFO) method.

When the market value of SUEZ shares classified as marketable securities falls below their acquisition cost, a provision for impairment for an amount equal to the difference is recorded as net financial income (liquidity contract). This market value is measured on the basis of the average closing price in the settlement month.

Marketable securities, excluding treasury shares

Marketable securities are recognized at acquisition cost. If the closing market price is less than their book value, a provision for impairment is recognized for the difference. In the case of listed securities, their market value is measured at the average closing price in the settlement month.

Foreign currency transactions

Income and expenses denominated in foreign currencies are recorded at their equivalent value in euros at the transaction date.

Foreign currency receivables, payables and cash and cash equivalents are translated at the exchange rate prevailing at period-end. Foreign exchange gains and losses are posted to income when they relate to cash and cash equivalents, or to the balance sheet under "Translation adjustments" when they relate to receivables and payables. Unrealized losses are provisioned.

Provisions for contingencies and losses

A provision is established when the Company has a legal or constructive obligation toward a third party resulting from a past event, and for which it is likely that it will generate an outflow of resources representative of future economic advantages without at least equivalent compensation anticipated from the third party that can be reliably estimated, pursuant to ANC regulation 2014-03 concerning liabilities.

The amount recognized as a provision should be the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

PROVISION FOR BONUS SHARES AWARDED TO EMPLOYEES

In keeping with ANC regulation 2014-03, the provision for employee bonus share plans is made on a straight-line basis over the vesting period for employees, and ultimately covers the loss on disposal equal to the book value of the bonus treasury shares allocated to employees. This provision is recognized in "Provisions for losses" and has an impact on the Company's operating income.

(1) SUEZ signed a liquidity contract with an investment services provider. SUEZ has the investment services provider work on behalf of the Company purchasing and buying SUEZ shares daily in an effort to ensure liquidity and promote the Company's shares on the Paris stock market. Fees paid to this service provider are shown in "Other financial assets".

PENSIONS

The valuation of Company undertakings regarding retirement, early retirement, severance packages and benefit schemes is based on actuarial valuations. The undertakings are determined using the projected unit credit method. As a result, the company's debt corresponds to the portion of undertakings related to services already rendered by each employee. These calculations include mortality assumptions, staff turnover and future salary increases, as well as a discount rate determined according to the yield, at the assessment date, of bonds issued by top-tier companies.

PROVISIONS FOR EQUITY INTEREST RISK

The Company may establish provisions for contingencies if it believes that its commitments exceed assets held or if some of its equity interests harbor risk that may not materialize as an asset impairment.

Financial debt

BOND ISSUE PREMIUMS AND COSTS

Bond issues that include a premium are recognized as liabilities on the balance sheet at their total value, including any redemption premium. In return, the latter are recognized as assets on the balance sheet under "redemption premiums" and are amortized on a straight-line basis throughout the life of the bond.

Issue premiums received are deducted from the issue costs. Any difference outstanding is recorded under prepaid income over the term of the bond.

In accordance with the CNC recommendation, bond issuance costs are amortized on a straight-line basis over the lifetime of the contracts concerned. Issuance costs mainly include broker's commissions.

UNDATED DEEPLY SUBORDINATED NOTES

In accordance with Recommendation 28 from the *Ordre des Experts Comptables* (French institute of chartered accountants) issued in October 1994, Undated Deeply Subordinated Notes are classified as financial debt. The issue premium is recorded under assets in the balance sheet and tax-deductible interest paid annually is recognized under financial expenses in the income statement. Issuance costs are amortized over the lifetime of the contracts on a straight-line basis.

Financial and operating instruments

SUEZ participates in the derivatives market to manage and reduce its exposure to interest and exchange rate volatility or to secure the value of certain financial assets. In accordance with the new ANC regulation 2015-05 of July 2, 2015 on the accounting treatment of forward financial instruments and hedging transactions:

- no provisions are made for unrealized losses ascertained at period-end on financial instruments held for hedging purposes by SUEZ and presented in off-balance-sheet commitments;
- gains and losses on interest rate and/or foreign exchange swaps are recognized on a *prorata temporis* basis in the income statement as financial profit/loss over the lifetime of the underlying assets. Premiums paid for options are recognized on the same basis.

Corporate income tax and tax consolidation

Measures to limit interest deductions from the ATAD directive, which has been codified into French law (Articles 212 *bis* of the French General Tax Code and 223B *bis* of the French General Tax Code for tax consolidation groups) took effect on January 1, 2019.

This law established a general rule to cap net financial expenses at 30% of earnings before tax, interest, provisions and amortization (EBITDA for tax purposes) or at EUR 3 million if this amount is greater, with a more restrictive adaptation for undercapitalized companies.

SUEZ SA is the Parent Company of a French tax consolidation group created in 2008 and consisting of 127 companies in fiscal year 2020.

18.3.7 Notes to the financial statements

Note 1 Assets

1.1 Property, Plant and Equipment and Intangible Assets

Changes in gross amounts are analyzed as follows:

(in thousands of euros)	As of Dec. 31, 2019	Increase	Decrease	As of Dec. 31, 2020
Software	758.4	-	-	758.4
Brand	30,004.7	-	-	30,004.7
Other	54.6	-	-	54.6
Intangible assets	**30,817.7**	**-**	**-**	**30,817.7**
Office equipment	4.5	-	-	4.5
Works in progress	43.8	12.9	-	56.7
Property, plant and equipment	**48.3**	**12.9**	**-**	**61.2**
Property, plant and equipment and intangible assets	**30,866.0**	**12.9**	**-**	**30,878.9**

Amortizations and depreciations are analyzed as follows:

(in thousands of euros)	As of Dec. 31, 2019	Allowances	Reversals	As of Dec. 31, 2020
Software	758.4	-	-	758.4
Other	54.6	-	-	54.6
Intangible assets	**813.0**	**-**	**-**	**813.0**
Office equipment	4.0	0.1	-	4.1
Property, plant and equipment	**4.0**	**0.1**	**-**	**4.1**
Property, plant and equipment and intangible assets	**817.0**	**0.1**	**-**	**817.1**

The net amounts of property, plant and equipment and intangible assets are analyzed as follows:

INTANGIBLE ASSETS, NET

(in thousands of euros)	Software	Brand	Other	Total intangible assets
As of Dec. 31, 2019	-	30,004.7	-	30,004.7
As of Dec. 31, 2020	**-**	**30,004.7**	**-**	**30,004.7**

PROPERTY, PLANT AND EQUIPMENT, NET

(in thousands of euros)	Office equipment	Assets in progress	Other	Total Property, Plant and Equipment
As of Dec. 31, 2019	0.5	43.8	-	44.3
As of Dec. 31, 2020	**0.4**	**56.7**	**-**	**57.1**

1.2 Financial Assets

(in thousands of euros)	As of Dec. 31, 2019	Increase	Decrease	Impairment	As of Dec. 31, 2020
Consolidated equity investments [a]	9,160,781.2	-	-	-	9,160,781.2
Equity investments	**9,160,781.2**	**-**	**-**	**-**	**9,160,781.2**
Receivables related to equity interests [b]	7,792,694.7	-	(16,110.2)	-	7,776,584.5
Other financial assets [c]	29,843.8	10,610.5	(10,202.4)	(87.0)	30,164.9
Other financial assets	**7,822,538.5**	**10,610.5**	**(26,312.6)**	**(87.0)**	**7,806,749.4**
Financial assets	**16,983,319.7**	**10,610.5**	**(26,312.6)**	**(87.0)**	**16,967,530.6**

(a) Consolidated equity interests include equity interests in SUEZ Groupe and in Acea.
(b) All receivables related to equity interests concern SUEZ Groupe.
(c) As of December 31, 2020, other financial assets mostly involve sums paid to the investment service provider under the liquidity contract.

Note 2 Maturity of receivables

(in thousands of euros)	Net amount as of Dec. 31, 2020	Less than one year	More than one year
Receivables related to equity interests	7,776,584.5	(617.7)	7,777,202.2
Loans	-	-	-
Other financial assets	30,164.9	30,164.9	
Receivables on Non-Current Assets	**7,806,749.4**	**29,547.2**	**7,777,202.2**
Advances and down payments on orders	29.1	29.1	-
Trade and related receivables	21,702.1	21,702.1	-
Other receivables	110,802.7	110,802.7	-
Current accounts	1,931,468.9	1,931,468.9	-
Accrued income from cash instruments	17,507.4	17,507.4	-
Receivables on Current Assets	**2,081,510.2**	**2,081,510.2**	**-**
Total Receivables	**9,888,259.6**	**2,111,057.4**	**7,777,202.2**

"Other receivables" mostly comprise a receivable *vis-à-vis* the State for EUR 106.8 million. This amount includes the 2020 tax consolidation gain benefiting SUEZ as the Parent Company of the tax group for EUR 38.5 million and various tax credits from subsidiaries pending refund from the State for EUR 68.3 million, including the Research Tax Credit (*Crédit d'Impôt Recherche* – CIR) for EUR 13.3 million, the Sponsorship Tax Credit (*Crédit d'Impôt Mécénat*) for EUR 11.4 million as well as a receivable for the tax credit for Competitiveness and Employment (CICE) for EUR 43.6 million.

Note 3 Marketable securities

This item includes:

(in thousands of euros)	Dec. 31, 2020	Dec. 31, 2019
Treasury shares held under bonus share plans	2,360.0	47,061.2
Treasury shares held under the liquidity contract	-	509.4
Gross amount	**2,360.0**	**47,570.5**
Provisions for impairment of treasury shares held	-	(4,446.2)
Provisions for impairment	**-**	**(4,446.2)**
Net carrying amount	**2,360.0**	**43,124.3**

Note 4 Deferred expenses, deferred income and accruals

Accruals break down as follows:

(in thousands of euros)	As of Dec. 31, 2019	Increase	Decrease	As of Dec. 31, 2020
Issuance costs	25,505.1	4,184.1	(6,592.2)	23,097.0
Credit facility set-up fees	3,081.0	-	(726.0)	2,355.0
Prepaid expenses	15,814.4	-	(4,554.0)	11,260.4
Deferred expenses	**44,400.5**	**4,184.1**	**(11,872.2)**	**36,712.4**

The EUR 4.18 million increase in issuance costs is related to the issue of:

- a bond totaling EUR 850 million in April 2020;
- a bond totaling EUR 40 million in April 2020;
- a bond totaling EUR 300 million in April 2020;
- a bond totaling EUR 750 million in May 2020.

(See section 18.3.5: Highlights for the year)

(in thousands of euros)	As of Dec. 31, 2019	Increase	Decrease	As of Dec. 31, 2020
Deferred income	12,110.4	-	(4,436.7)	7,673.7
Deferred income	**12,110.4**	**-**	**(4,436.7)**	**7,673.7**

Bond issues that include a premium are recognized as liabilities on the balance sheet at their total value, including any redemption premium. In return, the latter are recognized as assets on the balance sheet under "redemption premiums" and are amortized on a straight-line basis throughout the life of the bond.

Issue premiums received are deducted from the issue costs. Any difference outstanding is recorded under prepaid income over the term of the bond.

In accordance with the CNC recommendation, bond issuance costs are amortized on a straight-line basis over the lifetime of the contracts concerned. Issuance costs mainly include broker's commissions.

Accrued expenses and accrued income associated with receivables and payables can be analyzed as follows:

(in thousands of euros)	As of Dec. 31, 2020	As of Dec. 31, 2019
Interest on bonds issued	76,256.5	77,452.9
Interest on deeply subordinated notes	38,038.1	23,900.7
Accrued portion of interest expenses	**114,294.6**	**101,353.6**
Uninvoiced trade payables	12,703.7	11,436.5
Tax and employee-related debt	11,462.3	13,867.7
Debt on fixed assets and related accounts	12.8	10.1
Cash instruments	346.7	408.9
Miscellaneous accrued expenses	-	389.4
Other accrued expenses	**24,525.4**	**26,112.7**
Accrued expenses	**138,820.0**	**127,466.3**

(in thousands of euros)	As of Dec. 31, 2020	As of Dec. 31, 2019
Interest on receivables related to equity interests	3,290.0	3,907.7
Invoices to be issued for trade receivables	1,245.0	2,995.2
Cash instruments	17,507.4	16,829.8
Accrued income	**22,042.4**	**23,732.7**

Note 5 Shareholders' equity

The share capital is fully paid up. Each share confers one vote.

	As of Dec. 31, 2019	Increase/Reduction	Purchase/Sale	As of Dec. 31, 2020
Outstanding shares	618,149,144	9,970,050	56,224	628,175,418
Treasury shares	3,213,435	(2,970,050)	(56,224)	187,161
Total number of shares	**621,362,579**	**7,000,000**	**-**	**628,362,579**

As of December 31, 2020, SUEZ holds 187,161 treasury shares acquired under bonus share allocation plans for a net book value of EUR 2.4 million, the market value of which was EUR 3 million as of December 31, 2020.

Changes in shareholders' equity were as follows:

(in thousands of euros)	Share capital	Additional paid-in capital	Legal reserve	Other reserves	Retained earnings	Net income for the year	Total
Balance as of December 31, 2019 before allocation of income	**2,485,450.3**	**5,215,174.8**	**248,545.0**	**-**	**71,843.6**	**917,186.6**	**8,938,200.3**
2019 net income allocation					917,186.6	(917,186.6)	-
Dividend distributed for fiscal year 2019					(282,678.9)		(282,678.9)
Net income for fiscal year 2020						246,143.0	246,143.0
Employee share issue (Sharing 2019), net of fees	39,880.2	68,356.5	3,988.0	-			112,224.7
Capital reduction January 2020	(11,880.2)	(31,400.5)	(1,188.0)	-			(44,468.7)
Balance as of December 31, 2020 before allocation of income	**2,513,450.3**	**5,252,130.8**	**251,345.0**	**-**	**706,351.3**	**246,143.0**	**8,969,420.4**

The rights assigned under different plans regarding SUEZ shares progressed as follows over the course of the fiscal year:

Bonus share allocation and performance share plans

	Allotment of bonus shares			
	Performance shares	Matching shares under Sharing plan [a]	Matching shares under Sharing plan [a]	
Number of shares	July 2018	December 2017	December 2019	Total
Shares allocated and undelivered as of January 1, 2020	765,917	140,512		906,429
Allocated			119,604	119,604
Delivered				
Canceled or Expired	(126,901)	(2,340)	(1,986)	(131,227)
Net change over the financial year 2020				
Shares allocated and undelivered as of December 31, 2020	**639,016**	**138,172**	**117,618**	**894,806**

(a) Employer's contribution paid to foreign employees (outside France and the United Kingdom).

As of December 31, 2020, SUEZ holds 187,161 treasury shares acquired under employee share plans.

Taking into account all the current plans (bonus share and performance share plans), the number of beneficiaries and staff turnover assumptions, SUEZ estimates its obligation to deliver shares under different vesting periods to be 894,806 shares.

In addition to the continuous service condition, some plans are subject to internal performance conditions. If the performance targets have not been met fully, the number of shares granted to employees is reduced in accordance with the plan rules.

Note 6 Provisions

(in thousands of euros)	As of Dec. 31, 2019	Allowance	Reversal (Utilization)	As of Dec. 31, 2020
Provisions for contingencies	**7,581.6**	**41,797.2**	**(7,064.5)**	**42,314.3**
Provisions for foreign exchange losses	3,234.2	12,683.4	(3,234.3)	12,683.3
Provisions for restructuring	4,211.4	28,861.8	(3,830.2)	29,243.0
Provisions for personnel disputes	136.0	252.0		388.0
Provisions for losses	**59,114.7**	**79,929.4**	**(578.0)**	**138,466.1**
Pension provisions and similar	978.0	598.0	(578.0)	998.0
Provisions for bonus shares awarded to employees	58,136.7	79,331.4	-	137,468.1
Total	**66,696.3**	**121,726.6**	**(7,642.5)**	**180,780.4**
Income statement classification:				
Operating income		80,181.4	(578.0)	
Net financial income (loss)		12,683.4	(3,234.3)	
Non-recurring income		28,861.8	(3,830.2)	
Total		**121,726.6**	**(7,642.5)**	

The foreign exchange loss provision mainly covers the unrealized loss linked to receivables relating to equity interests contracted with SUEZ Group for GBP 245.7 million subscribed in 2011. See Note 9 "Translation adjustments".

The breakdown of the change in the provision for pensions and similar benefits is included in Note 16, "Post-employment benefits".

Note 7 Financial debt

(in thousands of euros)	Position as of Dec. 31, 2020	Position as of Dec. 31, 2019
Bonds (nominal amount)	8,639,577.5	7,169,141.0
Bank borrowings and debt (nominal amount)	747,000.0	678,417.0
Deeply subordinated notes (nominal amount)	1,600,000.0	1,747,900.0
Participating bond	-	50.6
Current accounts and borrowings from subsidiaries	153,431.0	158,748.7
Borrowings	**11,140,008.5**	**9,754,257.3**
Deposits received from clients		
Accrued portion of interest expenses	114,294.6	101,353.6
Other financial debt	**114,294.6**	**101,353.6**
Total financial debt	**11,254,303.1**	**9,855,610.9**

The change in financial debt corresponds principally to:

- the redemption on February 27, 2020 of the OCEANE bond that was launched on February 27, 2014 for a nominal amount of EUR 350 million;
- the issue on April 2, 2020 of a EUR 850 million bond over 7 years;
- the redemption on April 6, 2020 of the bond that was issued on April 5, 2013 for an amount of EUR 100 million;
- the issue on April 14, 2020 of a EUR 40 million bond over 12 years;
- the issue on April 16, 2020 of a EUR 300 million bond over 8 years;
- the issue on May 14, 2020 of a EUR 750 million bond over 15 years;
- the redemption on June 23, 2020 of the remaining subordinated notes that were issued in June 2014 for EUR 147.9 million;
- the EUR 68.58 million increase in outstanding short-term securities (commercial paper) classified as "Bank borrowings and debt".

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Note 8 Maturity of debt and payables

(in thousands of euros)	Gross amount as of Dec. 31, 2020	Due date In 2021	From 2022 to end of 2025	In 2026 and beyond
Bonds (nominal amount)	8,639,577.5	596,600.0	2,449,900.0	5,593,077.5
Bank borrowings and debt (nominal amount)	747,000.0	747,000.0		
Deeply subordinated notes (nominal amount)	1,600,000.0			1,600,000.0
Current accounts and borrowings from subsidiaries	153,431.0	153,431.0		
Other financial debt [a]	114,294.6	114,294.6		
Financial debt	**11,254,303.1**	**1,611,325.6**	**2,449,900.0**	**7,193,077.5**
Trade and related payables	**16,779.6**	**16,779.6**		
Tax and employee-related debt	**19,904.8**	**19,904.8**		
Debt on fixed assets and related accounts	12.8	12.8		
Accrued expenses on cash instruments	346.7	346.7		
Other	32,985.5	32,985.5		
Other liabilities	**33,332.2**	**33,332.2**	**-**	**-**
Total	**11,324,332.5**	**1,681,355.0**	**2,449,900.0**	**7,193,077.5**

(a) Includes the accrued portion of interest on bonds and on deeply subordinated notes (see Notes 4 and 7).

Breakdown of bond issues (nominal amount):

	Amount as of Dec. 31, 2020	Issue date	Maturity date	Rate
Public placements				
in thousands of euros	461,000.0	July-22-2009	July-22-2024	5.500%
in thousands of euros	612,900.0	June-24-2010	June-24-2022	4.125%
in thousands of euros	596,600.0	May-17-2011	May-17-2021	4.078%
in thousands of euros [a]	278,077.5	Dec.-2-2011	Dec.-2-2030	5.375%
in thousands of euros	376,000.0	Oct.-8-2013	Oct.-9-2023	2.750%
in thousands of euros	500,000.0	Sept.-10-2015	Sept.-10-2025	1.750%
in thousands of euros	500,000.0	May-19-2016	May-19-2028	1.250%
in thousands of euros	500,000.0	Apr.-3-2017	Apr.-3-2025	1.000%
in thousands of euros	700,000.0	Apr.-3-2017	Apr.-3-2029	1.500%
in thousands of euros	500,000.0	Sept.-21-2017	Sept.-21-2032	1.625%
in thousands of euros	500,000.0	Sept.-17-2018	Sept.-17-2030	1.625%
in thousands of euros	700,000.0	Oct.-14-2019	Oct.-14-2031	0.500%
in thousands of euros	850,000.0	Apr.-2-2020	Apr.-2-2027	1.250%
in thousands of euros	40,000.0	Apr.-14-2020	Sept.-21-2032	1.625%
in thousands of euros	300,000.0	Apr.16-2020	May-19-2028	1.250%
in thousands of euros	750,000.0	May-14-2020	May-14-2035	1.250%
Private placements				
in thousands of euros [b]	250,000.0	June-8-2009	June-8-2027	1.904%
in thousands of euros	100,000.0	Mar.-25-2013	Mar.-25-2033	3.300%
in thousands of euros	75,000.0	May-21-2014	May-21-2029	2.000%
in thousands of euros	50,000.0	June-30-2015	July-1-2030	2.250%
Total	**8,639,577.5**			

(a) GBP 250 million.
(b) Coupon of 5.20% until 2017, then 1.904% until maturity in 2027.

Breakdown of deeply subordinated notes (nominal amount):

(in thousands of euros)	Amount as of Dec. 31, 2020	Issue date	Maturity date	Rate
Deeply subordinated notes	500,000.0	Mar.-30-2015	perpetual	2.500%
Deeply subordinated notes	600,000.0	Apr.-19-2017	perpetual	2.875%
Deeply subordinated notes	500,000.0	Sept.-12-2019	perpetual	1.625%
Total	**1,600,000.0**			

Note 9 Translation adjustments

The following translation adjustments were recognized as a result of the revaluation of receivables and debt denominated in foreign currencies at the exchange rate prevailing on December 31, 2020:

(in thousands of euros)	Unrealized loss	Unrealized gain
Translation adjustments on:		
► Receivables related to equity interests	12,683.0	0.1
► Trade and related receivables	0.2	
► Bonds		
► Bank borrowings and debts		12,552.6
Receivables related to equity interests		
► Trade and related payables	0.2	
Total	**12,683.4**	**12,552.7**

The foreign exchange exposure, established in accordance with the accounting principles described in section 18.3.6, "Accounting principles and policies", highlights the following as of December 31, 2020:

- a net unrealized loss of EUR 12.7 million linked to fluctuations in the pound sterling relating to the receivable related to equity interests with SUEZ Groupe for GBP 245.7 million;
- a net unrealized gain of EUR 12.5 million linked to fluctuations in the pound sterling relating to the bond issue of GBP 250 million subscribed in 2011.

Note 10 Services and other income

Services amounting to EUR 99.1 million correspond principally to services billed to SUEZ Groupe and to the billing of licensing fees for the SUEZ brand.

Note 11 Reversals of depreciation and amortization, provisions and transferred expenses

(in thousands of euros)	As of Dec. 31, 2020	As of Dec. 31, 2019
Total costs	**25,136.4**	**12,560.6**
Bond issuance costs	578.2	121.1
Charges related to restructuring	20,745.0	12,376.2
Charges related to insurance	50.0	63.3
Fees related to capital transactions	1,529.7	-
Severance payment costs	2,233.5	-
Reversals of provisions for stock options and bonus shares	**-**	**91,485.1**
Reversals of provisions for impairment on receivables	**2,251.5**	**5,793.4**
Reversals of provisions for restructuring	**3,830.2**	**-**
Other	**578.0**	**7,471.7**
Reversals of provisions for employee benefits	578.0	7,341.7
Others	-	130.0
Financial	**7,680.4**	**16,031.7**
Total	**39,476.5**	**133,342.5**

Expenses relating to bond issues and credit line set-up fees are recognized as assets in the balance sheet and amortized over the lifetime of these instruments. They correspond to fees paid to intermediaries for setting up these instruments.

Charges related to restructuring correspond to costs pertaining to changes in the Company's shareholding.

The reversal of the financial provision for EUR 7.6 million is due to the reversal of the provision for foreign exchange losses set up in 2019 for EUR 3.2 million on the GBP 250 million bond as well as a reversal in provision on treasury shares for EUR 4.4 million.

Note 12 Net financial income (loss)

(in thousands of euros)	As of Dec. 31, 2020	As of Dec. 31, 2019
Dividends received	461,899.9	943,489.9
Interest on receivables related to equity interests	51,942.4	58,690.2
Interest on current accounts	37.4	1,880.1
Interest on cash instruments	26,253.4	34,408.8
Other interest and similar income	(214,608.0)	(271,952.5)
Foreign exchange gain/(loss)	(213.1)	80.0
Net financial provisions	(11,167.2)	5,952.7
Total	**314,144.8**	**772,549.2**

Dividends received in 2020 of EUR 461.9 million correspond to dividends paid by:

- SUEZ Groupe in the amount of EUR 443.9 million in 2019;
- Acea in the amount of EUR 18.0 million in 2019.

Interest on receivables related to equity interests and on current accounts mainly correspond to interest paid by SUEZ Groupe.

The foreign exchange result is composed of gains and losses realized in the settlement of currency transactions.

Other interest and similar income relate mainly to interest expense on bonds.

Net financial provisions of -EUR 11.2 million involve:

- a provision for currency exchange losses of -EUR 12.7 million related to the receivable in GBP;
- amortizations of issue premiums linked to bonds for -EUR 6.1 million;
- the reversal of the provision for impairment of treasury shares set up in 2019 for EUR 4.4 million;
- the reversal of the provision for foreign exchange losses set up in 2019 for EUR 3.2 million (see Note 11).

Note 13 Non-recurring income

Non-recurring income can be analyzed as follows:

(in thousands of euros)	As of Dec. 31, 2020	As of Dec. 31, 2019
Non-recurring expenses from management operations	(18,849.8)	(8,164.8)
Allowances and reversals of provisions for restructuring	(25,031.6)	(4,211.4)
Miscellaneous allowances and reversals of provisions	-	130.0
Gain/(loss) from disposal of treasury shares	153.0	(1,382.5)
Other	(6.7)	(336.5)
Total	**(43,735.1)**	**(13,965.2)**

Non-recurring expenses from management operations for EUR 18.8 million and allocations to provisions for restructuring for EUR 25 million. These expenses correspond to Group transformation / restructuring costs totaling EUR 14.6 million, on the one hand, and costs related to changes in SUEZ SA's shareholding structure for EUR 29.2 million, on the other.

Note 14 Corporate income tax and tax consolidation

(in thousands of euros)	Dec. 31, 2020	Dec. 31, 2019
Tax consolidation gain/(loss) for the fiscal year	38,497.4	84,496.0
Adjustment of prior fiscal year gain/(loss)	(5,045.2)	(174.9)
Corporate income tax and additional taxes	(660.0)	(325.1)
Tax income (expense) for the fiscal year	**32,792.2**	**83,996.0**

Deferred tax position

The future tax liability position is the result of timing differences between the tax and accounting treatment of SUEZ revenues or expenses only:

(in thousands of euros)	Dec. 31, 2020	Dec. 31, 2019
Tax loss carried forward (base) (1)	**630,005.1**	**550,627.9**
Amortization of issue costs for deeply subordinated notes	3,825.0	5,436.0
Increase in future tax liabilities (base) (2)	**3,825.0**	**5,436.0**
Provisions for non-deductible contingencies and losses	19,355.0	1,336.0
Other non-deductible provisions	1,000.0	838.0
Non-deductible provisions in the year of their recognition	**20,355.0**	**2,174.0**
Difference between book value and tax value of marketable securities	217.8	4,577.0
Other	**217.8**	**4,577.0**
Credits for future tax liabilities (base) (3)	**20,572.8**	**6,751.0**
Total: (1)-(2)+(3)	**646,752.9**	**551,942.9**

The sum of these timing differences is EUR 646.7 million, which represents a theoretical net tax liability of EUR 175.6 million calculated based on the tax rate applicable in France as of December 31, 2020.

Note 15 Off-balance sheet commitments

Financial commitments given

Regarding its net debt position, SUEZ applies a policy of optimization of financing costs using several types of financial derivatives (interest rate swaps and options) depending on market conditions.

(in thousands of euros)	Notional as of Dec. 31, 2020 Under one year	One to five years	Six to ten years	Over ten years	Total	Fair value of derivatives at Dec. 31, 2020	Notional as of Dec. 31, 2019
Interest rate swap							
► Fixed-rate payer/ floating-rate receiver	250,000.0	617,000.0	800,000.0	250,000.0	1,917,000.0	105,452.8	1,717,000.0
Total	**250,000.0**	**617,000.0**	**800,000.0**	**250,000.0**	**1,917,000.0**	**105,452.8**	**1,717,000.0**

The fair value of EUR 105.4 million represents the market value of derivatives in place on December 31, 2020.

Other financial commitments given

(in thousands of euros)	As of Dec. 31, 2020	Maturity End of 2021	2022 to 2025	2026 and beyond
Financing commitments				
Securities, endorsements and guarantees given to subsidiaries	11,213.0	-	213.0	11,000.0
Total	**11,213.0**	**-**	**213.0**	**11,000.0**

Financial commitments received

(in thousands of euros)	As of Dec. 31, 2020	Maturity End of 2021	2022 to 2025	2026 and beyond
Credit facilities confirmed and unused	2,805,000.0	-	180,000.0	2,625,000.0
Total	**2,805,000.0**	**-**	**180,000.0**	**2,625,000.0**

Operational commitments given

(in thousands of euros)	As of Dec. 31, 2020	Maturity End of 2021	2022 to 2025	2026 and beyond
Operational commitments				
Securities, endorsements and guarantees given to subsidiaries	10,785.0	-	8,000.0	2,785.0
Total	**10,785.0**	**-**	**8,000.0**	**2,785.0**

SUEZ has given guarantees to the government of Hong Kong for the operation of several landfills.

Note 16 Post-employment benefits

SUEZ has granted post-employment benefits to its employees (retirement pensions, lump-sum retirement payments, medical coverage, benefits in kind), as well as other long-term benefits (long-service awards).

Overview of commitments

(in thousands of euros)	As of Dec. 31, 2019	Current service cost	As of Dec. 31, 2020
Pensions [a]	978.0	20.0	998.0
Total	**978.0**	**20.0**	**998.0**

(a) Pensions and retirement bonuses.

Total commitments for other benefits (excluding retirement pension) amounted to EUR 7.3 million, including EUR 6.3 million in off-balance sheet commitments.

The total commitment is determined using the following assumptions:

- discount rates: yield curves based on Corporate AA interest rates;
- long-term inflation rate: 1.75%;
- mortality tables: tables by generation.

Note 17 Personnel

Personnel for the year breaks down as follows:

	As of Dec. 31, 2020	As of Dec. 31, 2019
Operational staff	10	12
Supervisory staff	12	14
Executive staff	160	156
Total	**182**	**182**

Note 18 Related-party transactions

(in thousands of euros)	Related companies
Equity investments	8,857,390.3
Receivables related to equity interests	7,776,584.5
Trade and related receivables	21,196.8
Current accounts	153,431.0
Current account overdrafts	1,931,468.9
Trade and related payables	2,170.5
Interest on receivables related to equity interests	51,942.4
Interest on current account overdrafts	37.4

The items presented above mainly correspond to relations with SUEZ Groupe SAS.

Note 19 Subsidiaries and equity interests

(in thousands of euros) Business name	Share capital	Reserves and retained earnings	% of capital held as of Dec. 31, 2020	Book value of securities held as of Dec. 31, 2020 Gross	Provision	Revenues for previous fiscal year	Net profit/ loss in previous fiscal year	Previous fiscal year reporting date	Currency
A – Detailed disclosure information concerning equity interests with a gross value in excess of 1% of SUEZ's capital									
1. Subsidiaries (over 50% capital held by SUEZ)									
SUEZ Groupe SAS Tour CB21 16, place de l'Iris 92040 Paris-La Défense - France SIREN: 410 118 608	3,371,215	290,794	100%	8,857,390	0	136,854	2,682	Dec-20	EUR
2. Equity interests (between 10% and 50% capital held by SUEZ)									
Acea S.P.A Piazzale Ostiense, 2 00154 Rome, Italy	1,098,899	194,494	10.85%	303,391	0	183,234	208,488	Dec-19	EUR
B – Disclosures concerning other subsidiaries and equity interests									
1. Subsidiaries									
None									
2. Equity interests									
None									

As figures for 2020 are not available for Acea S.P.A, the information shown relates to 2019 under IFRS.

Note 20 Compensation of Board of Directors members, the Chief Executive Officer and the Chairman of the Board of Directors

The gross compensation paid to the Chief Executive Officer in 2020 was EUR 1,529,300.

The gross compensation paid to the Chairmen of the Board of Directors in 2020 was EUR 1,555,300.

During 2020, there have been 2 Chairmen of the Board of Directors:

- Jean-Louis Chaussade, from January 1 to May 12, 2020;
- Philippe Varin, from May 12 to December 31, 2020.

The members of the Board of Directors receive Directors' fees. The maximum annual amount was set by the shareholders' meeting of May 22, 2014 at EUR 700,000.

Note 21 Subsequent events

In January 2021, SUEZ launched its fifth employee shareholding plan, called Sharing 2021. This plan is only for employees of the Group's French entities.

The reservation period was open from January 15 to 25, 2021.

More than 15,000, or 52% of employees were interested in investing-the highest percentage ever recorded in France. The subscription/withdrawal period will take place from March 5 to 9 based on the reference price which will be set on March 4, 2021.

Five-year financial summary

	2020	2019	2018	2017	2016
Capital at year-end					
Share capital *(in euros)*	2,513,450,316	2,485,450,316	2,485,450,316	2,493,450,316	2,257,604,984
Number of shares issued	628,362,579	621,362,579	621,362,579	623,362,579	564,401,246
Operations and profit/loss for the fiscal year *(in thousands of euros)*					
Provision of services excluding taxes	99,084.6	91,186.5	82,724.6	73,015.7	70,608.0
Income before tax, employee profit sharing, amortization and depreciation, and provisions	340,629.8	775,335.1	367,790.7	399,093.2	373,041.6
Employee profit-sharing	(921.8)	(750.3)	(832.0)	(491.5)	(1,043.4)
Corporate income tax expense	32,792.2	83,996.0	67,700.6	28,819.2	76,996.6
Net income	246,143.0	917,186.6	386,840.8	392,692.9	462,534.3
Dividend paid [(a)]	282,678.9	401,762.0	401,920.8	366,612.8	352,647.0
Earnings per share *(in euros)*					
Earnings after tax, employee profit sharing and before amortization and depreciation and provisions	0.59	1.38	0.70	0.69	0.80
Net income	0.39	1.48	0.62	0.63	0.82
Dividend paid per share	0.45	0.65	0.65	0.65	0.65
Personnel					
Average workforce throughout the fiscal year	182	182	176	163	152
Payroll cost *(in thousands of euros)*	26,641.0	28,097.6	21,542.3	23,128.9	16,650.2
Amount paid for company benefits (social security and pension plan contributions, etc.) *(in thousands of euros)*	12,304.9	9,764.3	10,596.4	9,655.8	7,164.1

(a) Excluding treasury shares.

Realizable and available assets and current liabilities falling due within one year

(in thousands of euros)	As of Dec. 31, 2020	As of Dec. 31, 2019
Realizable assets		
Fixed assets	**29,547.2**	**29,670.6**
Receivables related to equity interests	(617.7)	(173.2)
Other financial assets	30,164.9	29,843.8
Current assets	**2,081,510.2**	**1,231,354.3**
Trade and related receivables	21,702.1	38,307.2
Advances and down payments on orders in progress	29.1	29.9
Other receivables, including cash instruments	2,059,779.0	1,193,017.2
Cash and cash equivalents/Marketable securities	**1,322,764.8**	**612,058.2**
Total realizable assets	**3,433,822.2**	**1,873,083.1**
Current liabilities		
Financial debt	**1,611,325.6**	**1,388,569.9**
Bonds and bank borrowings	1,343,600.0	1,128,417.0
Borrowings, miscellaneous financial debt and current accounts [(a)]	267,725.6	260,152.9
Operating payables	**70,029.4**	**67,720.2**
Trade and related payables	16,779.6	11,856.9
Tax and employee-related debt	19,904.8	21,922.5
Debt on fixed assets and related accounts	12.8	10.1
Other payables, including cash instruments	33,332.2	33,930.7
Total current liabilities	**1,681,355.0**	**1,456,290.1**
Realizable assets – current liabilities	**1,752,467.2**	**416,793.0**
(a) Including bank overdrafts.	0.0	0.0

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Maturity of trade payables and receivables (art. D. 441-4 & l. 441-6-1)

In accordance with the provisions of Articles D. 441-4 and L. 441-6-1 (arising from the LME [French law on the modernization of the economy] No. 2008-776 of August 4, 2008) of the French Commercial Code, we hereby indicate the breakdown, in accordance with the provisions established by the Decree of March 20, 2017, of the maturity of trade payables and receivables, and present the invoices received and issued but which remain unpaid at the closing date of the fiscal year and whose term has expired:

	Article D. 441 I.-1°: Invoices received but unpaid at the closing date of the fiscal year whose term has expired					Article D. 441 I.-2°: Invoices issued but not settled at the closing date of the fiscal year whose term has expired				
Figures are expressed in thousands of euros	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total (1 day and over)
(A) Late payment bands										
Number of invoices concerned					50					486
Total value of invoices concerned incl. tax	349.9	3,723.0	0.9	2.0	4,075.9	2,451.5	14,360.1	0.0	6,534.3	23,345.9
Percentage of total amount of purchases including tax for the fiscal year	0.7%	8.0%	0.0%	0.0%	8.7%					
Percentage of revenues incl. tax for the fiscal year						2.1%	12.1%	0.0%	5.5%	19.6%
(B) Invoices excluded from (A) relating to disputed or non-recognized debts and receivables										
Number of invoices excluded	None					None				
Total value of invoices excluded	None					None				
(C) Reference payment terms used (contractual or legal term – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)										
Reference payment terms used for the calculation of late payments	Legal terms: 60 days net from the invoice date in accordance with the LME [French law on the modernization of the economy] of August 4, 2008					Legal terms: 60 days net from the invoice date in accordance with the LME [French law on the modernization of the economy] of August 4, 2008				

As of December 31, 2020, 99% of trade receivables are intragroup receivables. Trade payables are primarily non-Group payables.

18.4 Statutory Auditors' report on the Parent Company financial statements

This is a translation into English of the Statutory Auditors' Report on the Parent Company financial statements of the Company issued in French and it is provided solely for the convenience of English - speaking users. This Statutory Auditors' Report includes information required by European Regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management Report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended December 31, 2020

To the Annual General Meeting of SUEZ,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of SUEZ for the year ended December 31, 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for Statutory Auditors for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014.

Justification of Assessments – Key Audit Matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of equity securities and related receivables

RISK IDENTIFIED

As at December 31, 2020, the equity securities amount to M€ 9,161 for both gross and net values and are composed of your company's interest in the companies SUEZ Groupe SAS and ACEA. The related receivables to these securities amount to M€ 7,777 and exclusively concern SUEZ Groupe SAS.

As indicated in Note "Accounting rules and methods – Fixed financial assets – Equity securities" to the financial statements, the equity securities book value, for which the Company is part of a sustainable holding logic, is brought back to its value in use if it is lower than the initial value. The value in use is assessed in particular by reference to the intrinsic value, to the yield value, to the expected cash flows, to the stock market prices and by taking into account any currency hedges.

On the other hand, as indicated in Note to the financial statements "Accounting rules and methods – Financial fixed assets – Receivables related to equity securities" to the financial statements, relating to the equity securities valuation, the related receivables are, if applicable, depreciated when the risk is higher than the value of the securities and that the securities have already been depreciated.

We considered that the valuation of equity securities and related receivables to be a key audit matter given both the significant importance in the Company's accounts and the judgment required to assess the value in use of the securities.

OUR RESPONSE

Our work consisted mainly in:

- obtaining an understanding of the valuations made by your Company of the methods used and of the underlying assumptions, including the implications of the Covid-19 pandemic;
- analyzing the value in use of SUEZ Groupe's securities and related receivables based on an implicit valuation calculated by difference between the value in use of SUEZ Group on the one hand and the value in use of SUEZ and Acea on the other hand;
- assessing the value in use of ACEA's securities compared to its market value;
- examining the arithmetical accuracy of the values in use applied by your company;
- assessing the recoverability of receivables related to equity securities when the risk is greater than the value of the securities already depreciated.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the Management Report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Management Report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-4 of the French Commercial Code (*Code de commerce*).

Report on Corporate Governance

We attest that the Board of Directors' Report on Corporate Governance sets out the information required by Articles L. 225-37-4 et L. 22-10-10 and L. 22-10-9 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code *(Code de commerce)* relating to remunerations and benefits received by, or allocated to the Directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 22-10-11 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the Management Report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and Consolidated Financial Statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the Annual Financial Report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the Annual Financial Report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the Annual Financial Report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of SUEZ by your Annual General Meeting held on July 15, 2008 for Mazars and on December 21, 2007 for ERNST & YOUNG et Autres.

As at December 31, 2020, Mazars was in the 13th year of total uninterrupted engagement and ERNST & YOUNG et Autres was in the 14th year of the total uninterrupted engagement, which was the 13th year since securities of the Company were admitted to trading on a regulated market.

Responsibilities of management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements;
- assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(code de déontologie)* for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Courbevoie and Paris-La Défense, February 25, 2021

The Statutory Auditors French original signed by

MAZARS	ERNST & YOUNG ET AUTRES
Achour Messas	Stéphane Pédron

18.5 Dividend distribution policy

A dividend of EUR 0.65 per share, for a total amount of EUR 408.4 million [(1)], will be proposed to the SUEZ shareholders' meeting to approve the financial statements for the fiscal year ending December 31, 2020. Subject to approval by the shareholders' meeting, this dividend will be paid during the first half of 2021.

18.6 Legal and arbitration proceedings

In the normal course of its business, the Group is involved in a certain number of litigation and arbitration with third parties or with the tax administrations of certain countries. Provisions are recorded for such litigation and arbitration proceedings when a legal, contractual or constructive obligation exists at the closing date with respect to a third party; it is probable that an outflow of resources without economic benefits will be necessary to settle the obligation; and the amount of the said outflow of resources can be estimated in a sufficiently reliable manner. Provisions recorded in respect of the above amounted to EUR 61.6 million as of December 31, 2020.

There is no other governmental, judicial, or arbitration proceedings of which the Group is aware of, that is suspended or with which it is threatened, likely to have or that has already had, in the past six months, a material impact on the Group's financial position or profitability.

Litigation in Argentina

In Argentina, tariffs applicable to public-service contracts were frozen by the Public Emergency and Exchange Regime Reform Law (Emergency Act) in January 2002, preventing the application of contractual price indexation that would apply in the event of a depreciation of the Argentine peso against the US dollar.

In 2003, SUEZ – now ENGIE – and its co-shareholders in the water concessions for Buenos Aires and Santa Fé filed arbitration proceedings against the Argentinean government, in its capacity as grantor, to enforce the concession agreements' contractual clauses with the International Center for the Settlement of Investment Disputes (ICSID), in accordance with the bilateral Franco-Argentinean investment protection treaties.

These ICSID arbitration proceedings aim at obtaining indemnities to compensate for the loss of value of the investments made since the start of the concession due to the measures adopted by the Argentinean government following the adoption of the abovementioned Emergency Act. The ICSID acknowledged its jurisdiction to rule on the two cases in 2006. At the same time as the ICSID proceedings, the concession-holders Aguas Argentinas and Aguas Provinciales de Santa Fé were forced to file proceedings to cancel their concession agreement with local governments.

However, since the financial situation of the concession-holding companies had deteriorated since the Emergency Act, Aguas Provinciales de Santa Fé announced that it was filing for judicial liquidation at its shareholders' meeting on January 13, 2006.

At the same time, Aguas Argentinas applied to file a Concurso Preventivo (similar to a French bankruptcy procedure). As part of these bankruptcy proceedings, a settlement proposal involving the novation of admissible Aguas Argentinas liabilities was approved by creditors and ratified by the bankruptcy court on April 11, 2008. The proposal provides for an initial payment of 20% (about USD 40 million) upon ratification and a second payment of 20% in the event of compensation by the Argentinean government. As controlling shareholders, ENGIE and Agbar decided to financially support Aguas Argentinas in making this first payment, upon ratification, and paid USD 6.1 million and USD 3.8 million respectively.

In two decisions dated July 30, 2010, the ICSID recognized the Argentine government's liability in canceling the Buenos Aires and Santa Fé water and wastewater treatment concession contracts. In addition, in June 2011 the ICSID appointed an expert to provide a definitive assessment of the compensation payable for the commercial harm. The reports on the Buenos Aires and Santa Fé concessions were presented by the expert to the ICSID respectively in September 2013 and in April 2014.

Regarding the Buenos Aires concession, ICSID rendered its decision on April 9, 2015 ordering the Argentine Republic to pay Aguas Argentinas shareholders USD 405 million in damages (including USD 367 million to SUEZ and its subsidiaries). In early August 2015, the Republic of Argentina petitioned an *ad hoc* ICSID committee to render this decision invalid. The appeal was rejected in May 2017 making ICSID's decision final. In April 2019, the Argentine government and the shareholders of Aguas Argentinas entered into and implemented a settlement agreement pursuant to the ICSID decision, for which SUEZ and its subsidiaries received a cash amount of EUR 224.1 million.

Concerning the Santa Fé concession, in a December 4, 2015 decision, ICSID ordered the Argentine Republic to pay USD 225 million to the shareholders of Aguas Provinciales de Santa Fé as a result of the termination of the concession agreement, and the entire amount was to go to SUEZ and its subsidiaries. In September 2016, the Republic of Argentina petitioned an *ad hoc* ICSID committee to render this decision invalid. This recourse was rejected in December 2018 making this decision irrevocable.

This situation has not changed since this last date.

(1) Based on the total number of shares at December 31, 2020.

Litigation related to the proposed Veolia unsolicited takeover

On August 30, 2020, Veolia announced it wanted to take control of SUEZ and had (i) submitted an offer to ENGIE to purchase 29.9% of SUEZ's share capital and (ii) intended to file a voluntary takeover bid for the remaining SUEZ shares, if ENGIE accepted its offer, by no later than when the regulatory authorities provided the required authorizations. In addition, this plan would include disposing of the SUEZ Eau France business to Meridiam due to competition-related issues. On September 10, 2020, the SUEZ Board of Directors stated that they considered Veolia's unsolicited approach incompatible with the Company's and stakeholders' best interests. Nevertheless, on October 5, 2020, ENGIE accepted the purchase offer Veolia proposed for EUR 18 per share. Since then, several legal proceedings have been initiated in relation to Veolia's proposed unsolicited takeover of SUEZ.

On February 8, 2021, Veolia filed its unsolicited draft takeover bid with the French Financial Markets Authority (Autorité des Marchés Financiers – AMF) for the remaining SUEZ shares not held by Veolia (70.1%) at a price of EUR 18 coupon attached.

On April 12, 2021, SUEZ and Veolia announced that they had reached an initial agreement that included "the suspension of ongoing legal proceedings and, upon signature of the final agreements, the withdrawal of SUEZ and Veolia from all ongoing litigation and the absence of any new proceedings between them" (hereafter the "Initial Agreement").

Appeal against a ruling by the French Financial Markets Authority (*Autorité des marchés financiers* – AMF)

Duly noting Veolia's announcements, SUEZ invited the AMF to record the opening of a pre-offer period starting from the date Veolia published its announcement on August 30, 2020, since the announcement contained the attributes of the planned bid. The AMF refused to accede to this request as per a decision dated September 24, 2020.

In October 2020, SUEZ decided to challenge the AMF ruling handed down on September 24, 2020 before the Paris Court of Appeals. As a result, SUEZ invited the Court of Appeals to (i) decide that the press release published on August 30, 2020, in which Veolia announced its intention to file a takeover bid for SUEZ's shares, should have resulted in the immediate opening of a pre-offer period, and (ii) rule contrary to the provisions of the AMF General Regulation any acquisition of SUEZ shares by Veolia since that date and until the takeover bid is filed, and especially the acquisition by Veolia of 29.9% of SUEZ's share capital from ENGIE, announced on October 5, 2020. In a decision dated February 11, 2021, the Paris Court of Appeals rejected these claims. SUEZ has not lodged an appeal with the Court of Cassation against this judgment.

Proceedings related to the Foundation (measures to ensure the sustainability of SUEZ Eau France within SUEZ Group)

The SUEZ Board of Directors considered, as part of Veolia's unsolicited takeover proposal, that a potential disposal of SUEZ Eau France would run counter to SUEZ's purpose and corporate interest as well as the interests of SUEZ's stakeholders and especially its employees. In fact, through its SUEZ Eau France subsidiary, the Group's Water France Activity is a vital component of the Group's strategy and is one of the pillars of value creation through the SUEZ 2030 plan. The Board of Directors therefore decided that it needed to legally ensure the sustainability of SUEZ Eau France within SUEZ Group by creating a foundation whose purpose is to preserve the integrity of the France Water Activity within the SUEZ Group ("the Foundation"). SUEZ Eau France's control, management and tax consolidation remains the same, under SUEZ Group's management. During four years, unless its shareholders including the Foundation approve otherwise during this period under certain conditions, SUEZ Eau France will be inalienable, like its assets. During this period, the SUEZ Board of Directors may deactivate the measures of the Foundation or make them irrevocable until September 2024.

On November 19, 2020, ruling on a motion submitted by Veolia, the President of the Nanterre Commercial Court temporarily prevented SUEZ from making the Foundation measures irrevocable. SUEZ contested this provisional measure handed down on an *ex-parte* basis. The Association for the Defense of Minority shareholders (ADAM) and SUEZ employee representative bodies voluntarily intervened in the proceedings.

On March 4, 2021, at the request of SUEZ, the President of the Commercial Court of Nanterre revoked his order of November 19, 2020. Veolia has not appealed this decision.

In accordance with the above-mentioned court order dated November 19, 2020, Veolia summoned SUEZ, SUEZ Groupe, SUEZ Eau France and the Foundation before the Nanterre Commercial Court to request that the ruling that allowed for the creation of the Foundation, as well as all the official documents related to it, be set aside. SUEZ considers that this ruling was adopted lawfully and in keeping with the corporate interests of the Company and all its stakeholders.

On April 9, 2021, Veolia applied for an interlocutory injunction against SUEZ and Fondation SEF Stichting, including in particular:

- subjecting SUEZ and Fondation SEF Stichting to an injunction against (i) reinstating the revocation option in the measures implemented by the SUEZ Board of Directors until publication of the notice of the finalization of Veolia's takeover bid on the AMF website;
- forbidding SUEZ and Fondation SEF Stichting from undertaking any new measure aimed at or resulting in the limitation of possibilities available to the SUEZ Board of Directors to deactivate Fondation SEF Stichting, which had been implemented by its Board of Directors on September 23, 2020.

Following the Initial Agreement, the interlocutory proceedings, initially scheduled for April 13, 2021, were postponed until May 20, 2021 to set a date for the closing arguments or withdrawal of the parties, as applicable.

Proceedings related to information/consultation of SUEZ's staff representative bodies

On September 22, 2020, SUEZ's Staff Representative Bodies (the Works Council of SUEZ's Economic and Social Unit and SUEZ Eau France's Works Committee joined by SUEZ's European Works Council) summoned Veolia, ENGIE and SUEZ to attend urgent proceedings in order to be consulted on the proposed sale of 29.9% of the Company's share capital by ENGIE to Veolia, then on the proposed merger between SUEZ and Veolia announced by Veolia, and, pending the implementation of this consultation, to suspend any transaction leading to the merger of the SUEZ and Veolia Groups, including the firm offer by Veolia to purchase the SUEZ shares held by ENGIE and Veolia's proposed takeover bid of SUEZ, until SUEZ's staff representative bodies had been informed and consulted.

In a court order dated October 9, 2020, and fully confirmed by the Paris Court of Appeals on November 19, 2020, the judge hearing applications for interim measures at the Judicial Court of Paris considered that the lack of consultation of SUEZ's staff representative bodies amounted to a patently unlawful disturbance and notably decided to suspend the Veolia proposal in its entirety until SUEZ's staff representative bodies had been consulted about the Veolia transaction, considering that Veolia's press release on August 30, 2020 was the first step in a comprehensive fully developed plan. Veolia and ENGIE had filed an appeal against this decision before the French Supreme Court (Cour de Cassation) but finally withdrew their appeal on February 18, 2021.

On December 15, 2020, Veolia also filed an emergency motion at short notice asking the President of the Paris Judicial Court to amend the Court of Appeal's above-mentioned judgment dated November 19, 2020 and order that the court-ordered suspension pronounced on October 9, 2020 end on February 5, 2021. On January 15, 2021, the urgent applications judge declined jurisdiction and invited Veolia to take proceedings in the proper court regarding all of its claims.

Veolia also summoned SUEZ and its staff representative bodies before the Nanterre Judicial Court under a special "fixed-date" urgent procedure seeking a ruling that SUEZ's staff representative bodies did not have to be consulted at this stage of Veolia's proposal. In a ruling dated February 3, 2021, the Judicial Court granted Veolia's request, contradicting the court rulings handed down previously by the President of the Judicial Court and the Paris Court of Appeals. SUEZ's staff representative bodies have appealed this ruling.

In its decision of April 15, 2021, the Versailles Court of Appeal overturned the judgment of February 3, 2021, which specified that there was no reason to consult SUEZ staff representative bodies at the stage of the Veolia proposal involving the acquisition of 29.9% of SUEZ shares held by Engie and the proposed takeover bid addressed to the SUEZ Board of Directors, and confirmed this to be excessive. The decision consequently (i) declared the information/consultation process involving staff representative bodies to be well founded, (ii) stated that Veolia and Engie had submitted the documents and information liable to be provided by both companies at this stage, and (iii) stated that there was no reason to suspend the shareholder rights attributed to Veolia, or more generally, the transaction. An appeal may be lodged within two months from the day of the decision.

Proceedings related to measures ordered to facilitate possible future proceedings at ENGIE, Veolia and Meridiam

In November 2020, SUEZ obtained three court orders authorizing bailiffs to visit Veolia, ENGIE and Meridiam, due to suspected administrative, civil and criminal misconduct by these companies. The bailiffs went and seized documents at these locations. In December 2020, Veolia, ENGIE and Meridiam requested that these court orders be withdrawn.

Following the Initial Agreement, the deliberations initially scheduled for April 30, 2021 have been postponed to May 27, 2021, unless the parties withdraw before this date.

Proceedings following Veolia's announcement on February 7, 2021 that it had filed its proposed takeover bid

On the evening of Sunday, February 7, 2021, Veolia published a press release in which it announced its decision to launch a takeover bid on SUEZ.

Considering that these announcements constituted a breach of the unconditional amicable commitment Veolia made prohibiting it from filing a proposed takeover bid not approved in advance by SUEZ's Board of Directors, SUEZ immediately petitioned the President of the Nanterre Commercial Court, who decided, under the terms of the court order handed down on February 8, 2021, to order Veolia to refrain from disclosing a takeover bid to the AMF or launching a takeover bid for SUEZ's shares without prior approval by SUEZ's Board of Directors, and more generally, to immediately take any measure to ensure this injunction is effective until the end of the proceedings on the merits to be brought by SUEZ swiftly and no later than by February 16, 2021, which it did.

On February 10, 2021, Veolia summoned SUEZ before the Nanterre Commercial Court in order to have the above-mentioned court order dated February 8, 2021 withdrawn. On February 23, 2021, the President of the Commercial Court of Nanterre declared himself incompetent in favor of the Commercial Court of Paris and therefore retracted the order of February 8, 2021.

On February 12, 2021, SUEZ brought Veolia and ENGIE before the summary proceedings judge of the Nanterre Commercial Court in order, inter alia, to obtain the withdrawal by Veolia of its proposed takeover bid for SUEZ shares filed on February 8, 2021, pending the outcome of the proceedings initiated by SUEZ before the Nanterre Commercial Court at short notice, also with a view to ordering the said withdrawal. On February 23, 2021, the President of the Commercial Court of Nanterre declared himself incompetent in favor of the Commercial Court of Paris.

Taking note of the summary orders of February 23, 2021, SUEZ withdrew on February 25, 2021 from its summary proceedings before the Commercial Court of Nanterre, and, on March 8, 2021, summoned Veolia to appear before the Paris Commercial Court in order to obtain a ruling that Veolia had breached its undertaking not to initiate a public offer for SUEZ's shares without first obtaining the approval of the Board of Directors of SUEZ.

Following the Initial Agreement, the defense proceedings initially scheduled for April 12, 2021 have been postponed until May 20, 2021 to set a date for the closing arguments or withdrawal of the parties, as applicable.

Procedure following press rumors about SUEZ's Recycling and Recovery activities in England and Australia

On March 13, 2021, following press rumors mentioning negotiations underway on the sale of SUEZ's Recycling and Recovery activities in England and Australia, Veolia summoned SUEZ SA, SUEZ Australia Holding Pty Ltd, SUEZ UK Group Holdings Ltd, Cleanaway Waste Mangement Ltd, I Squared Capital Advisors (US) LLC, I Squared Capital Advisors (US) and I Squared Capital (UK Parent) Limited PLC to be ordered to suspend, pending the General Shareholders' Meeting called to approve the financial statements for the year 2020, the conclusion of any agreements whose purpose or effect is to result in the transfer to a third party of SUEZ's assets considered strategic by Veolia, namely the Recycling and Recovery assets in England and Australia.

Following the Initial Agreement, the defense proceedings initially scheduled for April 21, 2021 have been postponed until May 20, 2021 to set a date for the closing arguments or withdrawal of the parties, as applicable.

On March 26, 2021, Veolia filed legal proceedings before the Federal Court of Australia, demanding (i) precautionary measures for Australian subsidiaries of SUEZ and any SUEZ entity, in particular, 10 days' notice before the signature of any binding agreement for the sale assets pertaining to SUEZ in Australia to the Australian group Cleanaway and (ii) a decision on the merits prohibiting Australian subsidiaries of SUEZ from finalizing a binding agreement or transaction of this type until July 2, 2021.

On April 1, 2021, Veolia filed a new petition asking the judge to forbid SUEZ from signing any new binding agreement with Cleanaway before April 6, 2021. The Federal Court of Australia rejected this petition from Veolia that same day. Veolia has subsequently withdrawn from the legal proceedings it had filed against SUEZ and its subsidiaries in Australia.

18.7 Significant change in the financial or business situation

Please see section 8.5.2 "Expected sources of financing", chapter 11 "Profit forecasts or estimates" and chapter 18.1, Note 24 "Subsequent events", of this Universal Registration Document.

19 Additional information

19.1 General information on share capital

19.1.1 Amount of share capital as of December 31, 2020

As of December 31, 2020, the Company's share capital amounted to EUR 2,513,450,316. It consisted of 628,362,579 shares with a par value of EUR 4 each.

As of December 31, 2019, the Company's share capital amounted to EUR 2,485,450,316. It consisted of 621,362,579 shares with a par value of EUR 4 each.

The Company shares are fully subscribed and paid up, and all belong to the same class.

19.1.2 Non-equity instruments

None.

19.1.3 Shares held by the Company or on its behalf

This chapter contains information to be included in accordance with Article L. 225-211 of the French Commercial Code.

AUTHORIZATION FOR THE COMPANY TO PURCHASE ITS OWN SHARES (SHAREHOLDERS' MEETING OF MAY 12, 2020)

Resolution 20 of the Combined shareholders' meeting of May 12, 2020 (i) terminated the unused portion of the authorization granted to the Board of Directors by Resolution 17 of the Combined shareholders' meeting of May 14, 2019, and (ii) authorized the Company to trade in its own shares, and delegated full powers to the Board of Directors to implement this authorization, including the power to subdelegate, under the following terms and conditions and according to the following objectives:

Conditions:

- maximum authorized purchase price per share: EUR 25;
- maximum ownership: 10% of share capital;
- securities: shares traded on the Euronext Paris Stock Exchange.

Objectives:

- to ensure liquidity and promote the Company's shares on the secondary market through an investment service provider acting independently under a liquidity contract; or
- to subsequently cancel all or part of the shares thus purchased under the conditions set forth in Article L. 22-10-62 of the French Commercial Code, as part of a capital reduction that would be decided or authorized by the shareholders' meeting; or
- to proceed with the allocation or transfer of shares to employees or former employees and/or corporate officers or former corporate officers of the Company and/or companies affiliated with it or which will be affiliated with it, in France and/or outside France, as provided by Article L. 225-180 of the French Commercial Code, particularly in the context of any stock option plans, any bonus allocation of existing shares, any employee shareholding plans, or any compensation scheme applied by the Company, specifically under the relevant provisions of the French Commercial Code and/or French Labor Code, or French or foreign laws and regulations, and for any hedges set up for such transactions and related commitments of the Company, under the conditions approved by the market authorities and at the times that the Board of Directors or the person acting on behalf of the Board of Directors deems appropriate; or
- to hedge securities conferring entitlement to the Company's shares; said shares to be delivered at the time the rights attached to these securities conferring entitlement are exercised, either through redemption, conversion, exchange, presentation of a warrant or by any other means of allocation of Company shares; or
- more generally, to pursue any other goal that is or becomes authorized by law or regulations, or engage in any market practice that is or becomes approved by the financial market regulators, provided that the Company's shareholders are formally notified thereof *via* a press release.

On May 12, 2020, the Board of Directors subdelegated to the Chief Executive Officer the power to implement this authorization granted by the shareholders' meeting of the same date, in accordance with the objectives authorized by Resolution 20 of that meeting.

TRANSACTIONS DURING FISCAL YEAR 2020 AND BALANCE OF TREASURY SHARES AS OF DECEMBER 31, 2020

Under the liquidity contract

The Company entered into a liquidity contract with Rothschild & Cie Banque on August 9, 2010. Under this liquidity contract, in 2020 the Company acquired 5,479,152 shares for a total value of EUR 77,925,047, at an average share price of EUR 14.22, and sold 5,516,652 shares for a total value of EUR 79,303,696, at an average share price of EUR 14.38. As of December 31, 2020, the liquidity contract covered the following resources: 0 shares and EUR 30,123,247. The liquidity contract has terms that provide for its suspension or termination in the event of a takeover bid as defined by Article 5 of AMF decision No. 2018-01 (suspension in the event of a takeover bid) and in the event of a securities transaction affecting the Company's securities. As of the date of this document, the trading platform used to set up the liquidity contract is Euronext Paris.

Outside the liquidity contract

- the Company reallocated 2,970,050 shares held to grant to employees and Corporate Officers to be canceled, then canceled the 2,970,050 shares on January 28, 2020;
- the Company reallocated 18,724 shares held to grant to employees and Corporate Officers to hedge securities conferring entitlement to the Company's shares, then transferred these 18,724 shares following a request to convert a limited number of OCEANE on February 27, 2020.

Balance as of December 31, 2020

Number of shares	
Purchased	5,479,152 [a]
Sold	5,516,652 [b]
Transferred	18,724 [c]
Canceled	2,970,050
Average price *(in euros)*	
Purchase	14.2220
Sale	14.3753
Number of treasury shares held	187,161
Percentage of capital held	0.03%
Value of the portfolio [d] *(in euros)*	2,360,064

(a) All of the shares purchased during fiscal year 2020 were related to the liquidity contract set up by the Company.
(b) All of the shares sold during fiscal year 2020 were related to the liquidity contract set up by the Company.
(c) All of the treasury shares used have been transferred as part of the conversion request of a limited number of OCEANE shares.
(d) Share value assessed at purchase price.

As of December 31, 2020, the Company held 187,161 shares, including 0 under the liquidity contract, amounting to 0.03% of the Company's share capital, with a market value of EUR 3,035,751 (spot price as of December 31, 2020) and a purchase price of EUR 2,360,064.

TRANSACTIONS BETWEEN JANUARY 1 AND FEBRUARY 15, 2021

Between January 1, 2021 and February 15, 2021, no transactions were carried out on the Company's shares. Consequently, on February 15, 2021, the Company held 0.03% of its share capital, i.e. 187,161 shares (all of the shares being held for the purpose of allocation to employees and Corporate Officers).

19.1.4 Other equity instruments

None.

19.1.5 Authorizations and delegations of authority granted by the shareholders' meeting

See chapter 14.4 of this Universal Registration Document.

19.1.6 Options or agreements concerning the Company's share capital

None.

19.1.7 History of the share capital

Date	Type of transaction	Share capital before transaction *(in euros)*	Premium *(in euros)*	Shares issued/ canceled	Par value *(in euros)*	Cumulative (number of shares)	Share capital after transaction *(in euros)*
February 28, 2018	Capital reduction [a]	2,493,450,316	22,042,096.47	2,000,000	4	621,362,579	2,485,450,316
January 16, 2020	Capital increase [b]	2,485,450,316	74,706,100.36	9,970,050	4	631,332,629	2,525,330,516
January 28, 2020	Capital reduction [c]	2,525,330,516	N/A	2,970,050	4	628,362,579	2,513,450,316
March 18, 2021	Capital increase [d]	2,513,450,516	116,242,670.55	10,976,645	4	639,339,224	2,557,356,896

(a) Capital reduction due to the Company's cancellation of 2,000,000 treasury shares.
(b) Capital increase due to the subscription of 9,970,050 new shares as part of the SUEZ Group "Sharing 2019" employee share issue.
(c) Capital reduction due to the Company's cancellation of 2,970,050 treasury shares.
(d) Capital increase resulting from the subscription of 10,976,645 new shares as part the offer reserved for French employees of the SUEZ Group "Sharing 2021".

19.2 Memorandum of association and bylaws

The Company's bylaws are available on the Company website at www.suez.com.

19.2.1 Purpose of the Company and Trade and Company Register

The Company's purpose is set out in Article 3 of the Company bylaws.

The purposes of the Company are as follows, in all countries and by all means:

1. the provision, in any form whatsoever, of all services connected to the environment, and in particular:
   - all services for the production, transportation and distribution of water, for all domestic, industrial, agricultural or other needs and uses, on behalf of local public authorities or private individuals,
   - all wastewater treatment services, including the disposal of sludge of domestic, industrial, or other origin,
   - all services that may directly or indirectly concern the collection, sorting, treatment, recycling, incineration, and recovery of all types of waste, by-products and residues, and generally any activity or venture related to waste management,
   - the creation, acquisition, operation or divestment of all transport and road haulage services,
   - the creation, purchase, sale, leasing, rental, management, installation and operation of any facility relating to waste management, and
   - generally, all services on behalf of local public authorities, private entities and residential customers connected with the above;
2. on an ancillary basis, the production, distribution, transportation, utilization, management and development of energy in all its forms;
3. the study, setup and completion of all projects, services, and public or private works on behalf of any local public authorities, private entities or residential customers; the preparation and awarding of all contracts of any type whatsoever relating to those projects and works;
4. the acquisition of equity interests by obtaining shares, interests, bonds and other corporate securities, existing or to be created in the future, *via* subscription, purchase, contribution, exchange or any other means, and the capacity to dispose of such interests;
5. the acquisition, purchase, transfer and operation of any patent, trademark, model, patent license or process;
6. the granting of any guarantee, first-call guarantee and other surety to any Group company or entity in the course of their business, as well as the financing or refinancing of their activities;
7. the subscription of any borrowing or, more generally, utilization of any type of financing, specifically *via* the issue or, as the case may be, the subscription of debt securities or financial instruments, in order to finance or refinance the Company's business activity; and
8. more generally, all industrial, financial and commercial transactions and transactions involving movable assets or real estate that may be connected directly or indirectly to one of the purposes specified above or any other similar or connected purpose or a purpose that might benefit and develop the Company's business.

The Company is registered in the Trade and Company Register of Nanterre (France) under the number 433 466 570.

19.2.2 Rights, privileges and restrictions attached to shares

All of the Company's shares fall under the same category and have all the same rights. The rights attached to the Company's shares are detailed in Article 8 of the Company bylaws. Information related to rights, privileges and restrictions attached to Veolia Environnement's shares in the Company are described in chapter 16.3 of this Universal Registration Document.

19.2.3 Provisions to delay, postpone or prevent a change of control of the Company

The bylaws contain no provisions likely to delay, postpone or prevent a change of control of the Company. Factors likely to have an impact in the event of a takeover bid are described in section 16.3.2 of the Universal Registration Document.

20 Significant contracts

The most significant contracts, other than contracts entered into in the normal course of business, are described in chapters 5 and 16 of this Universal Registration Document. These include the following contracts:

- Shareholders' Agreement signed between SUEZ Groupe SAS, SUEZ (Asia) Limited, Beauty Ocean Ltd and NWS Holdings Limited, relating to SUEZ NWS Limited (previously Sino French Holdings (Hong Kong) Limited (see section 5.3.4.1));
- Shareholders' Agreement entered into by SUEZ Groupe SAS, Cofely (the successor of Elyo), Fipar Holding and Al Wataniya in December 2004, related to Lydec (see section 5.3.5.1 (A));
- Agreement signed in June 2015 between Chongqing Suyu Business Development Company Limited (joint venture between SUEZ and New World Services) and Chongqing Water Assets Management Co. Ltd concerning the Derun Environment company for the purpose of creating a major player in the water and waste sector in China;
- Agreement signed in July 2016 between SUEZ and various companies belonging to Caltagirone's Group, related to their contribution of a 10.85% stake in Acea, compensated by issuing 20 million new Company shares subject to a four-year lock-up period, i.e., until September 2020;
- Shareholders' Agreement signed on September 22, 2017 between SUEZ, SUEZ Groupe SAS and Caisse de Dépôt et Placement du Québec, related to SUEZ Water Technologies and Solutions, a company integrating the industrial water assets of GE Water and SUEZ (see section 5.3.7); and
- Shareholders' Agreement signed on March 1, 2019 between SUEZ Water Inc. and Stichting Depositary PGGM Infrastructure Funds related to SUEZ Utility Holdings Inc., a company integrating the regulated water assets of the SUEZ Group in the United States (see section 5.3.6).

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21 Documents available to the public

Corporate documents relating to the Company are made available to shareholders in accordance with current legislation and may be consulted on the Company's website at the following address: https://www.suez.com, as well as at the Company's head office, Tour CB21, 16 place de l'Iris, 92040 Paris-La Défense Cedex, France, under applicable legal and regulatory conditions.

Reference Document and Universal Registration Documents filed with the AMF for 2018, 2019 and 2020, the interim financial reports, and quarterly financial information may be consulted on the Company's website (at https://www.suez.com under "Finance," "Financial publications").

In addition, the regulatory information set out in Article 221-1 of the AMF General Regulations may be consulted on the Company's website (at https://www.suez.com, under "Finance," "Analysts and investors," "Regulated information").

PERSON IN CHARGE OF INFORMATION

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Glossary

Biological recovery	Method of treating organic waste by composting it or turning it into methane.
Biomechanical recovery	Process in which waste is treated by mechanically isolating certain parts and treating others biologically. Includes several types of mechanical and biological processes, which may be combined in several ways depending on the desired results. Enables the separation of different fractions contained in waste into potentially reusable fractions and/or which can be treated biologically.
BOT (Build-Operate-Transfer) Contract	Contract under which a private company is responsible for project financing and for the design, construction and operation of the site for a fixed period, after which the property is transferred to the co-contractor.
Composting	A biologic process consisting of the conversion and recycling of organic materials including sewage sludge and organic waste of biologic origin into compost, a product that is stable and rendered hygienic and is rich in humic acids that are used to enhance agricultural processes.
DB (Design-Build) Contract	A building contract for a system for delivering the finished product. The design and construction of the project are carried out by one and the same entity known as the design-builder or design-build-contractor.
DBO (Design-Build-Operate) Contract	Contract under which a private company is responsible for the design, construction and operation of a site.
EMAS – Environmental, Management and Audit System	Certificate based on ISO 14001 certification and an environmental declaration certified by European inspectors, approved by the European Commission and published.
End-of-Life Vehicle	An end-of-life vehicle is a vehicle transferred by its owner to a third party for destruction. The vehicles involved are private cars, vans and three-wheeled scooters.
E**nergy recovery**	Use of combustible waste as a means of producing energy, by direct incineration with or without other combustible matter, or by any other process, but with heat recovery. Energy recovery consists in using the calorific energy of waste by burning it and recovering that energy in the form of heat or electricity. The process can be carried out at an incineration plant or a cement works.
Energy recovery units	Another name for energy-recovering incinerators.
EPC (Engineering, Procurement and Construction)	Turnkey contracts where contractors provide engineering, design and completion services for a project.

ISO 14001	International standard aimed at verifying a company's procedural organization and methods of the organizational units, as well as the efficient set-up of an environmental policy and related environmental objectives.
Leachate	Water that percolates through the waste stored in landfills and becomes bacteriologically and chemically charged. By extension, this term is also used for water that has come into contact with waste.
Membrane	A kind of filter or sieve that retains particles of different sizes depending on its type and the diameter of its holes.
Natura 2000 Zones	Aiming to conserve biological diversity and promote landscapes, the European Union has embarked, since 1992, on establishing a network of ecological zones known as Natura 2000, which preserve species and natural habitats while taking the human, economic, cultural and regional activities that exist in those zones into account.
O&M (Operation and Maintenance)	Type of contract where management is delegated for the operation and maintenance of facilities as well as for certain renewal projects, excluding investments for initial capital expenditure.
PFI – Private Finance Initiative	Financing mechanism which appeared in Great Britain in 1992, whereby a private company finances the design and construction of a project usually assigned to a public authority, and then ensures its management by signing a PPP contract.
PPP – Public-Private Partnership	Financing mechanism by which the local authority calls upon private service providers to finance and manage installations that provide or contribute to the provision of a public service.
Process water	Water used by industries for the operation of technical facilities or to manufacture products.
Public service contract	Public service contracts are a form of management contract under which a public entity entrusts management of a public service to a company for a fixed period. The company is paid directly by customers and finances all or part of the investments in plant renewal (leasing contract) and in new plants (concession). The terms of concession contracts are generally longer (10 to 30 years) than those of leasing contracts (10 to 20 years) in view of the need for the operator to amortize the newly built installation works.
RDF – Refuse-Derived Fuel	Solid fuel produced through sorting household waste to extract non-combustible materials and compact combustible materials.
Relevant revenues	Revenues generated by "relevant" activities. In fact, certain activities within the scope of financial consolidation may not be considered relevant for environmental reporting purposes due to their core activity. The financial holding company, and commercial, broking, trading, marketing and sales activities are not considered relevant.
Single stream	Type of waste collection system where recyclable waste is collected from users in a single stream, which is subsequently separated in recycling centers.
Skid	In membrane technology, a platform comprising a frame, potentially on rails, on which an installation assembly is placed. Enables access to a system which can be moved and transported immediately, without dismantling it.

Sludge	Residue obtained following the treatment of effluent. Sludge consists of water and dry material. Properties of sludge vary widely depending on their origin. They depend on the nature of the effluent and the type of treatment applied.
Soil amendment/ conditioning	Process aimed at improving the physical properties of soil by incorporating material which, without being a fertilizer, alters and improves the nature of the soil. Sand, clay, lime or organic material, are all conditioners.
Stadtwerke	Term of German origin used for a municipal company belonging to a German town, the purpose of which is to manage certain public services, particularly energy, water and transport.
Treatment plant sludge	All residues from the biological activity of microorganisms living in treatment plants and transforming the material carried by wastewater so that it can be extracted. They consist mainly of water, mineral salts and organic matter.
WEEE – Waste electrical and electronic equipment	Electrical and electronic equipment includes all devices or components operating on electric or electromagnetic current (whether powered by electrical outlets or by batteries). These include, for example**, household electrical goods or white products** (cooking appliances, refrigerators, heaters, vacuum cleaners, etc.); **audiovisual equipment or brown products** (radios, television sets, camcorders, video recorders, hi-fi equipment, etc.); and **office and computer equipment, or grey products** (computers, printers, scanners, telephones, etc.).

Note on methodology

Operating data	Most of the operating data contained in this document were calculated on the basis of a scope of consolidation that includes fully integrated companies.
Population served by collection activities	The population served by the Group's collection activities corresponds to the number of residents served by traditional collection, to which is added the number of residents served by selective collection (a conventional collection operation and a selective collection operation that serve the same individual can thus be added together). This involves estimates (the number of residents served by the Group's collection activities has not been counted).
Human Resources	The number of Group employees corresponds to the number of salaried employees in SUEZ and its fully consolidated subsidiaries. Employees of companies consolidated by proportional consolidation or the equity method (for example employees of Group subsidiaries in China or Mexico) are therefore not included in the total Group workforce on that basis; the employee counts mentioned for them are thus in addition to that total. As soon as a company enters into the scope of consolidation through full consolidation, 100% of its employee data is included, regardless of the percentage of share capital held.

Concordance table

This Universal Registration Document includes all the elements from the Management Report of the Company and of the Group for the year 2020, as required in particular by Articles L. 225-100, L. 232-1, L. 225-100-1, L. 225-102-1, L. 225-102-4 and L. 225-37 of the French Commercial Code (FCC). The Management Report was approved by the Board of Directors of the Company on February 24, 2021.

Mentions relating to the Management Report	Article	Universal Registration Document section
I. ACTIVITY OF THE COMPANY AND ITS SUBSIDIARIES AND/OR CONTROLLED COMPANIES, AND OUTLOOK		
Status and business of the Group	L. 232-1-II, L. 233-6 and L. 233-26 (FCC)	Chapter 5
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Objective and exhaustive analysis of business development, the Company's income and financial situation and, specifically, its debt position in terms of business volume and complexity	L. 225-100-1, I-1, L. 232-1, L. 233-6 and L. 233-26 (FCC)	Chapters 5, 7, 8, 18.1 and 18.3
Analysis of key non-financial performance indicators relating to the Company's specific business and particularly information relating to environmental or employee issues	L. 225-100-1, I-2 (FCC)	Chapters 5.9 and 15
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Identity of individuals or corporate entities owning over 1/20, 1/10, 3/20, 1/5, 1/4, 1/3, 1/2, 2/3, 18/20 or 19/20 of the share capital or voting rights at Shareholders' Meetings	L. 233-13 (FCC)	Chapters 16.1, 16.2 and 16.3
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Notes

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